



February 15, 2017

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

**Re: Niagara Mohawk Power Corporation d/b/a National Grid
Modifications to Transmission Service Charge Formula Rate
Under the NYISO OATT
Docket No. ER17-884-001
Amendment of Pending Tariff Filing**

On January 30, 2017, pursuant to Section 205 of the Federal Power Act¹ and Part 35.13 of the Commission's Regulations,² Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid" or the "Company") submitted modifications to its Transmission Service Charge ("TSC") formula rate (the "Formula Rate") set forth in Attachment H to the New York Independent System Operator, Inc.'s ("NYISO") Open Access Transmission Tariff ("NYISO OATT").

After submitting the January 30, 2017 filing, National Grid, in consultation with its wholesale transmission customers, identified a handful of typographical errors in the Formula Rate template. As a result, it is amending the January 30, 2017 filing to correct these errors.

I. Background

In the January 30, 2017 filing, the Company proposed revisions to the calculation of transmission-related Accumulated Deferred Income Taxes ("ADIT") related to accelerated depreciation within the forecast component of the Formula Rate to incorporate the proration methodology of the Internal Revenue Service's ("IRS") regulations in the calculation of the Company's projected test year revenue requirement. The Company also proposed a ministerial change to Schedule 2 of the Formula Rate template (Attachment 1 to Attachment H) to modify the definition of the Forecasted Transmission Revenue Requirement ("FTRR"). It also proposed changes to Schedule 2 of the Formula Rate template to ensure that the components of FTRR appear in order and are consistent with the Formula Rate. Finally the Company proposed changes to the Formula Rate template to update the source references to the Formula Rate components

¹ 16 U.S.C. § 824d (2006).

² 18 C.F.R. Part 35.13 (2015).

and to correct certain typographical errors. As discussed in the January 30, 2017 filing, the ADIT changes to the Formula Rate simply result in a timing difference, which is necessary to comply with IRS regulations, and the other changes to the Formula Rate template will have no rate impact.

After submitting the January 30, 2017 filing, National Grid met with a number of its wholesale transmission customers. During the course of these discussions, the parties identified a handful of typographical errors in the Formula Rate template. As a result, the Company agreed to amend the January 30, 2017 filing to correct these errors. In order to correct these typographical errors, the Company is submitting further revised tariff records in this amendment filing. These further revised tariff records have no rate impact. They include the changes proposed in the January 30, 2017 filing as well as the additional corrections noted herein. As such, these revised tariff records replace and supersede the tariff records submitted in the January 30, 2017 filing.

The Company also is submitting as Attachment C revised workpapers showing the impact of the ADIT proration calculation on the Transmission Revenue Requirement for the rate year starting July 1, 2016. The Company filed these workpapers with the January 30, 2017 filing as Attachment D. It has revised them simply to reflect the typographical error corrections addressed in this amendment filing. The impact of including the ADIT proration calculation in the FTRR as shown in the January 30, 2017 filing has not changed.

III. Proposed Effective Date

In the January 30, 2017 filing, National Grid requested an effective date of April 1, 2017 – 61 days after the date of the filing - for the proposed revisions to the Formula Rate. Because the additional modifications proposed in this amendment filing simply correct typographical errors and have no substantive impact on the rates calculated under the Formula Rate, the Company reiterates its request for an effective date of **April 1, 2017** for the proposed revisions to the Formula Rate. This proposed effective date will ensure that the proposed modifications are in place for purposes of National Grid's next Formula Rate annual update.

B. List of Documents Submitted With Amendment Filing

Together with this filing letter, National Grid submits the following:

1. Clean Formula Rate Tariff Records (Attachment A);
2. Marked Formula Rate Tariff Records Showing Changes (Attachment B);
and
3. Supporting Workpapers, as amended (Attachment C).

C. Requests for Waiver

To the extent that waivers of the Commission's cost support regulations in 18 C.F.R. § 35.13 are necessary, National Grid respectfully requests such waivers. Good cause exists for waiver. The information, documents and attachments accompanying the January 30, 2017 filing and this amendment filing, together with the Company's publicly available FERC Form 1 information, substantially comply with the Commission's cost support regulations and provide ample support for the reasonableness of the proposed Formula Rate changes. Further, as noted in the January 30, 2017 filing, cost of service statements typically are not needed where the proposed rates are formula and will be based on actual costs as reflected in the applicant's audited books and records. As a result, waiver, if necessary, would be consistent with Commission precedent for a formula rate filing of this nature.

Finally, the information submitted with the January 30, 2017 filing and this amendment filing substantially complies with the requirements of Part 35 of the Commission's rules and regulations applicable to filings of this type. National Grid requests a waiver of any applicable requirement of Part 35 for which a waiver is not specifically requested, if necessary, in order to permit the tariff changes filed in this proceeding to become effective as proposed.

D. Service

Pursuant to Section 32.5(d) of the Commission's Regulations, National Grid has served a copy of this filing electronically on the Company's customers taking service under the rate affected by this filing, on the New York State Public Service Commission, on the NYISO and on the parties listed on the service list established by the Commission for this proceeding.

Please contact the undersigned if you have any questions.

Respectfully submitted,

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*On behalf of Niagara Mohawk Power
Corporation d/b/a National Grid*

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC, this 15th day of February, 2017.

/s/ Daniel Klein
Daniel Klein
Alston & Bird LLP