## nationalgrid

Pamela B. Dise

Manager – Electric Pricing

December 22, 2011

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

Dear Secretary Brilling:

Enclosed herewith for filing in accordance with the requirements of the Public Service Commission, State of New York is a copy of the following Statement issued by Niagara Mohawk.

Merchant Function Charge ("MFC") Statement No. 3

To P.S.C. 220 Electricity

Effective: January 1, 2012

This Merchant Function Charge ("MFC") Statement No. 3 is being filed per Rule No. 42— Merchant Function Charge of PSC No. 220 Electricity. Specifically, Rule No. 42.3.1.3.1 and Rule No. 42.3.2.3.1 states that any over/under collections related to Electricity Supply Procurement and Electricity Supply Credit and Collections will be added to the Electricity Supply Procurement Rate and Electricity Supply Credit and Collections rate to be effective January 1 of each year.

Attachment 1 included with this filing display the derivation of these rates.

Please notify me of any action taken in regards to this filing.

Sincerely,

Pamela B. Dise Manager—Electric Pricing

PBD Attachments