



September 16, 2011

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. 2, 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. 2

To P.S.C. No. 220 Electricity

Effective: September 28, 2011

The Revenue Decoupling Mechanism Statement No. 2 is being issued per the above Order and Rule No. 57 – Revenue Decoupling Mechanism in PSC No. 220 Electricity. Rule No. 57.2 requires the Company to file an interim RDM adjustment for any RDM reconciliation group or groups when actual total accumulated billed delivery service revenues varies plus or minus 1.5% or more from annual rate year delivery service revenues resulting from the Company’s general rate case in Case No. 10-E-0050.

The RDM interim adjustment on the attached statement reflects a credit for customers in the following reconciliation groups.

1. Service Classification No. 3

Also, per discussions with Staff of the Public Service Commission, it was determined that customers served under SC No.7, parent tariff rate SC No. 3 and SC No. 3A, should be assessed the RDM reconciliation on their contract demand. Therefore, included on this Statement is a separate RDM adjustment for SC 7 customers with a parent tariff rate of SC No. 3 and SC No. 3A. Attachment 1 included with this filing contains the derivation of these rates.

The RDM Statement No. 2 is effective September 28, 2011 for batch billed customers and October 1, 2011 for calendar month billed customers and will be in effect through December 31, 2011.

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

Sincerely,

Pamela B. Dise, Manager
Electric Pricing

PBD/PJC