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July 30, 2013

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

**Re: Niagara Mohawk Power Corporation d/b/a/ National Grid
Docket No. ER13-____-000
Notice of Cancellation of Service Agreement No. 1743**

Dear Secretary Bose:

Pursuant to Section 35.15 of the Federal Energy Regulatory Commission's ("Commission") regulations,¹ Niagara Mohawk Power Corporation d/b/a National Grid ("Niagara Mohawk") submits for Commission acceptance this Notice of Cancellation of the Amended and Restated Agreement for the Retail Transmission of Expansion Power between Niagara Mohawk and the New York Power Authority ("NYPA"), designated as Service Agreement No. 1743 ("SA 1743") under the Open Access Transmission Tariff ("OATT") of the New York Independent System Operator, Inc. ("NYISO").

Niagara Mohawk respectfully requests that the Commission accept this Notice of Cancellation of SA 1743 effective June 30, 2013.

I. Background and Justification for Termination

NYPA has historically provided low-cost power to industrial customers located in New York State through a variety of programs, including Expansion Power ("EP"). SA 1743 addresses the provision of retail transmission service for the delivery of EP and is

¹ 18 C.F.R. § 35.15.

listed in Attachment L to the NYISO OATT as a “grandfathered transmission agreement” with an expiration date of June 30, 2013.²

In order to provide for a gradual transition from the retail transmission rates prescribed by SA 1743 to those prescribed by the NYISO OATT, Niagara Mohawk, NYPA, and certain Niagara Mohawk industrial customers negotiated an Agreement Regarding Treatment of Allocation of New York Power Authority Expansion Power and Replacement Power Beginning January 1, 2012 and Thereafter (the “Phase-In Agreement”). Under the Phase-In Agreement, SA 1743 is to be terminated effective June 30, 2013, and retail transmission rates for EP will thereafter be provided in the Phase-In Agreement until expiration of the rate phase-in period thereunder. The Phase-In Agreement was filed with and accepted by the Commission in Docket No. ER12-367.

In November 2011, Niagara Mohawk filed the currently effective version of SA 1743.³ The Commission accepted the currently effective version of SA 1743 by letter order in December 2011.⁴

II. Effective Date

For good cause, Niagara Mohawk respectfully requests that the Commission accept this Notice of Cancellation of SA 1743 effective June 30, 2013. First, NYPA, the transmission customer under SA 1743, has agreed to the June 30, 2013 termination date. Second, the June 30, 2013 termination date for SA 1743 has long been a matter of public record under NYISO OATT Attachment L. And lastly, the June 30, 2013 termination of SA 1743 is an integral part of the rate phase-in regime established in the Phase-In Agreement as accepted by the Commission. Therefore, good cause exists to grant the requested effective date.⁵

² SA 1743 was formerly designated as Niagara Mohawk Rate Schedule FERC No. 159 and is listed under that designation in Attachment L to the NYISO OATT.

³ Niagara Mohawk filing in Docket No. ER12-333-000, at 2 (Nov. 2, 2011).

⁴ Commission letter order, Docket Nos. ER12-331-000, *et al.* (Dec. 8, 2011).

⁵ For good cause shown, the Commission may accept a notice of cancellation effective as of a date prior to the date of filing. 18 C.F.R. § 35.15(a).

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III. Communication

Communications and correspondence regarding this filing should be addressed to the following individuals:

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IV. Service

Niagara Mohawk has served this filing on NYPA, the NYISO, and the New York Public Service Commission.

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V. Conclusion

For the reasons stated above, Niagara Mohawk requests that the Commission accept this Notice of Cancellation of SA 1743 effective as of June 30, 2013.

Respectfully submitted,

/s/ Sean Atkins

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