

NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE

METHOD OF SERVICE FORM

This form should be filed with all new petitions and applications that require action by the Commission. It will allow us to serve you with the Commission decision using the method you select.

Name:	<u>Adam L. Benshoff</u>
Your Company/Organization:	<u>Niagara Mohawk Power Corporation d/b/a National Grid</u>
Mailing Address:	<u>40 Sylvan Rd</u> <u>Waltham, MA 02451</u>
Company/Organization you represent, if different from above:	_____
E-Mail Address:	<u>adam.benshoff@us.ngrid.com</u>
Case/Matter # (if known)	_____

If you consent to receive Commission-issued orders electronically, you will receive all Commission-issued documents electronically. If you do not consent to receive Commission-issued orders electronically, you will receive all Commission-issued documents by mail.

Check the box(es) in A or B, below:

A.

☒ I am authorized by the party I represent to grant consent to receive electronic-only service of Commission-issued orders, AND

☒ I, on behalf of myself or the party I represent, knowingly waive the right specified in Public Service Law §23(1) to be served personally or by mail with orders that affect me or the party I represent and consent to receive service of Commission-issued orders by electronic means only. This consent remains in effect until revoked.

B

☐ I do not consent to receive electronic service and instead request that the DPS mail Commission-issued document(s) to me.

Signature: <u>Adam L. Benshoff</u>	Date: <u>6/8/2012</u>
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Please note that this form applies to this filing only.

To the extent possible, please file this form in .pdf format.

June 8, 2012

VIA E-FILING

Honorable Jaclyn A. Brilling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 12-M-_____ In the Matter of the Petition Niagara Mohawk Power Corporation d/b/a National Grid under Section 69 of the Public Service Law for Authority to Issue Securities.

Dear Secretary Brilling:

Enclosed for filing with the Commission please find the Verified Petition of Niagara Mohawk Power Corporation d/b/a National Grid under Section 69 of the Public Service Law seeking multi-year authority to issue new long term debt securities at any time prior to March 31, 2016. A hard copy of the Verified Petition containing the original signed and notarized affidavits is also being provided via overnight mail.

Please contact the undersigned with any questions regarding this letter or the enclosures.

Sincerely,
/s/ Adam L. Benshoff
Adam L. Benshoff

Encl.

cc Patrick Piscitelli (via e-mail)
Denise Gerbsch (via e-mail)
Kwaku Duah (via e-mail)

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of the Petition Niagara Mohawk :
Power Corporation d/b/a National Grid under : Case 12-M-
Section 69 of the Public Service Law for :
Authority to Issue Securities. :

**VERIFIED PETITION AND EXHIBITS OF
NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID
FOR AUTHORITY TO ISSUE SECURITIES**

**Niagara Mohawk Power Corporation
d/b/a National Grid**

By: Adam L. Benshoff
Senior Counsel
40 Sylvan Rd
Waltham, MA 02451
Phone: (781) 907-2110
adam.benshoff@us.ngrid.com

Dated: June 8, 2012

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of the Petition of Niagara Mohawk :
Power Corporation d/b/a National Grid under : Case 12-M-
Section 69 of the Public Service Law for :
Authority to Issue Securities :

**VERIFIED PETITION AND EXHIBITS OF
NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID
FOR AUTHORITY TO ISSUE SECURITIES**

TO THE PUBLIC SERVICE COMMISSION:

Pursuant to Section 69 of the Public Service Law (“PSL”), Niagara Mohawk Power Corporation d/b/a National Grid (“NMPC” or the “Company”) hereby petitions the Commission for multi-year authority to issue up to \$1.6 billion of new long-term debt securities as described in greater detail below. NMPC requests that the authorization granted by the Commission in this proceeding be valid for a period beginning on the effective date of the Commission’s order in this proceeding and ending on March 31, 2016.

Specifically, NMPC seeks Commission authorization to issue, from time to time, through March 31, 2016, new long-term debt in an amount not to exceed \$1.6 billion for one or more of the following purposes: financing construction of utility plant, refinancing maturing and /or redeemed issues of debt, refinancing short-term debt with long-term debt, financing the capital needs of the Company and other general corporate purposes. The issuance of new long-term debt securities in the immediate term is needed as NMPC has approximately \$500 million of intercompany debt coming due in November 2012. Issuance of new long-term debt in the near future would best position the Company to refinance this debt in a manner that takes advantage of current market conditions and help NMPC to obtain the lowest reasonable interest costs for the benefit of its customers. Moreover, the Company will need to refinance an additional \$646 million of long-term

debt that is scheduled to mature through March 2016. In determining the timing and amount of issuance of the debt, NMPC intends to maintain its ratio of total debt to total capitalization (excluding goodwill) in line with the capital structure that the Company proposes to use for ratemaking purposes in Cases 12-E-0201 and 12-G-0202. Maintaining this debt ratio will help NMPC to maintain its current low "A" investment bond ratings.

The Company also seeks Commission authorization to execute instruments in connection with the issuance of the debt, including but not limited to indentures, supplemental indentures, promissory notes, debentures, credit agreements, loan agreements, participation agreements, underwriting agreements, bond purchase agreements, remarketing agreements, and security agreements. The terms of each instrument will be substantially similar to the terms for comparable transactions available in the credit market at the time of debt issuance to companies having a credit rating substantially equivalent to the Company's credit rating.

In support of this application, NMPC states:

1. NMPC is a gas and electric corporation organized and existing under the Transportation Corporations Law of the State of New York and has its principal office at 300 Erie Boulevard West, Syracuse, New York 13202. A certified copy of the Certificate of Incorporation of NMPC is on file with the Commission.

2. Niagara Mohawk Holdings, Inc. ("NMHI") owns all of the outstanding common shares of NMPC. NMHI is a wholly owned subsidiary of National Grid USA. National Grid USA, through intermediate holding companies, is, in turn, a wholly owned subsidiary of National Grid plc, a company incorporated in England and Wales. By Opinion No. 01-6, *Opinion and Order Authorizing Merger and Adopting Rate Plan*, issued and effective December 3, 2001 in Case 01-M-0075, the Commission authorized the merger and stock acquisition of

NMPC and its parent company by National Grid USA. The closing of the merger and acquisition occurred on January 31, 2002.

3. Certain information required pursuant to Part 37 of Title 16 of the Official Compilation of Codes, Rules and Regulations of the State of New York (16 NYCRR Part 37) as well as the other information reflected in the Index to Exhibits is attached hereto.

4. The utility property of NMPC is stated at “original cost” as defined in Section 31.1(f) of the Rules of Procedure of the Commission (16 NYCRR §31.1(f)) and there is not included therein any amount for a franchise, consent or right to operate as a public utility.

5. To ensure adequate flexibility in meeting market conditions at the time of issuance, the Company is requesting authorization to issue secured or unsecured debt, taxable or tax-exempt debt, bonds, medium- or long-term notes, debentures, revolving credit loans or bank loans, or similar securities or some combination thereof (*i.e.*, the “New Debt”). The New Debt will have a term exceeding one year and maturity dates would not exceed 40 years from the date of issuance with either an adjustable interest rate or a fixed interest rate. Further, the New Debt may be issued to or through third parties, in either public offerings or private placements, and with or without investment bankers.

6. Although NMPC has not set the date for the sale of the debt securities, the Company requests that such sale be permitted to take place as early as immediately after the effective date of an order authorizing such sale. NMPC will determine the most favorable terms for the sale of the securities based on market conditions at the time of issuance, including the amount to be sold, the method of sale, the kind of debt securities to be offered, the interest rate (fixed or floating), the maturity dates and any other terms that the market may require.

7 To ensure adequate flexibility in meeting market conditions at the time of issuance, the Company requests that the Commission not establish pre-approved spreads over Treasury rates as a prerequisite to the issuance of the notes, debt or other securities. The Company will justify the terms of each financing as part of a compliance filing made after each issuance is completed.

8. NMPC seeks authorization to issue during the period ending March 31, 2016 up to \$1.6 billion of new long-term debt securities based on NMPC's forecast of reimbursement margins. NMPC submits that the level of financing authority it requests is supported by the forecast reimbursement margins set forth in Exhibit 2 to this Petition.

9. NMPC's proposed issuance of debt securities would be used for permanently financing its construction expenditures, refinancing maturing and/or redeemed issues of debt, refinancing short-term debt with long-term debt, financing the capital needs of the Company, and for other general corporate purposes. NMPC has proceeded with prudent capital projects necessary to reinforce its system infrastructure and enable NMPC to continue to provide safe, adequate and reliable utility service.

10. Exhibit 9 contains the Company's current estimate of the costs of issuing debt; however, this is an estimate only and the actual costs may differ from this estimate. NMPC requests that the actual costs of issuing debt be deferred and amortized over the life of the debt. NMPC will submit a verified report of the actual costs and expenses of each debt issue following closing of the subject transaction.

11. No franchise or right to own, operate or enjoy any franchise, and no contract to consolidate or lease, is proposed to be capitalized directly or indirectly.

12. Petitioner provides the following exhibits herewith:
- Exhibit 1: General; Authority Sought; Use of Proceeds
 - Exhibit 2: Reimbursement Margin Calculation as of March 31, 2012
Reimbursement Margin Forecast April 1, 2012 to March 31, 2016
 - Exhibit 3: Capital Structure
Statement of Financial Condition
Balance Sheet
Details of Changes in Certain Balance Sheet Accounts
Additional Information
 - Exhibit 4: Sources and Uses of Funds
 - Exhibit 5: Affidavit of Principal Accounting Officer required by Sections 37.1(o) and 37.3(d) of the Commission's Rules of Procedure
 - Exhibit 6: Affidavit of Principal Financial Officer required by Section 37.6(j) of the Commission's Rules of Procedure
 - Exhibit 7: Proposed Accounting Treatment
 - Exhibit 8: Verification of Lorraine Lynch
 - Exhibit 9: Estimated Cost of Issuance
 - Exhibit 10: Constituent Documents relating to the sale and issuance of Securities (To be submitted prior to final approval by the Commission.)

WHEREFORE, NMPC respectfully requests that the Commission issue an order in this proceeding:

(1) authorizing NMPC, pursuant to Section 69 of the Public Service Law, to issue new long-term debt securities at any time through March 31, 2016 in the manner requested in this Petition;

(2) authorizing NMPC to use the proceeds of such sale for constructing utility plant, refinancing maturing and/or redeemed issues of debt, refinancing short-term debt with long-term debt, financing the capital needs of the Company and other general corporate purposes; and,

(3) granting such other and further authority as may be deemed necessary in relation to the foregoing.

Respectfully submitted,

NIAGARA MOHAWK POWER CORPORATION
d/b/a National Grid

/s/ Adam L. Benshoff_____

Adam L. Benshoff
Senior Counsel
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Waltham, MA 02451
Phone: (781) 907-2110
adam.benshoff@us.ngrid.com

Dated: June 8, 2012

Index to Exhibits

Exhibit Number

Exhibit

Exhibit 1:	General; Authority Sought; Use of Proceeds
Exhibit 2:	Reimbursement Margin Calculation as of March 31, 2012 Reimbursement Margin Forecast April 1, 2012 to March 31, 2016
Exhibit 3:	Capital Structure Statement of Financial Condition Balance Sheet Details of Changes in Certain Balance Sheet Accounts Additional Information
Exhibit 4:	Sources and Uses of Funds
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NIAGARA MOHAWK POWER CORPORATION
DATA PRESENTED
SECURITIES

1. General:

- | | | |
|----|--------------------|---|
| A. | Petitioner: | Niagara Mohawk Power Corporation |
| B. | Petition Verified: | June 8, 2012 |
| C. | Public Hearing: | None requested |
| D. | Territory Served: | Electric service in the Counties of Albany, Alleghany, Cattaraugus, Chautauqua, Cayuga, Chenango, Cortland, Columbia, Clinton, Erie, Essex, Franklin, Fulton, Genesee, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Niagara, Ontario, Orleans, Oneida, Onondaga, Oswego, Otsego, St. Lawrence, Saratoga, Schenectady, Schoharie, Warren, Washington, Wyoming, and,

Gas service in the Counties of Albany, Montgomery, Oswego, Warren, Fulton, Columbia, Kerimer, Madison, Rensselaer, Oneida, Saratoga, Schenectady, Onondaga, Jefferson, Fultan, Herkimer, Washington, Cayuga |

2. Authority Sought:

Authority to issuance and refinance securities, credit and loan agreements, and for certain other relief described in the Petition.	Not more than \$1.6 billion of securities, plus issuance costs.
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To record the costs associated with the issuance of the securities.

3. Use of Proceeds:

NMPC seeks Commission authorization to issue, from time to time, through March 31, 2016, new long-term debt not to exceed \$1.6 billion for one or more of the following purposes: construction of utility plant, refinancing maturing and /or redeemed issues of debt, refinancing short-term debt with long-term debt financing the capital needs of the Company, and other general corporate purposes.

Niagara Mohawk Power Corporation
Reimbursement Margin as of December 31, 2011

<u>Funds Applied: Long-Term Utility Plant</u>	As of 12/31/2011
	\$
Utility Plant	10,531,943,125
Less: Accum Prov for Depreciation	<u>3,231,591,817</u>
Net Utility Plant	7,300,351,308
Construction in Progress	209,679,495
Total Net Utility Plant	7,510,030,803
 Net Deferral	 (1,584,354,885)
 Reimburseable Plant	 5,925,675,918
 <u>Funds Available: Long-Term Capital</u>	
 Capital Stock	 187,364,863
Other Paid-in Capital (net of goodwill)	<u>1,624,008,331</u>
Net Common Stock	1,811,373,194
 Preferred Stock	 28,984,701
 Long-term Debt	 1,900,065,000
Less: Unamortized Discount on long-term Debt	353,406
Advances from Assoc Cos	<u>500,000,000</u>
Net Long-Term Debt	2,399,711,594
 Total Funds Available	 4,240,069,489
 Balance Sheet Reimbursement Margin	 <u><u>1,685,606,429</u></u>

Niagara Mohawk Power Corporation
Reimbursement Margin Calculation
Jan 2012 to March 31, 2016
In \$000s

	Actual	Forecast				
	Jan-Mar 2012	March-2013	March-2014	March-2015	March-2016	Growth
Reimbursement Margin - Beginning of Period	1,685,606	1,867,164	2,331,350	2,577,770	2,918,928	
Funds Applied						
Gross Additions to Plant	157,644	560,334	591,303	615,857	642,327	2,567,465
Total Funds Applied	157,644	560,334	591,303	615,857	642,327	2,567,465
Funds Available						
Depreciation Accruals	52,888	217,128	229,479	239,139	249,432	988,066
Net Deferrals	-76,802	-120,980	115,404	35,560	57,596	10,779
Total Funds Available	-23,914	96,148	344,883	274,699	307,028	998,845
Reimbursement Margin - End of Period	1,867,164	2,331,350	2,577,770	2,918,928	3,254,227	1,568,620

Niagara Mohawk Corporation
Statement of Financial Condition as of Dec 31, 2011

<u>Debt</u>	<u>\$</u>	<u>Percent</u>
Bonds	1,900,065,000	38.4%
Advances from Associated Companies	<u>500,000,000</u>	<u>10.1%</u>
Total Long-Term Debt	<u><u>2,400,065,000</u></u>	<u><u>48.5%</u></u>
<u>Proprietary Capital</u>		
Preferred Stock	28,984,701	0.6%
Capital Stock	187,364,863	3.8%
Other Paid-in Capital*	1,624,008,406	32.8%
Unappropriated retained earnings	711,254,071	14.4%
Total Proprietary Capital	<u><u>2,551,612,041</u></u>	<u><u>51.5%</u></u>
Total Capitalization	<u><u>4,951,677,041</u></u>	<u><u>100.0%</u></u>

* Excludes other comprehensive income of -\$1.59M and goodwill of \$1.289B

(a) Amount and classes of stock authorized by law or certificate of incorporation, as last amended.
Niagara Mohawk Power Corporation authorized share of capital stock pursuant to its Certificate of Incorporation consists of 250,000,000 shares of Common Stock with a par value of \$1.00, 3,400,000 shares of Cumulative Preferred Stock with a par value of \$100.00, 27,600,000 shares of Preference Stock with a par value of \$25.00, and 1 share of Cumulative Preferred Stock with a par value of \$1.00.

(b) Case number and date of the Order of Authorization of the capital stock authorized by the Commission.

(1) Common Stock

Joint Petition of Niagara Mohawk Holdings Inc., Niagara Mohawk Power Corporation, National Grid Group plc and National Grid USA for Approval of Merger and Stock Acquisition

<u>Case No.</u>	<u>Date of Order/Amendment</u>
01-M-0075	05/24/2011

(2) Preferred Stock

<u>Case No.</u>	<u>Date of Order/Amendment</u>	<u>Series</u>
12733	09/20/1949	3.40% Series
12733	09/20/1949	3.60% Series
12733	09/20/1949	3.90% Series
01-M-0075	05/24/2011	Preferred Stk - Golden Share

(1) Amount actually paid to corporation for such stock

(a) Common Stock

	Case No.	No of Shares of Stock	Par Value Per Share	Total Par Value	Premiums Received	Amount Paid to Corporation
	01-M-0075	187,364,863	\$1.00	\$187,364,863.00	\$0	\$187,364,863

(b) Preferred Stock

	Case No.	No of Shares of Stock	Par Value Per Share	Total Par Value	Premiums Received	Amount Paid to Corporation
None						
3.40% Series	12733	57,524	\$100.00	\$5,752,400.00	\$0	\$5,752,400
3.60% Series	12733	137,152	\$100.00	\$13,715,200.00	\$0	\$13,715,200
3.90% Series	12733	95,171	\$100.00	\$9,517,100.00	\$0	\$9,517,100
Preferred Stk - Golden Share	01-M-0075	1	\$1.00	\$1.00	\$0	\$1
		289,848		\$28,984,701.00	\$0	\$28,984,701

NOTES:

4. Terms of Preference of each class of preferred stock: None.

The Company has certain issues of non-participating preferred stock which provide for redemption at the option of the Company. A summary of cumulative preferred stock at December 31, 2011 is as follows:

Series	Shares Outstanding	Price
\$100 par value -		
3.40% Series	57,524	\$ 103.500
3.60% Series	137,152	104.850
3.90% Series	95,171	106.000

5. Statement of each class of non-par stock showing amount transferred from Unappropriated Retained Earnings or other accounts: None

Notes 6, 7 and 8. A brief description of debt is as follows:

Senior Notes

In August 2009, the Company issued \$750 million of unsecured long-term debt at 4.881% with a maturity date of August 15, 2019. Additionally, in September 2009 the Company issued \$500 million of long-term debt at 3.553% with a maturity date of October 1, 2014. The debt is not registered under the U.S. Securities Act of 1933 ("Securities Act") and was sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act.

State Authority Financing Bonds

Substantially all of the Company's operating properties are subject to mortgage liens securing its mortgage debt. Several series of First Mortgage Bonds amounting to \$650 million were issued to secure a like amount of tax-exempt revenue bonds issued by NYSERDA. Approximately \$575 million of such securities bear interest at short-term adjustable interest rates (with an option to convert to other rates, including a fixed interest rate) ranging from 0.46% to 0.74%, for the twelve months ended December 31, 2011. The bonds are currently in the auction rate mode and are backed by bond insurance. The recent turmoil in the auction rate markets has led to widespread auction failures. In the case of a failed auction, the resulting interest rate on the bonds would revert to the maximum rate which depends on the current appropriate, short-term benchmark rate and the senior secured rating of the Company or the bond insurer, whichever is greater. The effect on interest expense has not been material at this time.

The Company also has \$75 million of 5.15% fixed rate pollution control revenue bonds issued through the New York State Energy Research and Development Authority ("NYSERDA") which are callable at par. Pursuant to agreements between NYSERDA and the Company, proceeds from such issues were used for the purpose of financing the construction of certain pollution control facilities at the Company's generation facilities (which the Company subsequently sold) or to refund outstanding tax-exempt bonds and notes.

Following is a schedule of bonds, notes, or other evidence of indebtedness by series where applicable.

Description	Case Number	Date of Order	Interest Rate	Date Issued	Date of Maturity	Amount Authorized and Issued	Amount Outstanding 12/31/2011
<u>Bonds (Account 221)</u>							
3.553% Series			3.55%	10/01/2009	10/01/2014	\$ 500,000,000	\$ 500,000,000
4.881% Series			4.88%	08/01/2009	08/15/2019	\$ 750,000,000	\$ 750,000,000
5.15% Series			5.15%	11/01/1998	11/01/2025	\$ 75,000,000	\$ 75,000,000
Floating Series A			variable	07/01/1994	07/01/2029	\$ 115,705,000	\$ 115,705,000
Floating Series K			variable	12/01/2003	10/01/2013	\$ 45,600,000	\$ 45,600,000
<u>Advances from Associated Companies (223)</u>							
Niagara Mohawk Holdings, Inc 5.8% Note Due 11/01/12						\$ 500,000,000	\$ 500,000,000
<u>Other Long-Term Debt (224)</u>							
State Authority Tax exempt Bonds			variable	07/01/1985	07/01/2015	\$ 100,000,000	\$ 100,000,000
State Authority Tax exempt Bonds			variable	12/01/1988	12/01/2023	\$ 69,800,000	\$ 69,800,000
State Authority Tax exempt Bonds			variable	12/01/1985	12/01/2025	\$ 75,000,000	\$ 75,000,000
State Authority Tax exempt Bonds			variable	12/01/1986	12/01/2026	\$ 50,000,000	\$ 50,000,000
State Authority Tax exempt Bonds			variable	03/01/1987	03/01/2027	\$ 25,760,000	\$ 25,760,000
State Authority Tax exempt Bonds			variable	07/01/1987	07/01/2027	\$ 93,200,000	\$ 93,200,000
						<u>\$ 2,400,065,000</u>	

As of December 31, 2011

9. Statement of Advances or other indebtedness to affiliated interests:

NOTES PAYABLE TO ASSOCIATED COMPANIES (233)	-	
ACCOUNTS RECEIVABLE FROM ASSOC. COMPANIES (146)	(9,900,331)	
ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (234)	34,652,534	
Indebtedness to affiliated interests		<u>24,752,203</u>

10. Statement of other indebtedness:

(a) Customer Advances for Construction	5,411,473	<u>5,411,473</u>
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(b) Current and Accrued Liabilities:

ACCOUNTS PAYABLE (232)	183,262,313	
CUSTOMER DEPOSITS (235)	37,471,957	
TAXES ACCRUED (236)	94,835,613	
INTEREST ACCRUED (237)	27,244,103	
TAX COLLECTIONS PAYABLE (241)	2,241,945	
MISC. CURRENT AND ACCRUED LIABILITIES (242)	<u>114,433,346</u>	
		<u>459,489,277</u>

Total Other Indebtedness		<u><u>489,652,953</u></u>
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11. Amount of interest accrued:

Long Term Debt	12 Months Ending December 31, 2011
<u>Bonds (Account 427)</u>	
3.553% Series	17,765,000
4.881% Series	36,607,500
5.15% Series	3,862,500
Floating Series A	683,694
Floating Series K	267,205
State Authority Tax exempt Bonds	2,433,570
	<u>\$ 61,619,469</u>
<u>Advances from Associated Companies (Account 430)</u>	
Niagara Mohawk Holdings, Inc. 5.8% Note Due 11/01/12	29,000,000
Money Pool Interest	14,833
Short Term Loan from Niagara Mohawk Holdings, Inc.	21,200
	<u>\$ 29,036,033</u>

<u>Other Interest Expense (Account 431)</u>	<u>12 Months Ending December 31, 2011</u>
Environmental	(8,422,298)
FIN 48 Tax	9,437,095
Commitment Fee	1,228,162
Other	6,074,962
Total Other Interest Expenses	<u>\$ 8,317,921</u>

12. Rate and amount of dividends declared during each of the five years last preceeding and amount of dividends paid:
Common Stock

Period	Amount
FY 2011	300,000,000
FY 2010	200,000,000
FY 2009	500,000,000
FY 2008	-
FY 2007	-

Preferred Stock

Period	Amount	
FY 2011	1,060,497	(3.4% = \$195.6k); (3.6% = \$493.7k); (3.9% = \$371.2k)
FY 2010	1,060,497	(3.4% = \$195.6k); (3.6% = \$493.7k); (3.9% = \$371.2k)
FY 2009	1,060,497	(3.4% = \$195.6k); (3.6% = \$493.7k); (3.9% = \$371.2k)
FY 2008	1,060,497	(3.4% = \$195.6k); (3.6% = \$493.7k); (3.9% = \$371.2k)
FY 2007	1,625,763	(3.4% = \$195.6K);(3.6% = \$493.7K);(3.9% = 370.4K); (4.1%=\$216.6K);(5.25%=\$179.1K);(4.85%=\$170.4K)

13. Statement of contingent assets and liabilities.

See the attached excerpt from the notes for the Company's contractual obligations, financial instruments, and contingencies disclosed in the Company's financial statements for the period ended December 31, 2011.

Note 9. Commitments and Contingencies

Purchase Commitments

The Company has long-term commitments with a variety of suppliers and pipelines to purchase gas commodity, provide gas storage capability, and transport gas commodity on interstate gas pipelines as well as has several types of long-term contracts for the purchase of electric power. The Company is liable for these payments regardless of the level of service required from third-parties. The Company purchases any additional energy needed to meet its load requirements and can purchase the electricity on the open market through the NYISO at market prices.

The table below sets forth the Company's estimated commitments for years subsequent to December 31, 2011 as follows:

Legal Matters

The Company is subject to various legal proceedings arising out of the ordinary course of its business. The Company does not consider any of such proceedings to be material to its business, individually or in the aggregate, or likely to result in a material adverse effect on its results of operations, financial condition, or cash flows.

Environmental Matters

The normal ongoing operations and historic activities of the Company are subject to various federal, state, and local environmental laws and regulations. Under federal and state Superfund laws, potential liability for the historic contamination of property may be imposed on responsible parties jointly and severally, without fault, even if the activities were lawful when they occurred.

The U.S. Environmental Protection Agency ("EPA"), and the New York Department of Environmental Conservation ("DEC"), as well as private entities, have alleged that the Company is a potentially responsible party under state or federal law for the remediation of numerous sites. The Company's most significant liabilities relate to former manufactured gas plant ("MGP") facilities formerly owned or operated by the Company. The Company is currently investigating and remediating, as necessary, those MGP sites and certain other properties under agreements with the EPA or the DEC.

The Company believes that obligations imposed on the Company because of the environmental laws will not have a material impact on its operations or financial condition because the Company has a fixed level of \$29.8 million annual recovery in base rates. For any annual spend above the fixed level, 80% is deferred for future recovery and 20% is the responsibility of the Company. As a result, the Company has recorded a regulatory asset representing the investigation, remediation, and monitoring obligations it expects to recover from ratepayers.

The Company is pursuing claims against other potentially responsible parties to recover investigation and remediation costs it believes are the obligations of those parties. The Company cannot predict the success of such claims. As of December 31, 2011 and December 31, 2010, the Company had reserves related to its environmental obligations of \$454.3 million and \$445.2 million, respectively, included as other deferred credits in the accompanying balance sheets. The high end of the range of potential liabilities at December 31, 2011, was estimated at \$592.6 million.

Nuclear Contingencies

As of December 31, 2011 and December 31, 2010, the Company had a liability of \$167.6 million, in other deferred credits for the disposal of nuclear fuel irradiated prior to 1983. The Nuclear Waste Policy Act of 1982 provides three payment options for liquidating such liability and the Company has elected to delay payment, with interest, until the year in which Constellation Energy Group Inc., which purchased the Company's nuclear assets, initially plans to ship irradiated fuel to an approved DOE disposal facility.

In March 2010, the DOE filed a motion with the Nuclear Regulatory Commission to withdraw the license application for a high-level nuclear waste repository at Yucca Mountain. The DOE's withdrawal motion has been challenged and is being litigated before the NRC and the D.C. Circuit. In January 2010 the US government announced that it has established a Blue Ribbon Commission ("BRC") to perform a comprehensive review and provide recommendations regarding the disposal of the nation's spent nuclear fuel and waste. In January 2012, the BRC issued its report and recommendations which provides for numerous policy recommendations currently under review and consideration by the US Secretary of Energy. Therefore, the Company cannot predict the impact that the recent actions of the DOE and the US government will have on our ability to dispose of the spent nuclear fuel and waste.

Sales and Use Tax Contingencies

The Company is subject to periodic tax audits by federal and state authorities. In 2005, the Company was subject to a sales and use tax audit conducted by the State of New York for the audit period June 2001 through November 2005. The Company's sales and use tax for 2006 and subsequent years remain subject to examination by the state authorities. In June 2010, the State of New York completed its audit and the Company received an assessment based on which the Company reserved \$23.6 million as other deferred liabilities at December 31, 2010. The Company

13. Statement of Program in effect for the amortization of deferred debits and deferred credits at

December 31, 2011

Unamortized Debt Expense	\$ 21,494,244
Clearing Operating	\$ 1,843,824
Preliminary Survey and Investigation Charges	\$ 2,924,907
Unamortized Loss on Reacquired Debt	\$ 24,128,513

Regulatory Assets

Regulatory Tax Asset (FAS 109)	180,665,981
Deferred Environmental Restoration Costs	454,157,160
Storm Restoration Costs Deferred	11,998,980
Asset Retirement Obligation Reg Asset	7,904,162
Gas Futures - Gas Supply	17,115,747
Elec Swaps - Elec Supply	20,254,433
Temp State Assessment 18-A	1,638,349
Medicare Act tax benefit defer	11,468,756
FAS 158 - Pension	297,253,498
FAS 158 - OPEB	195,775,840
Debt True Up - Electric	423,885
Def Sum Case 10-E-0050	236,145,960
MFC - Electric	949,638
Fuel Cost Deferred	924,400
Gas Adjustment Clause	26,945,000
Excess AFUDC - Electric Plant in Service	196,258
Other Post Retirement Benefits - Electric	3,250,639
Electric Plant in Service Excess AFUDC	518,002
NIMO Case 08-G-0609 JP Amort	8,104,523
State Regulatory Asset (SFAS 109)	(76,330,661)
80/20 Revenue Sharing Mechanism	575,766
Generation Stranded Costs Adjustments	1,161,790
Pension Expense Deferred - Gas	5,537,701
Incentive Return on Retirement Funding	122,491
Gas Millenium Fund Deferral	171,831
RDM Revenue Decoupling	9,478,648
NIMO - Low Income Program	2,601,525
Total Regulatory Assets	\$ 1,419,010,302

Deferred Debits

Stilwater Development Receivable	218,951
Cash Overs & Shorts	(3,448,642)
Atlantic Radio Equipment	19,656
NYPA Breakers Agreement	7,000,000
Suspense-KeySpan	113,921
Miscellaneous	7,414
Total Deferred Debits	\$ 3,911,300

Deferred Taxes

Accumulated Deferred Taxes	\$ 565,281,358
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Total Deferred Debits	\$ 2,038,594,448
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13. Statement of Program in effect for the amortization of deferred debits and deferred credits at

December 31, 2011
Deferred Credits

Construction Advances	\$ 5,411,473
Energy Service Company Deposits	1,697,925
Unregulated Generator Capital Work Reimb. - Onieida	6,777,694
Capital Work Reimb. - Salamanca	705,693
Demutualization - UMICO Holdings	1,128,420
Liability for Environmental Restoration Costs	454,292,156
Supplemental Executive Retirement Plan Liability	3,057,020
FAS 106	698,242,090
Liability for Nuclear Fuel Disposal Costs	167,586,931
KS - Deriv MTM Regulated - LT	1,688,057
Pension Cost	(320,171,707)
Other Post Employment Benefit Liability	28,587,975
Def Incentive Comp - Pensions	4,676,927
Long Term Interest Payable	22,081,695
Large Project Salvage	299,394
Sales Tax Exposure	8,615,457
Other	8,928,619
Total Other Deferred Credits	\$ 1,088,194,346

Other Regulatory Liabilities

Federal Reg. Liab (SFAS 109)	15,983,282
Miscellaneous Liabilities	1,442,402
RPS Program Cost Deferred	723,264
Consumer Service Advocate	117,500
Deferral Carry Chrg 10-E-0050	1,606,022
RDM - Electric	25,366,173
Rate Subject to Refund	50,000,000
Proceeds from Sale of Emissions Allowan	1,985,135
Clean Air Act - Roseton	186,280
Gain on Redemption of 8.35 Series Bond	240,466
CSS Conv Savings Gas	244,593
Unbilled Gas Revenue	18,093,000
Gas Non-core Revenue Sharing	2,046,662
Electric Customer Service Penalty	1,998,916
Gas Contingency Reserve	1,434,946
Environment Insurance Recoveries	4,741,379
Gas Customer Service Penalty	83,745
Loss on Sale of Building	2,269
SBC Program Deferred	1,491,652
State Reg. Liability (SFAS 109)	32,664,135
Diana Dolgeville - IPP Settlement	4,922,128
Merchant Function Charge	185,973
SIR Expenditure Def - Gas	1,505,515
SBC Program Cost - Electric	25,639,561
SBC Program Cost - Gas	6,665,947
Transm Revenue Adj Clause	286,721
Commodity Adj Clause	19,202,571
OPEB Exp Deferred - Gas	5,579,325
Economic Development Fund	6,648,249
GRT Customer Refund - Gas	54,386
NYPA Residential Hydropower Benefit	2,300,088
Bonus Depreciation Adjustment	77,897
Gas Futures - Gas Supply	1,809,568
KS Merger Savings - Gas	220,806
Electric Swaps - Electric Supply	40,338,101
Voltage Migration Fee Deferral	15,712
Long Term Debt True Up	18,836,909
Fed Tax Refund 1991-1995	9,329,143
Curtailment	495,134
Pension Exp Deferred - Electric	1,070,613

Exhibit 3
Page 15 of 21

OPEB Exp Deferred - Electric	30,780,363
Low Income Allow Discount Prog	395,837
SIR Expenditures Deferred Elec	13,182,376
Total Other Regulatory Liabilities	<u>\$ 349,994,744</u>

Deferred Taxes

Accumulated Deferred Income Tax Credits	23,415,283
Accumulated Deferred Income Taxes - Property Related	1,480,058,060
Accumulated Deferred Income Taxes - Other	675,875,427
Total Deferred Income Taxes	<u>\$ 2,179,348,770</u>

Total Deferred Credits	<u><u>\$ 3,622,949,333</u></u>
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16. Statement of Income for the period from January 1, 2011 through December 31, 2011 -- see Page 14
Balance Sheet at December 31, 2011 with analysis of various accounts-see Pages 15-18

NIAGARA MOHAWK POWER CORPORATION
INCOME STATEMENT

Exhibit 3
Page 17 of 21

	12 Months Ending December 31, 2011
UTILITY OPERATING INCOME	
Operating Revenues (400)	\$ 3,835,295,565
Operating Expenses:	
Operation Expenses (401)	2,273,844,599
Maintenance Expenses (402)	224,042,782
Joint Expenses (402.1)	-
Depreciation Expenses (403)	211,119,890
Amortization and Depletion of Utility Plant (404)	-
Amortization of Other Utility Plant (405)	283,418
Amortization of Utility Plant Acq Adj (406)	36,913
Amort of Property Losses (Elec 407, Gas 407.1)	-
Amortization of Conversion Expenses (Gas 407.2)	-
Regulatory Debits (407.3)	600,702,305
(Less) Regulatory Credits (407.4)	(22,373,361)
Taxes Other Than Income Taxes (408.1)	246,317,517
Income Taxes (409.1, 410.1, 411.1, 411.4, 411.8)	67,798,692
Gains from Disposition of Utility Plant (411.6)	-
Losses from Disposition of Utility Plant (411.7)	465,874
Total Operating Expenses	\$ 3,602,238,629
Net Operating Revenues	\$ 233,056,936
Revenues from Utility Plant Leased to Others (412)	-
Expenses of Utility Plant Leased to Others (413)	-
Other Utility Operating Income (414)	-
Total Utility Operating Income	\$ 233,056,936
OTHER INCOME	
Income from Merchandising, Jobbing and Contract Work (415, 416)	\$ -
Income from Nonutility Operations (417, 417.1)	(3,840,977)
Nonoperating Rental Income (418)	220,690
Equity in Earnings of Subsidiary Companies (418.1)	(120,272)
Interest and Dividend Income (419)	4,907,986
Allowance for Funds Used During Construction (419.1)	6,061,115
Miscellaneous Nonoperating Income (421)	145,079
Gain on Disposition of Property (421.1)	-
Total Other Income	\$ 7,373,621
OTHER INCOME DEDUCTIONS	
Loss on Disposition of Property (421.2)	\$ -
Miscellaneous Amortization (425)	-
Miscellaneous Income Deductions (426)	12,558,232
Total Other Income Deductions	\$ 12,558,232
TAXES-OTHER INCOME AND DEDUCTIONS	
Taxes Other Than Income Taxes (408.2)	\$ 776,036
Income Taxes (409.2, 410.2, 411.2, 411.5, 420)	(4,779,877)
Total Taxes-Other Income and Deductions	\$ (4,003,841)
Net Other Income and Deductions	\$ (1,180,770)
INTEREST CHARGES	
Interest on Long-term Debt (427)	\$ 61,619,469
Amortization of Debt Disc. and Expense (428)	2,464,006
Amortization of Loss on Reacquired Debt (428.1)	1,108,069
Amortization of Premium on Debt-Credit (429)	(60,460)
Interest on Debt to Associated Companies (430)	29,036,033
Other Interest Expenses (431)	8,317,921
(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)	(1,171,431)
Total Interest Charges	\$ 101,313,607
Income Before Extraordinary Items	\$ 130,562,559
EXTRAORDINARY ITEMS	
Extraordinary Income (434)	-
Extraordinary Deductions (435)	-
Income Taxes, Extraordinary Items (409.3)	-
Net Extraordinary Items	-
Net Income	\$ 130,562,559

Account Title	December 31, 2011
UTILITY PLANT	
UTILITY PLANT (101-107, 114, 117, 118.1, 118.2, 120)	\$ 9,452,490,545
LESS: ACCUMULATED PROVISION FOR DEPR., AMORT. AND DEPLETION (108-113, 115, 119.1, 119.2, 120.5)	3,231,591,817
TOTAL NET UTILITY PLANT	<u>\$ 6,220,898,728</u>
OTHER PROPERTY AND INVESTMENTS	
NONUTILITY PROPERTY (121)	\$ 11,178,459
LESS: ACCUM. PROV. FOR DEPR. AND AMORT. (122)	74,725
INVESTMENT IN ASSOCIATED COMPANIES (123)	-
INVESTMENT IN SUBSIDIARY COMPANIES (123.1)	5,294,741
OTHER INVESTMENTS (124)	3,285,196
SINKING FUNDS (125)	-
DEPRECIATION FUND (126)	-
OTHER SPECIAL FUNDS (128)	24,019,226
Derivative Instrument Assets (175)	40,049,277
TOTAL OTHER PROPERTY AND INVESTMENTS	<u>\$ 83,752,174</u>
CURRENT AND ACCRUED ASSETS	
CASH (131)	\$ 16,964,759
INTEREST SPECIAL DEPOSITS (132)	-
DIVIDEND SPECIAL DEPOSITS (133)	-
OTHER SPECIAL DEPOSITS (134)	24,718,347
WORKING FUNDS (135)	64,000
TEMPORARY CASH INVESTMENTS (136)	-
NOTES RECEIVABLE (141)	72,976
ACCOUNTS RECEIVABLE (142, 143)	510,515,025
LESS: ACCUM. PROV. FOR UNCOLL. ACCTS. CR. (144)	186,639,852
NOTES RECEIVABLE FROM ASSOC. COMPANIES (145)	95,595,936
ACCOUNTS RECEIVABLE FROM ASSOC. COMPANIES (146)	9,900,331
MATERIALS & SUPPLIES (150)	-
Plant Materials and Operating Supplies (154)	33,466,311
Stores Expense Undistributed (163)	97,622
GAS STORED UNDERGROUND - CURRENT (164.1)	61,681,687
LIQUIFIED NATURAL GAS IN STORAGE (164.2)	-
PREPAYMENTS (165)	35,495,304
INTEREST AND DIVIDENDS RECEIVABLE (171)	19,767
RENTS RECEIVABLE (172)	9,988,294
ACCRUED UTILITY REVENUES (173)	146,829,000
MISC. CURRENT AND ACCRUED ASSETS (174)	8,002,668
Derivative Instrument Assets (175)	1,809,568
Derivative Instrument Assets - Hedges (176)	288,824
TOTAL CURRENT AND ACCRUED ASSETS	<u>\$ 768,870,567</u>
DEFERRED DEBITS	
UNAMORT. DEBT EXPENSE (181)	\$ 21,494,244
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)	-
Other Regulatory Assets (182.3)	1,419,010,302
PRELIM. SURVEY AND INVESTIGATION CHARGES (183)	2,924,907
CLEARING ACCOUNTS (184)	1,843,824
TEMPORARY FACILITIES (185)	-
MISCELLANEOUS DEFERRED DEBITS (186)	3,911,300
DEF. LOSSES FROM DISPOSITION OF UTILITY PLANT (187)	-
INVESTMENT IN RESEARCH AND DEVELOPMENT (188)	-
Unamortized Loss on Reacquired Debt (189)	24,128,513
ACCUMULATED DEFERRED INCOME TAXES (190)	565,281,358
TOTAL DEFERRED DEBITS	<u>\$ 2,038,594,448</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>\$ 9,112,115,917</u></u>

ACCOUNT TITLE	December 31, 2011
PROPRIETARY CAPITAL	
COMMON STOCK ISSUED (201)	\$ 187,364,863
PREFERRED STOCK ISSUED (204)	28,984,701
CAPITAL STOCK SUBSCRIBED (202, 205)	-
STOCK LIABILITY FOR CONVERSION (203, 206)	-
PREMIUM ON CAPITAL STOCK (207)	-
OTHER PAID-IN-CAPITAL (208-211)	1,624,008,331
INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-
CAPITAL STOCK EXPENSE (214)	-
APPROPRIATED RETAINED EARNINGS (215)	-
UNAPPROPRIATED RETAINED EARNINGS (216)	711,627,729
UNAPPROPRIATED UNDIST. SUBSIDIARY EARNINGS (216.1)	(1,962,482)
REACQUIRED CAPITAL STOCK (217)	-
ACCUMULATED OTHER COMPREHENSIVE INCOME [219]	-
TOTAL PROPRIETARY CAPITAL	\$ 2,550,023,142
LONG TERM DEBT	
BONDS (221)	\$ 1,486,305,000
REACQUIRED BONDS (222)	-
ADVANCES FROM ASSOC. COMPANIES (223)	500,000,000
OTHER LONG TERM DEBT (224)	413,760,000
UNAMORTIZED PREMIUM ON LONG TERM DEBT (225)	-
UNAMORTIZED DISCOUNT ON LONG TERM DEBT (226)	(353,406)
TOTAL LONG TERM DEBT	\$ 2,399,711,594
CURRENT AND ACCRUED LIABILITIES	
NOTES PAYABLE (231)	\$ -
ACCOUNTS PAYABLE (232)	183,262,313
NOTES PAYABLE TO ASSOCIATED COMPANIES (233)	-
ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (234)	34,652,534
CUSTOMER DEPOSITS (235)	37,471,957
TAXES ACCRUED (236)	94,835,613
INTEREST ACCRUED (237)	27,244,103
DIVIDENDS DECLARED (238)	265,124
MATURED LONG TERM DEBT (239)	-
MATURED INTEREST (240)	-
TAX COLLECTIONS PAYABLE (241)	2,241,945
MISC. CURRENT AND ACCRUED LIABILITIES (242)	114,433,346
Obligations Under Capital Leases - Current (243)	595,242
Derivative Instrument Liabilities (244)	20,070,864
Derivative Instrument Liabilities - Hedges (245)	11,227,460
TOTAL CURRENT AND ACCRUED LIABILITIES	\$ 526,300,501
DEFERRED CREDITS	
CUSTOMER ADVANCES FOR CONSTRUCTION (252)	\$ 5,411,473
OTHER DEFERRED CREDITS (253)	1,088,194,346
Other Regulatory Liabilities (254)	349,994,744
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (255)	23,415,283
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT (256)	-
ACCUMULATED DEFERRED INCOME TAXES (281 - 283)	2,155,933,487
TOTAL DEFERRED CREDITS	\$ 3,622,949,333
OTHER NONCURRENT LIABILITIES	
Obligations Under Capital Leases - Noncurrent (227)	\$ 595,198.00
Accumulated Provision for Property Insurance (228.1)	-
Accumulated Provision for Injuries and Damages (228.2)	3,096,417
Accumulated Provision for Pensions and Benefits (228.3)	-
Accumulated Miscellaneous Operating Provisions (228.4)	-
Long-term Portion of Derivative Instrument Liabilities	183,569
Accumulated Provision for Rate Refunds (229)	9,256,163
TOTAL Other Noncurrent Liabilities (Enter Total of lines 25 thru 30)	\$ 13,131,347
TOTAL LIABILITIES AND OTHER CREDITS	\$ 9,112,115,917

NIAGARA MOHAWK POWER CORPORATION
DETAILS OF CHANGES IN CERTAIN BALANCE SHEET ACCOUNTS

Exhibit 3
Page 20 of 21

Common Capital Stock and Premium on Capital Stock

	<u>Common Capital Stock</u>	
	<u>No of Shares of Stock</u>	<u>Par Value Per Share</u>
Common Stock Issued	187,364,863	\$1.00
		<u>Total Par Value</u>
		\$187,364,863.00
	<u>Premiums Received</u>	<u>Amount Paid to Corporation</u>
	\$ -	\$ 187,364,863
	<u>December 31, 2011</u>	
UNAPPROPRIATED RETAINED EARNINGS (Account 216)	\$ 883,594,219	
Balance -- Beginning of Year		
Changes (Identify by prescribed retained earnings accounts)	-	
Adjustments to Retained Earnings (Account 439)	-	
TOTAL Credits to Retained Earnings (Acct. 439)	-	
TOTAL Debits to Retained Earnings (Acct. 439)		
Balance Transferred from Income (Account 433 less Account 418.1)	130,682,831	
Appropriations of Retained Earnings (Account 436)		
TOTAL Appropriations to Retained Earnings (Acct. 436)	-	
Dividends Declared -- Preferred Stock (Account 437)	(1,060,497)	
TOTAL Dividends Declared -- Preferred Stock (Acct. 437)		
Dividends Declared -- Common Stock (Account 438)	(300,000,000)	
TOTAL Dividends Declared -- Common Stock (Acct. 438)	-	
Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
Balance -- End of year	\$ 713,216,553	
Appropriated Retained Earnings (Account 215)	(1,588,824)	
TOTAL Retained Earnings (Account 215, 215.1, 216)	\$ 711,627,729	

NIAGARA MOHAWK POWER CORPORATION

Exhibit 3
Page 21 of 21

Additional Information

None.

Niagara Mohawk Power Corporation
Projected Sources and Use of Funds Statement
In \$000s

	Forecast for Fiscal Year Ending March 31,			
	2013	2014	2015	2016
<u>Sources of Funds</u>				
<u>Internal</u>				
Net Income	176,114	305,664	289,806	270,729
Depreciation & Amortization	410,308	229,634	239,293	249,587
Deferred Taxes	3,708	61,667	56,545	58,127
Changes in Working Capital/Other	<u>-19,694</u>	<u>-26,002</u>	<u>6,481</u>	<u>-106,373</u>
Total Internal Sources	570,436	570,964	592,125	472,071
<u>External</u>				
Long-Term Debt	500,000	45,600	750,000	100,000
Money Pool Borrowings	<u>110,958</u>	<u>146,399</u>	<u>199,792</u>	<u>171,316</u>
Total External Sources	610,958	191,999	949,792	271,316
Total Sources of Funds	<u>1,181,394</u>	<u>762,963</u>	<u>1,541,917</u>	<u>743,387</u>
<u>Uses of Funds</u>				
Capital Expenditures	560,334	591,303	615,857	642,327
Reimbursement of Treasury	121,060	126,060	176,060	1,060
<u>Redemptions</u>				
Long-Term Debt	500,000	45,600	500,000	100,000
Money Pool Debt			250,000	
Total Uses of Funds	<u>1,181,394</u>	<u>762,963</u>	<u>1,541,917</u>	<u>743,387</u>

Exhibit 5

STATE OF NEW YORK)
)
COUNTY OF NASSAU) ss:

BRADLEY WHITE, being duly sworn, deposes and says, that he is the Vice President and Controller of NIAGARA MOHAWK POWER CORPORATION, Petitioner herein; that he makes this affidavit in satisfaction of the requirements of Sections 37.1(o) and 37.3(d) of the Commission's Rules of Procedure, 16 NYCRR, Part 37; that he is familiar with and has knowledge of the accounting records of Petitioner, and that to the best of information and belief, the accounts of Petitioner have been kept strictly in accordance with the accounting order or orders of the Commission applicable thereto; that since the effective date of such orders there have been no charges to asset accounts not in accordance therewith; that, except for normal recording delays, all required credits and debits to such asset accounts have been made for the amount and in the manner prescribed therefore in such accounting orders.



Bradley White
Vice President and Controller

Sworn to before me this
8TH day of June, 2012




Notary Public

MARIE WITCHER
Notary Public, State of New York
No. 4895109
Qualified in Kings County 4/27/15
Commission Expires _____

Exhibit 6

STATE OF NEW YORK)
)
COUNTY OF NASSAU) ss:

LORRAINE LYNCH, being duly sworn, deposes and says, that she is the Vice President and Treasurer of NIAGARA MOHAWK POWER CORPORATION, Petitioner herein; that she makes this affidavit in satisfaction of the requirements of Sections 37.6(j) of the Commission's Rules of Procedure, 16 NYCRR, Part 37; that she is familiar with and has knowledge of the accounting records of Petitioner, and that to the best of her information and belief the proper credits to subaccounts of the operating property account have been made for all property which was removed, sold, abandoned, or destroyed or which for any cause ceased to be used and useful in the service of the public during the reimbursement period as required by the applicable system of accounts prescribed by the Commission; that during the reimbursement period the debits to each of said subaccounts represent the original cost of property used and useful in the service of the public; and that the funds expended for purposes for which reimbursement is sought were not directly or indirectly derived from the sale of stock, bonds, notes or other evidences of indebtedness payable at periods of more than twelve months after the date thereof or from open accounts of Petitioner.



Lorraine Lynch
Vice President and Treasurer

Sworn to before me this
8TH day of June, 2012



Notary Public

MARIE WITCHER
Notary Public, State of New York
No. 4895109
Qualified in Kings County 4/27/15
Commission Expires _____

Proposed Accounting Treatment Relating to
the Proposed Issuance of New Debt Securities

Entry 1

Debit Account 131	Cash
Debit Account 226	Unamortized Discount on Long Term Debt
Credit Account 225	Unamortized Premium on Long Term Debt (pending market conditions)
Credit Account 221	Bonds

To record the issuance of the new series of Debt Securities and the associated discount or premium, pending market conditions.

Entry 2

Debit Account 181	Unamortized Debt Expense
Credit Account 131	Cash

To record the costs associated with the issuance of the new series of Debt Securities.

Entry 3

Debit Account 428	Amortization of Debt Discount and Expense
Debit Account 225	Unamortized Premium on Long Term Debt
Credit Account 429	Amortization of Premium on Long Term Debt
Credit Account 226	Unamortized Discount on Long Term Debt
Credit Account 181	Unamortized Debt Expense

To record the amortization of the costs and discount or premium associated with the issuance of the new series of Debt Securities over the life of the issue.

Proposed Accounting Treatment Relating to
the Proposed Refinancing of Existing Debt

Entry 1

Debit Account 131	Cash
Debit Account 226	Unamortized Discount on Long Term Debt
Credit Account 225	Unamortized Premium on Long Term Debt (pending market conditions)
Credit Account 221	Bonds

To record the issuance of the new series of Debt Securities and the associated discount or premium, pending market conditions.

Entry 2

Debit Account 181	Unamortized Debt Expense
Credit Account 131	Cash

To record the costs associated with the issuance of the new series of Debt Securities.

Entry 3

Debit Account 428	Amortization of Debt Discount and Expense
Debit Account 225	Unamortized Premium on Long Term Debt
Credit Account 429	Amortization of Premium on Long Term Debt
Credit Account 226	Unamortized Discount on Long Term Debt
Credit Account 181	Unamortized Debt Expense

To record the amortization of the costs and discount or premium associated with the issuance of the new series of Debt Securities over the life of the issue.

Entry 4

Debit Account 221	Bonds
Credit Account 131	Cash

To record the retirement of existing Debt Securities

Entry 5

Debit Account 428	Unamortized Debt Expense
Credit Account 181	Unamortized Debt Expense

To record the write off of the Unamortized Debt Expense associated with the retired Debt Securities.

VERIFICATION

I, LORRAINE LYNCH, Vice President and Treasurer of NIAGARA MOHAWK
POWER CORPORATION, named in the foregoing Petition, do hereby affirm that the
contents of this document are true to the best of my knowledge.

/s/ Lorraine Lynch

Lorraine Lynch
Vice President and Treasurer

Exhibit 9
Page 1 of 1

Estimated Expenses of Issue for NMPC Debt Expressed as a Percentage of Principal

Maturity in years	2	3	5	7	10	20	30
Underwriting Commissions	0.350%	0.350%	0.600%	0.625%	0.650%	0.875%	0.875%
Other Issuance Expenses*	0.080%	0.080%	0.080%	0.080%	0.080%	0.080%	0.080%
Total Issuance Expenses	0.430%	0.430%	0.680%	0.705%	0.730%	0.955%	0.955%

* Other issuance expenses are usually approximately \$0.4 million per issue. This equates to 0.080 for a principal amount of \$500 million, but this proportion would rise for smaller issuances.