



January 25, 2012

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. 35

To P.S.C. No. 220 Electricity

Effective: February 1, 2012

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 (1) its Order Approving Tariff Amendments, issued and effective August, 28, 2003 in Case No. 03-E-0905, (2) its Order issued and effective December 17, 2007 in Case No. 01-M-0075, and (3) its Order issued and effective July 14, 2011 in Case No. 11-E-0176 to implement certain provisions of the Recharge New York Power Program Act.

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. Effective July 21, 2011, per Rule 40.3, the Residential Consumer Discount Program credit shall be shown as a separate line item on the monthly NYPA Hydropower Benefit Reconciliation Statement.

This filing presents (1) the monthly reconciliation for the cost month of December 2011, (2) the last of four monthly installments of a billing correction for net overcredits from November 2007 to August 2011, and (3) the sales reconciliation of the Residential Consumer Discount Program payment billed in December 2011. The Residential Consumer Discount (RCD) Program payment scheduled for February 2012 billing (exclusive of prior month reconciliations) is not included in this Rule 40 filing because it will be included in the new Rule 46.2.6 "NYPA Benefit" rate mechanism that took effect for the first time on January 1, 2012 (concurrent with the Rule 40 rate). Going forward, the RCD payment will continue to be included in the new Rule 46.2.6 rate, and beginning in March 2012 its prior month sales reconciliations will also be included in the new mechanism.

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The total NYPA Reconciliation factor, \$0.001343, is effective from February 1, 2012 through February 29, 2012. Although the rate is positive, it will be outweighed by the negative Rule 46.2.6 "NYPA Benefit" rate that takes effect at the same time, for the same customers.

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. 35 that will be included with Schedule PSC No. 220 Electricity. Please note that Statement No. 35 is the final statement.

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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