national**grid**

August 20, 2012

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:

The attached Statement issued by Niagara Mohawk is being transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York.

Statement of Transmission Revenue Adjustment Statement No. 42

To P.S.C. No. 220 Electricity

Effective: August 30, 2012

The above Statement of Transmission Revenue Adjustment (TRA) is being filed per Rule No. 43 - Transmission Revenue Adjustment. Specifically, Rule No. 43 provides for a monthly comparison of the forecast-based transmission revenue credit to the actual Transmission Revenue realized from these services.

Attachment Nos. 1 and 2 included with this filing display the derivation of these rates. Statement of Transmission Revenue Adjustment No. 42 is effective August 30, 2012 for batch billings and September 1, 2012 for calendar month billings.

Please advise the undersigned of any action taken in regards to this filing.

Sincerely,

Pamela B. Dise Manager – Electric Pricing

PBD Attachments