

MAY 2012 REVENUE FROM TRANSMISSION OF ENERGY

| Account | Description | Month of May 2012 |
|---|--|----------------------|
| 110033 | Grandfathered Wheeling Revenue | \$ 3,893,359 |
| 110031 | Regional Transmission Service | 1,499,910 |
| 110038 | Congestion Balancing Settlement | 1,304,350 |
| 110038 | Amortization of NYISO TCC Auction Revenues (Including Native Load Reconfiguration) | 3,256,309 |
| 110038 | NYISO TCC Congestion Revenues (G&E) | 0 |
| 110038 | NYISO TRAC Deferral/Reversal | 2,283,316 |
| TOTAL WHOLESALE TRANSMISSION REVENUE BOOKED | | \$ 12,237,244 |
| Adjustments (exclusions) for TRAC calculation: | | |
| | NYISO TRAC Deferral/Reversal | \$ (2,283,316) |
| a | TRANSMISSION REVENUE (for TRAC CALCULATION) | \$ 9,953,929 |
| b | TRAC Base Value - May 2012 | \$ 11,162,425 |
| c | TRAC Deferral Booked | \$ 1,208,497 |
| d | TRAC Cap Carryover from Prior Month | 0 |
| e | Sub-Total | \$ 1,208,497 |
| g | Monthly Cap ² | \$ 6,000,000 |
| h | TRAC Deferral Over/(Under) \$6M Monthly Cap or (Over)/Under (\$6M) Cap | \$ (4,791,504) |
| | TRAC Surcharge/(Refund) to Retail Customers | \$ 1,208,497 |
| | TRAC Cap Carryover to be Applied to Next Month | \$ - |

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.