



December 1, 2011

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 10-M-0457 – In the Matter of the System Benefits Charge IV– Order Continuing the System Benefits Charge (SBC) and Approving an Operating Plan For a Technology and Market Development Portfolio of System Benefits Charge Funded Programs

Case 07-M-0548 - Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard – Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule

Dear Secretary Brillling:

The attached System Benefits Charge (“SBC”) Statement issued by Niagara Mohawk Power Corporation d/b/a National Grid (the “Company”) is being transmitted for filing in compliance with the Commission’s order in Case 10-M-0457 issued and effective October 24, 2011 and the Commission’s order in Case 07-M-0548 issued and effective October 25, 2011.

Statement of System Benefits Charge No. 7

To P.S.C. No. 220 Electricity

Effective: January 1, 2012

Purpose of Filing:

The purpose of this filing is to establish the SBC Factor No. 7, effective January 1, 2012 through December 31, 2012, in accordance with Rule No. 41-Adjustment of Charges Pursuant to the System Benefits Charge of PSC No. 220 Electricity. The total factor effective January 1, 2012 consists of the Company’s allocation of SBC funding based on the following orders:

1. Order in Case 10-M-0457 – SBC IV
2. Orders in Case 07-M-0548 – EEPS SBC

1. Case 10-M-0457-SBC IV

Ordering Clause No. 9 of the October 24, 2011 order directed the Company to establish specific SBC collection rates to correspond to its collection allocation, as provided in Table 1 of Appendix B, based on projections of the following year's forecasted sales. Accordingly, this filing presents the development of the SBC IV collection rate to be applied to customer bills for the time period of January 1, 2012 through December 31, 2012.

The Company is proposing an SBC IV collection rate of **\$0.000632/kWh**. It is projected the revised collection rate will recover **\$17,920,774** during the time period January 1, 2012 through December 31, 2012.

2. Case 07-M-0548-Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard**A) Order Issued and Effective October 25, 2011**

Ordering Clause No. 13 directed that commencing January 1, 2012, the level of overall SBC electric revenue collections be supplemented and collected in the manner shown in Table 4 of Appendix 2. In accordance with this directive, the total amount to be collected by the Company for calendar year 2012 is **\$57,058,130**.

B) Order Issued and Effective January 4, 2010

Per Table 7 of Appendix 2, the amount of EEPS additional annual collections to be collected from electric customers of Niagara Mohawk to commence January 1, 2012 is **\$185,545**.

C) Order Issued and Effective October 23, 2009

Per Table 5 of Appendix 2, the amount of EEPS SBC additional annual collections to be collected from electric customers of Niagara Mohawk to commence January 1, 2012 is **\$2,626,156**.

The Company is proposing a revised EEPS SBC collection rate of **\$0.002111/kWh**. It is projected the revised collection rate will recover **\$59,869,831** during January 1, 2012 through December 30, 2012.

3. Total SBC IV/EEPS SBC Collection Rate for January 1, 2012 through December 31, 2012

The EEPS SBC incremental rate of adjustment of **\$0.002111/kWh** has been added to the SBC IV Rate of Adjustment of **\$0.000632/kWh** to establish a total SBC rate of adjustment of **\$0.002743/kWh** effective January 1, 2012.

The attachments included with this filing are as follows:

Attachment 1: SBC forecasted sales (kWh) for the Recovery Period of January 1, 2012 through December 31, 2012 for SBC IV and EEPS SBC collections.

Attachment 2: Development of the SBC IV and EEPS SBC collection rates effective January 1, 2012 through December 31, 2012.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

Patricia J. Rivers
Senior Rate Analyst
Electric Pricing Department
(315) 428-6833

PJR
Attachments
SBC 7