



February 12, 2016

By Electronic Filing

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: Niagara Mohawk Power Corporation d/b/a/ National Grid –
Amendments to the Wholesale Transmission Service Charge to
Implement Terms of Approved Settlement**

Docket No. ER14-543-_____

Dear Secretary Bose:

Pursuant to the Commission's December 18, 2015 order in this proceeding,¹ Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid" or "Company") submits revisions to the FERC Open Access Transmission Tariff ("OATT") administered by the New York Independent System Operator, Inc. ("NYISO").² The enclosed changes are being made to amend the National Grid-specific Wholesale Transmission Service Charge ("Wholesale TSC") formula under the NYISO OATT in accordance with the terms of the settlement agreement filed by National Grid on September 11, 2015 in this proceeding³ and accepted by the Commission in the December 18 order.

I. Background and Explanation of Tariff Amendment

The purpose of the Settlement Agreement is to resolve a dispute between National Grid and certain parties regarding National Grid's proposal to incorporate in its Wholesale TSC costs incurred pursuant to two Reliability Support Services ("RSS")

¹ New York Independent System Operator, Inc., 153 FERC ¶ 61,325 (2015).

² Capitalized terms used, but not defined in this filing are intended to have the meanings given to such terms in Attachment H of the NYISO OATT.

³ Settlement Agreement and Offer of Settlement, Docket No. ER14-543-000 (Sept. 11, 2015) ("Settlement Agreement").

agreements entered into between National Grid and Dunkirk Power, LLC (“Dunkirk”) (the “Dunkirk RSS agreements”).⁴ The parties to the Settlement Agreement agreed that the costs of the Dunkirk RSS agreements, including the costs associated with extending the 2013 Dunkirk RSS agreement through the end of 2015, less \$35 million, would be reflected in National Grid’s Wholesale TSC.⁵

National Grid included with the Settlement Agreement filing a tariff section reflecting the revisions to Attachment H to the NYISO OATT that the parties concurred would be necessary to reflect the agreed-upon revenue requirement impact of the Dunkirk RSS agreements.⁶ The Settlement Agreement provides that National Grid will coordinate with the NYISO to enter this tariff section into the Commission’s eTariff database within thirty days after the date this Settlement becomes effective.⁷ Section 4.1 of the Settlement Agreement states that it becomes effective “when approved or accepted by the Commission without condition or modification in a Final Order,” and that an order “shall be deemed to be a ‘Final Order’ as of the date rehearing is denied by the Commission, or, if rehearing is not sought, as of the date on which the right to seek Commission rehearing expires.”

The Commission accepted the Settlement Agreement without modification on December 18, 2015. No party sought rehearing of the December 18 order. Therefore, the Settlement Agreement became effective on January 17, 2016. Pursuant to its obligation to implement the agreed-upon tariff modifications within 30 days of this date, and in compliance with the December 18 order accepting the Settlement Agreement, National Grid hereby submits, in coordination with the NYISO, the tariff section contained in the Settlement Agreement, for inclusion in Attachment H of the NYISO OATT. The tariff section is designated as effective as of July 1, 2013, which is the date approved by the Commission in its February 4, 2014 order in this proceeding.

⁴ See Proposed Amendments to the Wholesale Transmission Service Charge Under the NYISO Open Access Transmission Tariff, Docket No. ER14-543 (December 6, 2013). In an order issued on February 4, 2014, the Commission accepted National Grid’s December 6 amendment, effective as of July 1, 2013, subject to refund and further Commission order. *New York Independent System Operator, Inc.*, 146 FERC ¶ 61,065 (2014). On March 19, 2015, the Commission issued a subsequent order setting for hearing and settlement judge procedures the justness and reasonableness of National Grid’s proposed revisions to the TSC. *New York Independent System Operator, Inc.*, 150 FERC ¶ 61,206 (2015).

⁵ See Settlement Agreement at Section 2.1.

⁶ *Id.* at Section 2.4 and Attachments 3 and 4.

⁷ *Id.* at Section 2.4.

II. Contents of Filing

- Attachment A - Clean version of the revised tariff section
- Attachment B - Redline version of the revised tariff section

III. Conclusion

For the foregoing reasons, National Grid respectfully requests that the Commission accept the attached tariff changes in compliance with the terms of the Settlement Agreement and the Commission's December 18 order in this proceeding.

Respectfully submitted,

/s/ Patrick J. Tarmey

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Attachments

CERTIFICATE OF SERVICE

I hereby certify that I have served by electronic mail the foregoing document upon all parties on the service list established by the Commission for this proceeding.

Dated at Washington, DC this 12th day of February, 2016.

/s/ Daniel Klein
Daniel Klein