



October 18, 2010

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

Dear Secretary Brillling:

The attached statement, issued by Niagara Mohawk, d/b/a/ National Grid ("Company"), is transmitted for filing in accordance with the requirements of the Public Service Commission:

Adjustment to Charges Pursuant to the New York Power Authority (NYPA)  
Hydropower Benefit Reconciliation Mechanism Statement No. 20

To P.S.C. No. 220 Electricity

Effective: November 1, 2010

The purpose of this filing is to implement the reconciliation mechanism associated with Schedule P.S.C. No. 220 Electricity, Rule 40 – Adjustment to Charges Pursuant to the New York Power Authority (NYPA) Hydropower Benefit Reconciliation Mechanism. This rule was established in accordance with Section 1.2.3.2 and Attachment 6 of the Joint Proposal in P.S.C. Case No. 01-M-0075 as approved by the Commission in its Opinion No. 01-6, Opinion and Order Authorizing Merger and Adopting Rate Plan, issued and effective December 3, 2001, and subsequently amended by the Commission in its Order Approving Tariff Amendments, issued and effective August, 28, 2003 in Case No. 03-E-0905 and Order issued and effective December 17, 2007 in Case No. 01-M-0075.

As described in Rule 40.1.3, only the monthly adjustment to residential charges applicable for the NYPA reconciliation shall be implemented commencing March 1, 2009 and shall continue thereafter based upon each month's actual data. Per Rule 40.1.2, the application of the annual adjustment for calendar year 2007 ended as of February 28, 2009.

As stated in the filing letter of the NYPA Hydropower Benefit Reconciliation Mechanism Statement No. 19, due to an interruption in the Company's batch reporting process, a large portion of July 2010 cost month NYPA replacement power was billed late. Subsequently, the July 2010 cost month NYPA replacement power that did not bill in July was included in the August 2010 cost month billings. If each of these cost months were treated individually in accordance with past practice, the shift from July to August would have produced an August cost month NYPA reconciliation charge followed by a credit associated with the September cost month. To avoid the swings in the factor and to minimize the volatility customers would see in their bills, the Company chose to defer the August cost month reconciliation and add this amount to the September cost month reconciliation to produce a credit for November billings. Attachment 2 shows the NYPA reconciliation amounts for the August and September cost months added together to produce a credit for November 2010.

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This filing presents the monthly reconciliation for the cost month of September 2010. The monthly total reconciliation factor of **(\$0.006223)** is effective, on a two-month lagged basis, from November 1, 2010 through November 30, 2010.

Included with this filing are attachments that present the development of this monthly reconciliation. Also included with this filing is the NYPA Reconciliation Statement No. 20 that will be included with Schedule PSC No. 220 Electricity.

Please direct any comments regarding this filing to me at (315) 428-5172 or [pamela.dise@us.ngrid.com](mailto:pamela.dise@us.ngrid.com).

Sincerely:

Pamela B. Dise  
Manager - Electric Pricing Department

PBD  
Attachments

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