



September 15, 2009

Honorable Jaclyn A. Brillling, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, NY 12223

RE: Case No. 03-E-0188
Order Regarding Retail Renewable Portfolio Standard

Dear Secretary Brillling:

The attached Renewable Portfolio Surcharge ("RPS") Surcharge Statement No. 1, issued by Niagara Mohawk Power Corporation, d/b/a National Grid, is being transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York:

Statement of Renewable Portfolio Surcharge-Statement No. 2

To P.S.C. No. 220 Electricity

Effective: October 1, 2009

This filing is being issued in compliance with Order issued December 24, 2004 in the above mentioned proceeding. Specifically, Ordering Clause No. 4 directed the Company to update the RPS surcharge for each 12 month collection period's level of funding as established in Appendix E of this Order. Each collection period was to commence three months prior to the applicable calendar year, or October 1, and fashioned to correspond to each utility's respective collection allocations, with any over or under collections being trued up on an annual basis.

The attachments included with this filing present the development of the revised RPS collection rate. The Company proposes that the revised RPS collection rate of **\$0.001083/kWh** become effective on October 1, 2009 and remain in effect through September 30, 2010. It is projected the revised collection rate will recover **\$30,389,452** during the period twelve months ending September 30, 2010 which consists of the Company-specific annual collection allocation for 2010 of **\$29,212,826** and the 2009 reconciliation adjustment of **\$1,176,626**.

The attachments included with this filing support the RPS reconciliation calculation and the development of the proposed RPS collection rate. All attachments are footnoted accordingly to describe the calculations used and the input data required to perform the reconciliation and the development of the proposed RPS collection rate. The attachments are as follows:

- Attachment 1: RPS Collections during the Period October 1, 2008-September 30, 2009
Attachment 2: RPS Applicable Sales (kWh) for the Recovery Period of October 1, 2009-
September 30, 2010
Attachment 3: Development of RPS 1 Collection Rate – Effective October 1, 2009

Please direct any action regarding this filing to the undersigned.

Sincerely,

Patricia J. Rivers
Senior Rate Analyst
Electric Pricing Department
(315) 428-6833

PJR
RPS5