JANUARY 2012 REVENUE FROM TRANSMISSION OF ENERGY

Account	Description		Month of January 2012
110033	Grandfathered Wheeling Revenue	$	3,827,654
110031	Regional Transmission Service		1,640,065
110038	Congestion Balancing Settlement		(898,709)
110038	Amortization of NYISO TCC Auction Revenues (Including Native Load Reconfiguration)		6,030,348
110038	NYISO TCC Congestion Revenues (G&E)		0
110038	NYISO TRAC Deferral/Reversal		1,029,358
	TOTAL WHOLESALE TRANSMISSION REVENUE BOOKED	$	11,628,717
	Adjustments (exclusions) for TRAC calculation:		
	NYISO TRAC Deferral/Reversal	$	(1,029,358)
a	TRANSMISSION REVENUE (for TRAC CALCULATION	$	10,599,359
b	TRAC Base Value - January 2012	$	10,637,777
c	TRAC Deferral Booked	$	38,418
d	TRAC Cap Carryover from Prior Month		0
e	Sub-Total	$	38,418
g	Monthly Cap [2]	$	6,000,000
h	TRAC Deferral Over/(Under) $6M Monthly Cap or (Over)/Under ($6M) Cap	$	(5,961,582)
	TRAC Surcharge/(Refund) to Retail Customers	$	38,418
	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.

[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.