

STATE OF NEW YORK

Public Service Commission

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PSC HEARS PROPOSAL FOR NATIONAL GRID'S ELECTRIC RATES — Final Decision on Rates for Upstate Utility Anticipated January 20 —

Albany, NY—01/12/11—The New York State Public Service Commission (Commission) today received oral presentations from advisory staff of the Department of Public Service concerning proposed rates for delivery of National Grid's upstate electric service and disposition of related matters. Under consideration is a proposal that would result in no increase in the delivery portion of customers' bills in 2011.

The rate proposal put forth today by advisory staff suggested the Commission consider postponing until 2012 National Grid's recovery in rates of certain expenses such as post-employment benefits, major storm restoration costs, and site investigation and remediation costs, while at the same time allowing for a full recovery of all fixed competitive transition charges (CTCs) for power supply contracts through the end of 2011.

If the Commission were to accept this proposal, it would result in keeping the average customer bill for delivery service unchanged during 2011. It could also potentially result in a significant decrease in commercial and industrial rates in 2012 due to the fact that CTCs are set to expire at the end of 2011.

The amount of such a rate decrease would depend upon, among other things, the pace of recovery of the postponed expenses and the timing of any new request for rate relief. Advisory staff's proposal to initiate a further process to address the rate changes associated with the elimination of the CTC could begin in mid-2011.

Today's special session of the Commission was an opportunity for Commissioners to engage in a discussion with advisory staff concerning its examination of the record in the National Grid electric rate proceeding and related issues. It was a non-voting session.

The Commission may accept, reject, or modify in part the recommendations in this proceeding. It is anticipated the Commission will make a determination concerning National Grid's electric service delivery rates at the January 20 session.

All public documents filed in the Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations for Niagara Mohawk Power Corporation or National Grid's upstate electric service may be obtained by going to the Search section of the Commission's Web site at www.dps.state.ny.us and entering Case 10-E-0050 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access.