

MARCH 2011 REVENUE FROM TRANSMISSION OF ENERGY

| Account | Description | Month of March 2011 |
|--|--|------------------------|
| 110033 | Grandfathered Wheeling Revenue | 3,824,410 |
| 110031 | Regional Transmission Service | 1,845,440 |
| 110038 | Congestion Balancing Settlement | (1,279,882) |
| 110038 | Amortization of NYISO TCC Auction Revenues (Including Native Load Reconfigurat | 5,390,030 |
| 110038 | NYISO TCC Revenues (St. Lawrence/RG&E) | 295,286 |
| 110038 | NYISO TRAC Deferral/Reversal | (4,774,183) |
| TOTAL WHOLESALE TRANSMISSION REVENUE BOOKED | | <u>\$5,301,100</u> |
| Adjustments (exclusions) for TRAC calculation: | | |
| | NYISO TRAC Deferral/Reversal | \$ 4,774,183 |
| a | TRANSMISSION REVENUE (for TRAC CALCULATION) | <u>\$10,075,283</u> |
| b | TRAC Base Value - March 2011 ¹ | <u>\$10,637,777</u> |
| c | TRAC Deferral Booked | <u>\$562,494</u> |
| d | TRAC Cap Carryover from Prior Month | <u>0</u> |
| e | Sub-Total | <u>\$562,494</u> |
| g | Monthly Cap ² | \$6,000,000 |
| h | TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap | <u>(\$5,437,506)</u> |
| TRAC Surcharge/(Refund) to Retail Customers | | <u>\$562,494</u> |
| TRAC Cap Carryover to be Applied to Next Month | | <u>\$0</u> |

¹ Based on 2001 forecast in National Grid USA and Niagara Mohawk Joint Proposal merger filing. Updated Forecast as of Jan. 2011

² Based on Rule No. 43.5.1 and Fourth Revised Leaf No. 71-Q1 to PSC No. 207 Electricity effective December 19, 2005 whereby the New York Public Service Commission and National Grid agreed to apply a monthly cap to limit the difference between forecasted and actual transmission revenue in one month to alleviate the impact when these situations occur. Specifically, the monthly cap is \$6 million on the monthly TRA calculation, plus or minus, with any excess deferred over to the next cost month. If the \$6 million cap is reached for another two consecutive months, the cap will be raised to \$8 million, on a going forward basis.

³ These revenues were not part of the derivation of the \$123,475,046 TRAC benchmark in the 2001 National Grid USA and Niagara Mohawk Joint Proposal.