DECEMBER 2010 REVENUE FROM TRANSMISSION OF ENERGY

110033 Grandfathered Wheeling Revenue 3,827,372 110031 Regional Transmission Service 2,333,148 110038 Congestion Balancing Settlement (5,020,228) 110038 Amortization of NYISO TCC Auction Revenues (Including Native Load Reconfiguration) 5,437,352 110038 NYISO TCR Revenues (St. Lawerence/RG&E) 521,760 110038 NYISO TRAC Deferral/Reversal 4,527,317 TOTAL WHOLESALE TRANSMISSION REVENUE BOOKED 511,626,720 Adjustments (exclusions) for TRAC calculation: NYISO TRAC Deferral/Reversal 5,7099,403 Adjustments (exclusions) for TRAC calculation: 5,7099,403 Adjustments (exclusi	Account	Description	Month of December 2010
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110038 Congestion Balancing Settlement (5,020,228) 110038 Amortization of NYISO TCC Auction Revenues (Including Native Load Reconfiguration) 5,437,352 110038 NYISO TCC Revenues (St. Lawerence/RG&E) 521,760 110038 NYISO TRAC Deferral/Reversal 4,527,317 TOTAL WHOLESALE TRANSMISSION REVENUE BOOKED \$11,626,720 Adjustments (exclusions) for TRAC calculation:		e	
110038 Amortization of NYISO TCC Auction Revenues (Including Native Load Reconfiguration) 5,437,352 110038 NYISO TCC Revenues (St. Lawerence/RG&E) 521,760 110038 NYISO TRAC Deferral/Reversal 4,527,317 TOTAL WHOLESALE TRANSMISSION REVENUE BOOKED \$11,626,720 Adjustments (exclusions) for TRAC calculation:			
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110038 NYISO TRAC Deferral/Reversal			
Adjustments (exclusions) for TRAC calculation: NYISO TRAC Deferral/Reversal \$ (4,527,317) TRANSMISSION REVENUE (for TRAC CALCULATION) \$7,099,403 TRAC Base Value - December 2010 \$10,157,244 TRAC Deferral Booked \$3,057,841 TRAC Cap Carryover from Prior Month 0 E		· · · · · · · · · · · · · · · · · · ·	
Adjustments (exclusions) for TRAC calculation: NYISO TRAC Deferral/Reversal \$ (4,527,317) TRANSMISSION REVENUE (for TRAC CALCULATION) \$7,099,403 TRAC Base Value - December 2010 \$10,157,244 C TRAC Deferral Booked \$3,057,841 d TRAC Cap Carryover from Prior Month 0 e Sub-Total \$3,057,841 g Monthly Cap \$6,000,000 h TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap (\$2,942,159) TRAC Surcharge/(Refund) to Retail Customers \$3,057,841 C TRAC Surcharge/(Refund)	110036	WIBO TRAC Delettal/Reversal	4,527,517
NYISO TRAC Deferral/Reversal \$ (4,527,317) a		TOTAL WHOLESALE TRANSMISSION REVENUE BOOKED	\$11,626,720
NYISO TRAC Deferral/Reversal \$ (4,527,317) a		Adjustments (exclusions) for TRAC calculation:	
a TRANSMISSION REVENUE (for TRAC CALCULATION) \$7,099,403 b TRAC Base Value - December 2010 ¹ \$10,157,244 c TRAC Deferral Booked \$3,057,841 d TRAC Cap Carryover from Prior Month 0 e Sub-Total \$3,057,841 g Monthly Cap ² \$6,000,000 h TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap (\$2,942,159) TRAC Surcharge/(Refund) to Retail Customers \$3,057,841			\$ (4.527.317)
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e Sub-Total \$3,057,841 g Monthly Cap² \$6,000,000 h TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap (\$2,942,159) TRAC Surcharge/(Refund) to Retail Customers \$3,057,841	c	TRAC Deferral Booked	
e Sub-Total \$3,057,841 g Monthly Cap² \$6,000,000 h TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap (\$2,942,159) TRAC Surcharge/(Refund) to Retail Customers \$3,057,841			
g Monthly Cap ² \$6,000,000 h TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap (\$2,942,159) TRAC Surcharge/(Refund) to Retail Customers \$3,057,841	d	TRAC Cap Carryover from Prior Month	0
h TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap (\$2,942,159) TRAC Surcharge/(Refund) to Retail Customers \$3,057,841	e	Sub-Total	\$3,057,841
TRAC Surcharge/(Refund) to Retail Customers \$3,057,841	g	Monthly Cap ²	\$6,000,000
TRAC Surcharge/(Refund) to Retail Customers \$3,057,841	h	TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap	(\$2.942.159)
<u> </u>		and the control of th	(+2,7 :2,107)
TRAC Can Carryover to be Applied to Next Month		TRAC Surcharge/(Refund) to Retail Customers	\$3,057,841
		TRAC Can Carryover to be Applied to Next Month	\$0

 $^{^1\,}$ Based on 2001 forecast in National Grid USA and Niagara Mohawk Joint Proposal merger filing.

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.