

October 24, 2012

**VIA E-FILING AND EMAIL**

Hon. Jaclyn A. Brillling  
Secretary  
Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223-1350

**Re: CASE 12-E-0201 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Electric Service**

**CASE 12-G-0202 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Gas Service**

Dear Secretary Brillling:

Pursuant to the Ruling Modifying Schedule issued by Administrative Law Judges, Kimberly Harriman and Rudy Stegemoeller, on October 22, 2012 in the above-referenced proceedings, Niagara Mohawk Power Corporation d/b/a National Grid hereby submits the attached topical outline for the joint proposal currently being negotiated among the parties.

Respectfully submitted,

*Catherine L. Nesser*  
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Catherine L. Nesser

cc: Unified Party List  
Honorable Kimberly Harriman  
Honorable Rudy Stegemoeller

**Niagara Mohawk Power Corporation d/b/a National Grid  
Electric and Gas Rate Filings  
12-E-0201 and 12-G-0202**

**Current Topical Outline**

**(Not intended as a table of contents. This is an outline of key topics. Each item may not be specifically addressed in the Joint Proposal. Additional topics may be addressed in the Joint Proposal).**

- I. Term of Rate Plan**
  
- II. Electric and Gas Revenue Requirements (all discrete issues resolved)**
  - A. Return on Equity
  - B. Capital Structure
  - C. Amortization of Regulatory Deferrals
  
- III. Revenue Allocation and Rate Design**
  - A. Electric and Lighting Rate Design, Revenue Allocation and Miscellaneous Provisions
    - 1. Electric and Lighting Rate Design
      - a. Historic demand for NYPA Replacement and Expansion Power customers
      - b. Customer charges
      - c. Closure of certain tariff offerings
      - d. Adjustments to certain Lighting provisions including LED option
    - 2. Electric and Lighting Revenue Allocation
    - 3. Miscellaneous Provisions
      - a. Deferral Credit Passback
      - b. Revenue Decoupling Mechanism
      - c. Merchant Function Charge Components

- d. Time differentiated delivery rates
  - e. Time of use commodity rates
  - f. Exemption C for SC-7 customers
  - g. NYPA installed capacity obligations for Replacement Power/Expansion Power
- B. Gas Rate Design, Revenue Allocation and Miscellaneous Provisions
- 1. Gas Rate Design
    - a. Customer charges
    - b. Tariff simplification changes
  - 2. Gas Revenue Allocation
  - 3. Miscellaneous Provisions
    - a. Deferral Credit Passback
    - b. Revenue Decoupling Mechanism
    - c. Merchant Function Charge Components

**IV. Deferral/Reconciliation Mechanisms**

- A. Continuing Electric Deferrals (certain deferrals have been modified)
- B. Continuing Gas Deferrals (certain deferrals have been modified)
- C. New electric deferral mechanisms
- D. New gas deferral mechanisms

**V. Capital Investment Levels**

- A. Electric Capital Investment
- B. Gas Capital Investment
- C. Common Plant Investment

**VI. Electric and Gas Service Quality**

- A. PSC Complaint Rate
- B. Residential Transaction Satisfaction Index
- C. Small/Medium C&I Satisfaction Index
- D. Percent Calls Answered Within 30 Seconds
- E. Missed Appointment Metric

**VII. Performance Metrics**

- A. Electric Reliability and Other Performance Metrics
  - 1. SAIFI
  - 2. CAIDI
  - 3. Estimating Performance Metric
  - 4. Standardized Interconnection Requirements
  - 5. Inspection and Maintenance Program Repair Metric
- B. Gas Safety Metrics
  - 1. Leak Prone Pipe Replacement
  - 2. Leak Management
  - 3. Damage Prevention
  - 4. Emergency Response
  - 5. Gas Safety Violations Metric

**VIII. Other Customer Programs**

- A. Low Income Discount Programs

- B. Affordability Programs
- C. \$34 Electric and Gas Reconnect Fee Waiver Program
- D. Economic Development
- E. ESCO Bill Calculator
- F. Paperless Billing
- G. Gas Expansion Collaborative
- H. Customer Conversions to Natural Gas Program

**IX. Miscellaneous**

- A. Earnings Sharing Mechanism
- B. Dunkirk and other Reliability Support Services Costs
- C. Management Audit
- D. Electric and Gas Capital Investment Reporting
- E. Inside Gas Services
- F. ESCO Operational Issues
- G. Rate Plan Provisions adopted in 10-E-0050
- H. Service Company Investigation of Cost Allocations (Overland Audit)
- I. Pro-Forma Provisions Including Dispute Resolution