



October 21, 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 No. 11-E-0279-Griffiss Utility Services Corporation – Joint Petition for the Continuation and Expansion of Standby Rate Exemptions for Environmentally Advantageous Technologies in the Niagara Mohawk Power Corporation d/b/a National Grid Service Territory – Order Granting Petition in Part and Directing a Tariff Filing

Dear Secretary Brillling:

The attached leaves, issued by Niagara Mohawk Power Corporation d/b/a National Grid (“Niagara Mohawk” or “Company”), are being transmitted for filing in compliance with the Order issued September 19, 2011 (“Order”) in the above case number.

Fifth Revised Leaf No. 417
Fourth Revised Leaf No. 418
Second Revised Leaf No. 433

To P.S.C. No. 220 Electricity

Effective: January 1, 2012

The purpose of this filing is to revise SC No. 7 – Sale of Standby Service to Customers with On-Site Generation Facilities as directed in the above Order. Specifically, the Company was directed to file tariff amendments no later than October 31, 2011 to become effective January 1, 2012 to:

1. Extend the date for expiration of the Company’s standby rate exemptions for eligible environmentally advantageous technology customers to May 31, 2015.
2. Expand the exemptions to include the efficient CHP projects of 1 MW or less as described in the Commission’s 2006 Exemption Orders issued in Case 02-E-0551.
3. Apply a 15% demand threshold for determining the applicability of standby rates, while allowing existing customers whose distributed generation operates at or below the 15% demand threshold a one-time election to opt out of the “split-billing” methodology that applies to these customers and take service for all usage at the otherwise-applicable rate.
4. Remove the ceilings and limitations the Company imposes upon the savings environmentally advantageous technology (“EAT”) customers can realize through the standby rate exemptions.

The Company is also respectfully requesting clarification on the statement in the Order (page 8) that the revisions stated in 1 and 2 above will “conform Niagara Mohawk’s tariff to the policies established in the Standby Rate Orders and the 2006 and 2009 Exemption Orders.” The Company believes further clarification is needed on the two items below before the Company’s tariff conforms to the policies in the other utilities standby tariffs.

1) As referenced in the Commission’s Order in Rochester Gas & Electric Corporation’s Case 02-E-0551, et al., issued May 7, 2004, the starting date for the EAT exemption is July 29, 2003. If the on-site generator was operational prior to that date, the distributed generation does not qualify for the exemption. However, Niagara Mohawk’s Standby Tariff became effective July 1, 2002 in Case No. 01-E-1847, with the EAT Exemption also becoming effective at that time. The Company is requesting clarification on the date that the Company should use for a distributed generation to qualify for this exemption.

2) Currently Special Provision F-Environmentally Advantageous Technologies, Item b, of the Company’s tariff (Leaf 418) excludes wholesale generators from taking advantage of the EAT Exemption. The Company is requesting clarification if these customers should be included or excluded from the EAT Exemption.

Per Ordering Clause No. 3 of this Order, the requirements of newspaper publication as required by the Commission’s regulations of PSL §66(12) are waived for this filing.

Please advise the undersigned of any action taken regarding this filing.

Sincerely,

Patricia J. Rivers
Senior Rate Analyst

PJR