



August 3, 2009

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

Re: Case 01-M-0075 – Joint Proposal of Niagara Mohawk Holding, Inc. Niagara Mohawk Power Corporation, National Grid plc and National Grid for Approval of Merger and Stock Acquisition (the “Merger Rate Plan”)

Dear Secretary Brillling:

Enclosed for filing with the Commission are an original and three (3) copies of Niagara Mohawk, d/b/a National Grid’s (“Company”) tariff amendments in compliance with the Commission’s Opinion No. 01-6, Opinion and Order Authorizing Merger and Adopting Rate Plan, issued and effective December 3, 2001 in the captioned proceeding.

Identification of Tariff Amendments

Twenty-Fifth Revised Leaf No. 7  
Twenty-Fifth Revised Leaf No. 19  
Twenty-Fifth Revised Leaf No. 25  
Twentieth Revised Leaf No. 72  
Twenty-Sixth Revised Leaf No. 82

To P.S.C. No. 214 Electricity

Effective: January 1, 2010

Purpose of the Filing

The purpose of this filing is to comply with Niagara Mohawk’s obligations under the Merger Rate Plan to: (i) reset its Competitive Transition Charges (“CTC”) in retail delivery rates to reflect changes in the forecast of commodity prices for the coming two years and (ii) adjust delivery rates to reflect deferral recoveries because the deferral account balance exceeded \$100 million as of June 30, 2009. The Company has included in this filing the tariff leaves that are proposed to become effective on January 1, 2010, or the first year of the current reset period (“Compliance Tariff Leaves”). These Compliance Tariff Leaves include the appropriate rates for calendar year 2010. The Company is also seeking the Commission’s approval of the Compliance Rates contained in Attachment 2 that would become effective on January 1, 2011, the second year of the CTC Reset period. The Compliance Tariff Leaves include an adjustment to Niagara Mohawk’s delivery rates to recover: the unrecovered Adjustment for Deferrals from the Third CTC Reset and the Adjustment for Deferrals calculated for this Fourth CTC Reset based on the deferral balance as of June 30, 2009 and our forecast of deferral

activity through December 31, 2011, the end of the CTC Reset period. These current and forecast deferral balances are documented in Attachment 6 and the schedules to that Attachment.

This filing also includes Niagara Mohawk's hedging plans for 2010 and 2011, as required by Section 1.3.4 of the Merger Rate Plan.

The Company has contracts with the New York Power Authority (the Authority) for the supply of electricity sourced from the Niagara and St. Lawrence power projects (R&D Power). R&D Power received by the Company is directed only to residential customers. The contracts expire December 31, 2009. The Company is assuming these contracts will be extended into the Fourth CTC Reset period, but plans to reconcile these contracts with residential customers in the monthly NYPA Reconciliation (Rule 40).

#### Description of Attachments (not included with the electronic filing)

Included with the copy of the PSC No. 220 filing being hand-delivered to the Commission on this date, are the following attachments that describe and present the revised commodity forecast and the proposed retail electricity rates effective January 1, 2010 and January 1, 2011:

##### Summary of Filing

Attachment 1:	Proposed PSC 220 Tariff Leaves
Attachment 2:	Proposed Electric Delivery Rates
Attachment 3:	Electric Commodity Forecast
Attachment 4:	Commodity Hedging Plans
Attachment 5:	Sales and Billing Determinant Forecast
Attachment 6:	Merger Rate Plan Deferral Account

#### Newspaper Publication

Newspaper publication will be made on August 13, August 20, August 27, and September 3, 2009 in accordance with the requirements of Public Service Law § 66(12)(b).

#### Inquiries about this Filing

Anyone who may have questions regarding the administrative aspects of this filing may call or write the undersigned at the phone number and address listed below. Requests for information about the proposals presented in this filing should be sent via email to Pamela Dise ([pamela.dise@us.ngrid.com](mailto:pamela.dise@us.ngrid.com)) and to Timothy Lillis ([timothy.lillis@us.ngrid.com](mailto:timothy.lillis@us.ngrid.com)). Your information request will be assigned a number for recording purposes, logged into an information request log developed for this specific case, and forwarded to the appropriate Company representative who will prepare the response. The requesting party will receive the response via email.

Technical Conference

All active parties in this Case have been advised that a technical conference to explain the proposals presented in this filing has been scheduled at the Company's offices at 1125 Broadway, Albany, New York, on Thursday, August 20, 2009 at 10:30 a.m. in Conference Room Number 308C.

This letter is submitted in triplicate pursuant to Section 136.10 of the Commission's regulations. Kindly acknowledge receipt and filing of the enclosures by date-stamping the enclosed copy of this letter and return it to the undersigned in the enclosed self-addressed stamped envelope.

Respectfully submitted,

Pamela B. Dise, Manager  
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Attachments

xc: All Active Parties in Case 01-M-0075