

JULY 2011 REVENUE FROM TRANSMISSION OF ENERGY

Account	Description	Month of July 2011
110033	Grandfathered Wheeling Revenue	\$ 3,888,858
110031	Regional Transmission Service	1,533,380
110038	Congestion Balancing Settlement	(1,265,165)
110038	Amortization of NYISO TCC Auction Revenues (Including Native Load Reconfiguration)	4,792,134
110038	NYISO TCC Congestion Revenues (G&E)	158,052
110038	NYISO TRAC Deferral/Reversal	(41,925)
TOTAL WHOLESALE TRANSMISSION REVENUE BOOKED		<u>\$ 9,065,335</u>
Adjustments (exclusions) for TRAC calculation:		
	NYISO TRAC Deferral/Reversal	\$ 41,925
a	TRANSMISSION REVENUE (for TRAC CALCULATION)	<u>\$ 9,107,260</u>
b	TRAC Base Value - July 2011 ¹	\$ 11,155,385
c	TRAC Deferral Booked	<u>\$ 2,048,125</u>
d	TRAC Cap Carryover from Prior Month	<u>0</u>
e	Sub-Total	\$ 2,048,125
g	Monthly Cap ²	\$ 6,000,000
h	TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap	<u>\$ (3,951,875)</u>
TRAC Surcharge/(Refund) to Retail Customers		<u>\$ 2,048,125</u>
TRAC Cap Carryover to be Applied to Next Month		<u>\$ -</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.