



January 26, 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

RE: Case No. 10-E-0050 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation for Electric Service - Order Establishing Rates for Electric Service

Dear Secretary Brillling:

The attached Revenue Decoupling Mechanism (“RDM”) Statement No. 3, issued by Niagara Mohawk Power Corporation, d/b/a National Grid, is being transmitted for filing in accordance with the requirements of the State of New York Public Service Commission.

Revenue Decoupling Mechanism (“RDM”) Statement No. 3

To P.S.C. No. 220 Electricity

Effective: January 30, 2012

The Revenue Decoupling Mechanism Statement No. 3 is being issued per the above Order and Rule No. 57 – Revenue Decoupling Mechanism in PSC No. 220 Electricity. Rule No. 57.1.3 requires the Company to file an annual RDM reconciliation for all reconciliation groups during the RDM reconciliation period commencing January 1, 2011 and ending December 31, 2011.

The RDM annual adjustments on the attached statement reflect credits and/or surcharges for customers in the following reconciliation groups.

1. Service Classification No. 1 and Service Classification No. 1C
2. Service Classification No. 2ND
3. Service Classification No. 2D
4. Service Classification No. 3
5. Service Classification No. 3A

The RDM Statement No. 3 is effective January 30, 2012 for batch billed customers and February 1, 2012 for calendar month billed customers and will be in effect through January 31, 2013.

Please notify the undersigned of any actions taken in regards to this filing.

Sincerely,

Pamela B. Dise, Manager
Electric Pricing

PBD/PJR