

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

Niagara Mohawk Power Corporation  
Docket No. ER12-331-000  
ER12-333-000  
ER12-367-000  
Issued: 12/8/11

National Grid USA  
Service Company, Inc.  
40 Sylvan Road  
Waltham, MA 02451

Alston & Bird, LLP  
950 F Street, NW  
Washington, DC 20004

Attention: Daniel Galaburda, Esq.  
Assistant General Counsel and Director  
National Grid

Sean A. Atkins, Esq.  
Jamil Nasir, Esq.  
Alston & Bird, LLP  
Counsel for National Grid

RE: Grandfathered Transmission Service Agreements and Phase-In-Agreement

Dear Sirs:

On November 2, 2011, in Docket Nos. ER12-331-000 and ER12-333-000, National Grid filed on behalf of itself and its affiliate Niagara Mohawk Power Corporation d/b/a National Grid, First Revised Service Agreement Nos. 1742 and 1743 (grandfathered transmission service agreements) under the New York Independent System Operator, Inc.'s Open Access Transmission Tariff. The filings propose certain amendments to implement the Agreement Regarding Treatment of Allocations of New York Power Authority Expansion Power and Replacement Power Beginning January 1, 2012 and Thereafter (Phase-In-Agreement), which agreement you filed on November 9, 2011, in Docket No. ER12-367-000.

You explain that the primary purpose of the Phase-In Agreement and the grandfathered transmission service agreements that implement it is to provide an appropriate transition for the retail transmission services that you currently provides to the New York Power Authority (NYPA) for the delivery of certain allocations of low-cost NYPA hydropower made available to qualifying businesses for economic development purposes, and a phase-in of the increases in retail transmission rates that will result from this transition. You further explain that, given New York's policy of attempting to ensure competitive power costs to businesses in the state, the rate phase-in is a suitably balanced approach that will both support New York's economy and businesses and bring the affected customers into the standard retail transmission regime over a reasonable transition period.

Pursuant to the authority delegated to the Director, Division of Electric Power Regulation – East, under 18 C.F.R. § 375.307, your submittals are accepted for filing effective January 1, 2012, as requested.

The filings were noticed on November 3, 2011 and November 10, 2011, with comments, protests, or interventions due on or before November 23, 2011, and November 30, 2011. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2011)), to the extent that any timely filed motions to intervene and any motion to intervene out-of-time were filed before the issuance date of this order, such interventions are granted. Granting later interventions at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties.

This acceptance shall not be construed as constituting approval of the referenced filings or of any rate, charge, classification, or any rule, regulation or practice affecting such rate or service contained in your filings; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or any which may hereafter be made by the Commission in any proceeding now or pending or hereafter instituted by or against Niagara Mohawk Power Corporation.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Jignasa Gadani, Director  
Division of Electric  
Power Regulation – East