

**NOVEMBER 2010 REVENUE FROM TRANSMISSION OF ENERGY**

| Account   | Description  | Month of<br>November 2010 |
|---|--|---------------------------|
| 110033  | Grandfathered Wheeling Revenue   | 3,829,728                 |
| 110031  | Regional Transmission Service  | 1,381,547                 |
| 110038  | Congestion Balancing Settlement  | (1,423,364)               |
| 110038  | Amortization of NYISO TCC Auction Revenues (Including Native Load Reconfiguration) | 5,408,860                 |
| 110038  | NYISO TCC Revenues (St. Lawrence/RG&E)   | 561                       |
| 110038  | NYISO TRAC Deferral/Reversal   | 2,908,407                 |
| TOTAL WHOLESALE TRANSMISSION REVENUE BOOKED           |  | <u>\$12,105,739</u>       |
| <b>Adjustments (exclusions) for TRAC calculation:</b> |  |                           |
|   | NYISO TRAC Deferral/Reversal   | <u>\$ (2,908,407)</u>     |
| a   | TRANSMISSION REVENUE (for TRAC CALCULATION)  | <u>\$9,197,332</u>        |
| b   | TRAC Base Value - November 2010 <sup>1</sup>                                       | <u>\$10,157,244</u>       |
| c   | TRAC Deferral Booked   | <u>\$959,912</u>          |
| d   | TRAC Cap Carryover from Prior Month  | <u>0</u>                  |
| e   | Sub-Total  | <u>\$959,912</u>          |
| g   | Monthly Cap <sup>2</sup>   | <u>\$6,000,000</u>        |
| h   | TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap             | <u>(\$5,040,088)</u>      |
|   | TRAC Surcharge/(Refund) to Retail Customers  | <u>\$959,912</u>          |
|   | TRAC Cap Carryover to be Applied to Next Month                                     | <u>\$0</u>                |

<sup>1</sup> Based on 2001 forecast in National Grid USA and Niagara Mohawk Joint Proposal merger filing.

<sup>2</sup> 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.

<sup>3</sup> 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.