

THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY ("KEDNY")
Estimated Temporary State Assessment ("TSA") for State Fiscal Year 2015/16 and
Estimated September 2015 TSA Payment including Working Capital and Bad Debt Underlying the Incremental State Assessment Surcharge

Calculation of Calendar Year 2014 Assessable Revenues:

(1)	Total Gas Operating Revenues	PSC Annual Report, Page 64 (Line 28)	\$	1,552,335,245
	Adjustments:			
(2)	Less Sales for Resale	PSC Annual Report, Page 64 (Line 7)	\$	(246,541,081)
(3)	Less Transportation for Power Generation		\$	(3,471,730)
(4)	Less Exempt Revenues @ \$500,000		\$	(500,000)
(5)	Total Adjustments	Sum of Lines (2) through (4)	\$	(250,512,811)
(6)	Assessable Gas Utility Revenues	Line (1) + Line (5)	\$	1,301,822,434
(7)	Estimated ESCO Energy Revenues	PSC Annual Report, Page 2 (footnote)	\$	290,063,030
(8)	Total Gas Assessable Revenue Estimate	Line (6) + Line (7)	\$	1,591,885,464

Calculation of Estimated Temporary State Assessment:

(9)	Combined General & Temporary State Assessment	Line (8) x 1.00%	1.00%	\$	15,918,855
(10)	Less: Amount of General Assessment in Base Rates	a\		\$	(4,712,263)
(11)	Estimated Temporary State Assessment	Line (9) + Line (10)		\$	11,206,591

Basis for Determination of Incremental State Assessment Surcharge

March 2015 Payment of Combined General & Temporary State Assessment					
(12)	General Assessment in Base Rates	b\		\$	1,744,865
(13)	Temporary State Assessment	b\		\$	5,850,419
(14)	Combined General & Temporary State Assessment	b\		\$	7,595,284
Estimated September 2015 Payment of Combined General & Temporary State Assessment					
(15)	General Assessment in Base Rates	Line (17) - Line (16)		\$	2,967,399
(16)	Temporary State Assessment	Line (11) - Line (13)		\$	5,356,172
(17)	Combined General & Temporary State Assessment	Line (9) - Line (14)		\$	8,323,571
(18)	Carrying Charges on Cash Working Capital	Line (16) x: 3.2%	3.20%	\$	171,398
(19)	Bad Debt Allowance		1.48%	\$	83,037
(20)	Estimated September 2015 TSA Payment including Working Capital and Bad Debt	Line (16) + Line (18) + Line (19)		\$	5,610,607

a\ - JP Case 12-G-0544, Appendix 1, Schedule 4, Page 1 with applicable inflation

b\ - Per January 30, 2015 Statement of Estimated Assessment

THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY ("KEDNY")
Estimated Temporary State Assessment("TSA") for State Fiscal Year 2016/17 and
Estimated March 2016 TSA Payment including Working Capital and Bad Debt Underlying the Incremental State Assessment Surcharge

Estimate of Calendar Year 2015 Assessable Revenues:

(1) Total Gas Operating Revenues	Estimated Revenues	\$ 1,552,335,245
Adjustments:		
(2) Less Sales for Resale	Estimated Revenues	\$ (246,541,081)
(3) Less Transportation for Power Generation	Estimated Revenues	\$ (3,471,730)
(4) Less Exempt Revenues @ \$500,000		\$ (500,000)
(5) Total Adjustments	Sum of Lines (2) through (4)	\$ (250,512,811)
(6) Assessable Gas Utility Revenues	Line (1) + Line (5)	\$ 1,301,822,434
(7) Estimated ESCO Energy Revenues	Estimated Revenues	\$ 290,063,030
(8) Total Gas Assessable Revenue Estimate	Line (6) + Line (7)	\$ 1,591,885,464

Calculation of Estimated Temporary State Assessment:

(9) Combined General & Temporary State Assessment	Line (8) x 0.73%	0.73%	\$ 11,620,764
(10) Less: Amount of General Assessment in Base Rates	a\		\$ (4,712,263)
(11) Estimated Temporary State Assessment	Line (9) + Line (10)		\$ 6,908,500

Basis for Determination of Incremental State Assessment Surcharge

(12) Carrying Charges on Cash Working Capital	Line (11) x: 3.2%	3.20%	\$ 221,072
(13) Bad Debt Allowance		1.48%	\$ 107,103
(14) Estimated Incremental State Assessment Surcharge including Working Capital and Bad Debt	Sum of Lines (11) through (13)		\$ 7,236,675
(15) Estimated March 2016 TSA Payment including Working Capital and Bad Debt	Line (14) ÷ 2		\$ 3,618,338

a\ - JP Case 12-G-0544, Appendix 1, Schedule 4, Page 1 with applicable inflation