STIPULATION AND AGREEMENT REGARDING RATE DESIGN, CUSTOMER AND MARKETS ISSUES

Niagara Mohawk Power Corporation d/b/a National Grid ("the Company"), the Staff of the Department of Public Service, and the other signatories to this agreement (collectively referred to herein as "the Signatories") hereby stipulate and agree that upon adoption of this Stipulation by the Commission, the Company will implement any rate increase approved in this proceeding in accordance with the cost of service, rate design, and related principles agreed to herein:

A. Cost of Service

To allocate the calendar year 2011 Revenue Requirement for the Company's delivery operations only, established by the Commission in this proceeding, among the Company's customer classes, the Company will begin by re-running the Embedded Cost of Service ("ECOS") Study contained in the Company's Exhibit ___ (RDCM-1R) using the Revenue Requirement established by the Commission in this proceeding, with the following adjustments:

1. The cost of low-income programs for the Company's residential customers will be allocated to all customers on the basis of distribution delivery revenue requirements;

2. Primary distribution system costs will be classified as 50% demand-related and 50% percent customer-related; and

3. The demand allocators used in this revised ECOS study will be based on the most recent twelve months of customer demands known to the Company at the time the ECOS Study is re-run.

B. Revenue Allocation

Delivery rates will be designed to move all customer classes towards cost of service as shown in the ECOS described in Subpart A above, using the methodology set out below and in the sample calculation attached hereto as Exhibit 1:

1. Rerun ECOS with approved revenue requirement.

2. Determine tolerance band of .85 to 1.15 with approved rate of return.

3. Determine which classes are below, above, or within the tolerance band of .85 to 1.15 of return at present rates.

4. For each class, calculate T&D Target Rate of Return, T&D Target Revenue, and change in T&D Revenue, as follows:

   a. For classes below tolerance band of return at present rates, set T&D Target Rate of Return equal to the lower limit of the tolerance band around the approved rate of return, then calculate the associated T&D Target Revenue and the change in T&D Revenue required to achieve the T&D Target Revenue.

   b. For classes above tolerance band of return at present rates, set T&D Target Rate of Return equal to the upper limit of the tolerance band around the approved rate of return, then calculate the associated T&D Target Revenue and the change in T&D Revenue required to achieve the T&D Target Revenue.

   c. For classes within the tolerance band around the return at present rates, set the increase in T&D Revenue to the system average increase.

5. Determine if any classes hit limitation of T&D increase no greater than current CTC. Limit their increase to CTC revenue.

6. Reallocate any revenue requirement shortfall or overage to classes to achieve the same T&D percentage increase subject to the following limitations:

   a. CTC limitations in subpart (5) above.

   b. Relative return at proposed rates must not move away from the tolerance band. If relative return is moving in wrong direction, set relative return at proposed rates equal to relative return at current rates.

c. Relative return at proposed rates cannot move from one side of the tolerance band to the other side (cannot cross unity). If relative return crosses unity for a service class, set relative return at proposed rates equal to 1.0.

C. Authorized Deferrals.

Delivery revenues for the 2011 Rate Year will include all Commission-approved deferral recoveries (other than CTC and commodity costs) associated with the Rate Plan in Case 01-M-0075.

D. Marginal Class Cost of Service Issues

1. The Long Run Marginal Cost of Service ("MCOS") Study contained in the Company's Exhibit ___ (RDCM-11) shall be adopted as the MCOS in this proceeding.

2. The Company will include in its compliance filing in this proceeding proposed revisions to the Economic Development Zone Rider in its Tariff P.S.C. No. 220 – Electricity ("EZR") that would establish delivery rates for new EZR customers based on the MCOS adopted in this proceeding. EZR rates for existing customers will be grandfathered at present levels, provided, however, that such rates shall be subject to change to the extent required to fully recover any future increases in the Company's Transmission Service Charge under the Open Access Transmission Tariff ("OATT") of the New York Independent System Operator, Inc. ("NYISO").

3. New individually negotiated rate agreements under Rate Schedule SC-12 shall be priced no lower than the Company's EZR rate, as determined pursuant to subpart D.2 of this Stipulation, provided, however, that the Company may petition the Commission in any individual case for permission to establish the rates in an individually negotiated SC-12 agreement that are below such rates.

E. Additional Flex Rate Issues

1. All existing SC-11 and SC-12 Agreements shall be allowed to expire according to their terms.

2. Expiring SC-11 and SC-12 customers shall not be entitled to an automatic waiver of CTC.

3. Customers with expiring flex rate agreements may submit a new request for service under the individually negotiated rate provisions of Rate Schedule SC-12, which shall be evaluated by the Company in the same manner as any other request for a new flex rate agreement.

F. Hourly Pricing Issues

1. The threshold for Mandatory Hourly Pricing shall be reduced to 250 kW.

2. The Company shall be allowed to recover its participant costs associated with this change through an incremental customer charge and its non-participant costs, limited to the one-time costs of 20 customer training sessions over one year, with approximately 60 customers per training, shall be recovered pursuant to a filing to be made by the Company within 45 days of a Commission order on rates in this proceeding and trued up to actual costs thereafter.

3. The cost of new meters shall be depreciated over a 20 year useful life.

4. The Company commits to begin a Voluntary Hourly Pricing Program immediately upon completion of the training programs described in subpart (2) of this Section F, the costs of which efforts shall be recovered in the same manner as the Company's MHP costs.

G. NYPA Issues

1. The following rules shall apply to the Company's service to NYPA customers during calendar year 2011 and thereafter until

revised by the regulatory authority with jurisdiction over such matters:

a. There shall be no changes made in delivery rates or billing determinants for "Existing" allocations (as defined in the Company's Tariff P.S.C. No. 220 - Electricity) of Expansion, Replacement, High Load Factor, Economic Development or Power for Jobs Power as a result of this Stipulation.

b. Current CTC exemptions applicable to NYPA allocations shall be retained under this Stipulation.

c. The Company shall continue to provide supplemental service to customers under Rate Schedule SC-4 under this Stipulation.

2. Except as expressly provided in the settlement approved by the Federal Energy Regulatory Commission by order dated July 9, 2004 in Docket Nos. ER03-989-000, et al., nothing in this Stipulation shall be regarded as restricting or conditioning in any way the Company's unilateral filing rights under sections 205 and/or 206 of the Federal Power Act with respect to its Rate Schedules FERC Nos. 19, 159 and/or 249 or any service agreement entered into pursuant thereto.

3. NYPA agrees for the purposes of this proceeding to be subject to the delivery rates adopted by the Commission in this proceeding applicable to NYPA hydropower allocations that do not constitute the "Existing" allocations set forth in Section G.1 of this Stipulation. Provided, however, NYPA's agreement does not constitute a waiver of its non-jurisdictional argument in any future PSC proceeding concerning the delivery of NYPA hydropower described in Public Authorities Law § 1005(5)(g).

H. Exit Fee, Voltage Migration and Customer Aggregation

1. The Rule 52 exit fee will be retained, but will be limited to recovery of the Company's unamortized CTC. Payment of this

exit fee shall not transfer ownership of any Company-owned facilities to the entity paying that fee.

2. Voltage Migration and Customer Aggregation rules will be changed to require the customer changing voltage or aggregating its loads to reimburse the Company for the depreciated book value of any delivery facilities wholly stranded as a result of that migration or aggregation.

I. Stipulation Intent

This Stipulation is intended to amicably resolve certain matters for the purposes of the Proceedings and is designed to reduce the issues in controversy to be resolved through a litigated evidentiary hearing. This Stipulation states the position of the Signatories that resolves each of the issues presented. Adequate and sufficient evidence supporting each resolution of an issue will be found in, or within the scope of, the testimonies and exhibits that will be submitted at the evidentiary hearing conducted in the Proceedings. The Signatories request that the Administrative Law Judges adopt the resolutions reached herein in any Recommended Decision or report and that the Commission adopt them in its final decision in the Proceedings.

J. Signatories' Support

The Signatories believe that the resolutions reached in this Stipulation are just and reasonable and otherwise in accordance with the New York Public Service Law, the Commission's regulations and applicable Commission orders. Each of the Signatories agrees to support the terms of this Stipulation as just and reasonable, agrees not to take a position in the Proceedings in these matters contrary to the agreements set forth herein, and agrees not to assist another participant in taking such a contrary position in the Proceedings.

K. Integrated Agreement

The terms of this Stipulation are submitted as an integrated whole. If the Commission does not accept this Stipulation as the basis of the resolution of these issues without change or condition, each Signatory shall have the right to withdraw from this Stipulation upon written notice to the Commission within 10 days of the Commission Order. If the Company gives such notice, this Stipulation shall be deemed withdrawn; it shall not constitute part of the record of the Proceedings or any future proceeding addressing any of the issues within the scope of this Stipulation; and it shall not be used in evidence or cited against any Signatory or used for any other purpose.

L. Settlement Discussions Privileged

The discussions between and among the Signatories that have resulted in this Stipulation have been conducted with the explicit understanding, pursuant to the Commission's regulations, that all written and oral offers, prior proposals of settlement and discussions relating thereto, as well as supporting materials, will remain confidential communications, are without prejudice to the position of any of the Signatories and other entities participating in any such discussions, are not admissible into evidence in the Proceedings or any other proceedings, and will not be used in any manner in connection with the Proceedings, other proceedings, or for any other purpose other than enforcement of the provisions hereof. As such, each Signatory agrees to maintain the confidentiality of all discussions, all offers of settlement and discussions related thereto, as well as all supporting materials.

M. No Admission

The making of this Stipulation shall not be construed, interpreted or otherwise deemed in any respect to constitute an admission by any Signatory regarding any allegation, contention, or issue raised in the Proceedings or addressed in this Stipulation.

N. Stipulation Parameters

This Stipulation is intended to relate only to the specific matters referred to herein and shall have no bearing on the outcome of any other issues in the Proceedings. Nothing in the Stipulation shall determine or constitute a ratemaking principle binding on the Signatories in the future, and no Signatory shall be deemed to have approved, accepted, agreed, or consented for purposes other than these proceedings to any specific ratemaking methodology or principle, accounting treatment, or level of expense or revenue. Nothing in this Stipulation restricts the Company from initiating new rate proceedings, to the extent permitted in the New York Public Service Law and the Commission's regulations. The agreements set forth in this Stipulation are solely for the purpose of the above-captioned proceeding and nothing in this Stipulation restricts any signatories to this Stipulation from taking any position or lawful action or making any filing in any future proceedings. Except as expressly set forth herein, nothing in this Stipulation shall impair, diminish, or restrain the rights of any of the

Signatories. Nothing in this Stipulation shall be construed to limit the Commission's authority under the New York Public Service Law.

O. Counterparts

This Stipulation may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

P. Entire Agreement

This Stipulation, including all attachments, exhibits and appendices, if any, represents the entire agreement of the Signatories with respect to the matters resolved herein.

SIGNATURES

Niagara Mohawk Power Corporation d/b/a National Grid ("the Company")

____

Staff of the New York State Department of Public Service

____

New York State Consumer Protection Board

____

Summary
Sheet 1 of 14

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Summary

#		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
1	T&D revenue	1,290,464	758,100	17,687	52,089	185,877	120,351	41,128	5,285	4,802	20,143	35,276	49,727
2	CTC revenue	506,729	117,367	1,907	16,933	86,234	132,579	56,317	14,877	4,223	8,608	67,684	0
3	**Total Revenue at Present Rates**	1,797,193	875,467	19,594	69,022	272,111	252,930	97,445	20,162	9,025	28,751	102,960	49,727
4													
5	**Rate of Return at Present Rates**												
6	$315M Increase	2.2136%	1.37%	8.58%	(2.24%)	5.39%	0.70%	3.81%	2.51%	(4.05%)	6.93%	4.00%	5.73%
7	$250M Increase	2.5905%	1.75%	9.25%	(2.04%)	5.88%	0.96%	4.16%	2.64%	(4.01%)	7.43%	4.18%	6.37%
8	$200M Increase	3.8886%	3.14%	10.93%	(0.90%)	7.33%	1.83%	5.38%	3.37%	(3.61%)	8.99%	5.06%	7.71%
9	$150M Increase	5.1868%	4.59%	12.28%	0.49%	8.61%	2.72%	6.53%	4.06%	(2.95%)	10.34%	5.85%	8.82%
10	$100M Increase	6.4849%	6.06%	13.48%	1.98%	9.82%	3.64%	7.63%	4.72%	(2.19%)	11.58%	6.58%	9.83%
11	$50M Increase	7.7830%	7.55%	14.61%	3.53%	10.99%	4.56%	8.71%	5.37%	(1.35%)	12.77%	7.27%	10.79%
12													
13	**Relative Return at Present Rates**												
14	$315M Increase	1.00	0.62	3.87	(1.01)	2.44	0.32	1.72	1.14	(1.83)	3.13	1.81	2.59
15	$250M Increase	1.00	0.67	3.57	(0.79)	2.27	0.37	1.61	1.02	(1.55)	2.87	1.62	2.46
16	$200M Increase	1.00	0.81	2.81	(0.23)	1.88	0.47	1.38	0.87	(0.93)	2.31	1.30	1.98
17	$150M Increase	1.00	0.88	2.37	0.09	1.66	0.53	1.26	0.78	(0.57)	1.99	1.13	1.70
18	$100M Increase	1.00	0.93	2.08	0.31	1.51	0.56	1.18	0.73	(0.34)	1.79	1.01	1.52
19	$50M Increase	1.00	0.97	1.88	0.45	1.41	0.59	1.12	0.69	(0.17)	1.64	0.93	1.39
20													
21	**Total T&D Increase**												
22	$315M Increase	315,633	117,367	1,907	16,933	82,701	46,952	18,453	2,138	3,603	8,608	16,972	0
23	$250M Increase	250,044	117,367	1,907	16,933	51,237	33,175	11,337	1,489	1,324	5,553	9,724	0
24	$200M Increase	200,003	117,367	1,907	9,044	32,274	20,896	7,141	918	834	3,498	6,125	0
25	$150M Increase	150,006	91,798	1,907	6,307	22,508	14,573	4,980	640	582	2,439	4,272	0
26	$100M Increase	100,033	61,103	1,426	4,198	14,982	9,700	3,315	455	387	1,624	2,843	0
27	$50M Increase	50,002	30,453	710	2,092	7,467	4,834	1,652	212	193	809	1,578	0
28													
29	**T&D Increase %**												
30	$315M Increase	24.46%	15.48%	10.78%	32.51%	44.49%	39.01%	44.87%	40.46%	75.02%	42.73%	48.11%	0.00%
31	$250M Increase	19.38%	15.48%	10.78%	32.51%	27.57%	27.57%	27.57%	28.17%	27.57%	27.57%	27.57%	0.00%
32	$200M Increase	15.50%	15.48%	10.78%	17.36%	17.36%	17.36%	17.36%	17.36%	17.36%	17.36%	17.36%	0.00%
33	$150M Increase	11.62%	12.11%	10.78%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	0.00%
34	$100M Increase	7.75%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.62%	8.06%	8.06%	8.06%	0.00%
35	$50M Increase	3.87%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.47%	0.00%
36													
37	**Relative increase**												
38	$315M Increase	1.00	0.63	0.44	1.33	1.82	1.60	1.83	1.65	3.07	1.75	1.97	0.00
39	$250M Increase	1.00	0.80	0.56	1.68	1.42	1.42	1.42	1.45	1.42	1.42	1.42	0.00
40	$200M Increase	1.00	1.00	0.70	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	0.00
41	$150M Increase	1.00	1.04	0.93	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	0.00
42	$100M Increase	1.00	1.04	1.04	1.04	1.04	1.04	1.04	1.11	1.04	1.04	1.04	0.00
43	$50M Increase	1.00	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.15	0.00
44													

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Summary

		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
45	**Proposed T&D Revenue**												
46	$315M Increase	1,606,097	875,467	19,594	69,022	268,578	167,302	59,581	7,423	8,405	28,751	52,247	49,727
47	$250M Increase	1,540,508	875,467	19,594	69,022	237,114	153,525	52,465	6,773	6,126	25,696	44,999	49,727
48	$200M Increase	1,490,467	875,467	19,594	61,134	218,151	141,247	48,269	6,202	5,636	23,641	41,401	49,727
49	$150M Increase	1,440,470	849,898	19,594	58,397	208,385	134,924	46,108	5,924	5,384	22,583	39,547	49,727
50	$100M Increase	1,390,497	819,202	19,112	56,288	200,859	130,051	44,443	5,740	5,189	21,767	38,119	49,727
51	$50M Increase	1,340,466	788,552	18,397	54,182	193,344	125,185	42,780	5,497	4,995	20,953	36,854	49,727
52													
53	**Proposed Rate of return on rate base**												
54	$315M Increase	7.97%	5.25%	11.43%	5.42%	16.26%	7.95%	13.71%	9.05%	7.23%	17.19%	12.77%	5.73%
55	$250M Increase	7.13%	5.62%	11.86%	5.78%	12.53%	6.11%	10.19%	7.17%	0.30%	13.91%	9.14%	6.17%
56	$200M Increase	7.13%	6.70%	12.55%	3.33%	10.78%	4.87%	8.63%	5.80%	-0.56%	12.17%	7.66%	6.82%
57	$150M Increase	7.13%	6.93%	13.21%	3.27%	10.25%	4.56%	8.19%	5.38%	-0.65%	11.64%	7.14%	7.41%
58	$100M Increase	7.13%	6.98%	13.15%	3.51%	10.01%	4.47%	8.01%	5.24%	-0.57%	11.40%	6.83%	8.01%
59	$50M Increase	7.13%	7.04%	12.73%	3.75%	9.77%	4.38%	7.84%	4.92%	-0.48%	11.16%	6.62%	8.61%
60													
61	**Relative Return at Proposed Rates**												
62	$315M Increase	1.00	0.66	1.43	0.68	2.04	1.00	1.72	1.14	0.91	2.16	1.60	0.72
63	$250M Increase	1.00	0.79	1.66	0.81	1.76	0.86	1.43	1.00	0.04	1.95	1.28	0.87
64	$200M Increase	1.00	0.94	1.76	0.47	1.51	0.68	1.21	0.81	(0.08)	1.71	1.08	0.96
65	$150M Increase	1.00	0.97	1.85	0.46	1.44	0.64	1.15	0.75	(0.09)	1.63	1.00	1.04
66	$100M Increase	1.00	0.98	1.84	0.49	1.40	0.63	1.12	0.73	(0.08)	1.60	0.96	1.12
67	$50M Increase	1.00	0.99	1.79	0.53	1.37	0.61	1.10	0.69	(0.07)	1.56	0.93	1.21
68	Returns at present rates- see lines 5-18												
69													

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $315 Increase

#		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
1	T&D revenue	1,290,464	758,100	17,687	52,089	185,877	120,351	41,128	5,285	4,802	20,143	35,276	49,727
2	CTC revenue	506,729	117,367	1,907	16,933	86,234	132,579	56,317	14,877	4,223	8,608	67,684	0
3	**Total Revenue at Present Rates**	1,797,193	875,467	19,594	69,022	272,111	252,930	97,445	20,162	9,025	28,751	102,960	49,727
4	Rate of Return at Present Rates	2.2136%	1.37%	8.58%	(2.24%)	5.39%	0.70%	3.81%	2.51%	(4.05%)	6.93%	4.00%	5.73%
5	Relative Return at Present Rates	1.00	0.62	3.87	(1.01)	2.44	0.32	1.72	1.14	(1.83)	3.13	1.81	2.59
6													
7	**Step 1- ECOS with Approved T&D Revenue Requirement at Full Cost of Service**												
8	T&D revenue	1,606,096	957,936	17,268	74,631	205,347	167,454	48,882	7,071	8,641	21,013	42,968	54,884
9	Rate of Return	7.9700%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%
10	Increase (Decrease) Required	315,632	199,836	(418)	22,542	19,471	47,104	7,754	1,786	3,839	870	7,692	5,157
11	Increase (Decrease) Required	24.5%	26.4%	(2.4%)	43.3%	10.5%	39.1%	18.9%	33.8%	79.9%	4.3%	21.8%	10.4%
12		43.034%											
13	**Step 2- Tolerance Band for Return at Present Rates**				Present	New Rates							
14	Top of Band	Relative return	1.15	Rate of Return	2.55%	9.17%		Over					
15	Bottom of Band	Relative return	0.85	Rate of Return	1.88%	6.77%		Under					
16	Within Band	Relative return		Rate of Return	1.88%-2.55%	6.77%-9.17%		Within					
17													
18	**Step 3- Position of Classes / Tolerance Band**		Under	Over	Under	Over	Under	Over	Within	Under	Over	Over	Over
19													
20	**Step 4- T&D Revenue Target for Tolerance Band- see line 71**	1,570,307	921,736	18,072	72,006	214,469	159,720	51,108	NA	8,260	22,016	45,282	57,637
21													
22	**Incresae to Achieve T&D Target Revenue**												
23	Classes Within- Average Increase	1,293	0	0	0	0	0	0	1,293	0	0	0	0
24	Classes Over- Bring to Top of Band	58,747	0	385	0	28,593	0	9,981	0	0	1,872	10,006	7,910
25	Classes Under- Bring to Bottom of Band	226,381	163,637	0	19,917	0	39,370	0	0	3,458	0	0	0
26		286,420	163,637	385	19,917	28,593	39,370	9,981	1,293	3,458	1,872	10,006	7,910
27	**Step 5- Limit increases to Present CTC**	**229,256**	**117,367**	**385**	**16,933**	**28,593**	**39,370**	**9,981**	**1,293**	**3,458**	**1,872**	**10,006**	**0**
28	% T&D Increase		12.3%	2.2%	22.7%	13.9%	23.5%	20.4%	18.3%	40.0%	8.9%	23.3%	0.0%
29	**Step 6- Re-allocate Revenue Shortfall**												
30	Revenue shortfall	86,376											
31	Additional CTC available	277,473	0	1,522	0	57,641	93,209	46,336	13,584	765	6,736	57,678	0
32	Additional T&D Percentage Increase		0.0%	40.8%	0.0%	29.1%	6.3%	20.6%	16.0%	3.0%	34.1%	19.7%	0.0%
33	Amount of reallocated increase	86,377	-	1,522	-	54,109	7,582	8,472	846	145	6,736	6,966	-
34													
35	**Increase for Classes reaching CTC limit**												
36	Balance of re-allocation amount												
37	Adjusted % of total increases												
38	**Balance of re-allocation**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
39													
40	**Total T&D Increase**	**315,633**	**117,367**	**1,907**	**16,933**	**82,701**	**46,952**	**18,453**	**2,138**	**3,603**	**8,608**	**16,972**	**0**
41	T&D Increase %	24.46%	15.48%	10.78%	32.51%	44.49%	39.01%	44.87%	40.46%	75.02%	42.73%	48.11%	0.00%
42	Relative increase	1.00	0.63	0.44	1.33	1.82	1.60	1.83	1.65	3.07	1.75	1.97	0.00
43													

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $315 Increase

		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
44	**Proposed T&D Revenue**	1,606,097	875,467	19,594	69,022	268,578	167,302	59,581	7,423	8,405	28,751	52,247	49,727
45	Forfeited discounts	14,899	12,700	25	521	1,080	362	117	11	7	27	36	12
46	Other revenue	138,341	60,559	1,211	3,784	19,673	18,855	8,575	2,257	923	5,093	16,492	920
47	Operating Expenses	(1,292,673)	(764,603)	(13,111)	(60,285)	(163,352)	(134,293)	(42,490)	(6,710)	(7,010)	(19,395)	(43,984)	(37,441)
48	Delivery uncollectibles	(29,654)	(25,263)	(39)	(1,148)	(1,934)	(818)	(241)	(29)	(20)	(52)	(89)	(20)
49		437,010	158,859	7,680	11,894	124,045	51,409	25,542	2,951	2,305	14,424	24,703	13,198
50	Income tax expense	130,029	47,268	2,285	3,539	36,909	15,296	7,600	878	686	4,292	7,350	3,927
51	**Net income**	306,981	111,592	5,395	8,355	87,136	36,113	17,942	2,073	1,619	10,132	17,353	9,271
52													
53	**Rate of return on rate base**	**7.9700%**	**5.25%**	**11.43%**	**5.42%**	**16.26%**	**7.95%**	**13.71%**	**9.05%**	**7.23%**	**17.19%**	**12.77%**	**5.73%**
54	Relative Return at Proposed Rates	1.00	0.66	1.43	0.68	2.04	1.00	1.72	1.14	0.91	2.16	1.60	0.72
55	Relative Return at Present Rates	1.00	0.62	3.87	(1.01)	2.44	0.32	1.72	1.14	(1.83)	3.13	1.81	2.59
56													
57													
58	**T&D Revenue Target for Tolerance Band**												
59	Rate Base	3,851,696	2,127,014	47,199	154,267	535,999	454,448	130,822	22,912	22,396	58,926	135,942	161,773
60	Rate of Return to Top / Bottom of Band		6.77%	9.17%	6.77%	9.17%	6.77%	9.17%	7.97%	6.77%	9.17%	9.17%	9.17%
61	Present Rate of Return		1.37%	8.58%	(2.24%)	5.39%	0.70%	3.81%	2.51%	(4.05%)	6.93%	4.00%	5.73%
62	Move Over to	100.0%	6.77%	9.17%	6.77%	9.17%	6.77%	9.17%	7.97%	6.77%	9.17%	9.17%	9.17%
63	Move Under to	100.0%	Under	Over	Under	Over	Under	Over	Within	Under	Over	Over	Over
64													
65	Return	286,807	144,095	4,326	10,451	49,127	30,787	11,990	1,826	1,517	5,401	12,460	14,827
66	Income Tax Expense	121,484	61,035	1,832	4,427	20,809	13,040	5,079	773	643	2,288	5,278	6,280
67	Operating Expenses	1,292,673	764,603	13,111	60,285	163,352	134,293	42,490	6,710	7,010	19,395	43,984	37,441
68	Delivery uncollectibles	29,654	25,263	39	1,148	1,934	818	241	29	20	52	89	20
69	Forfeited discounts	(14,899)	(12,700)	(25)	(521)	(1,080)	(362)	(117)	(11)	(7)	(27)	(36)	(12)
70	Other revenue	(138,341)	(60,559)	(1,211)	(3,784)	(19,673)	(18,855)	(8,575)	(2,257)	(923)	(5,093)	(16,492)	(920)
71	**Revenue Target**	1,577,377	921,736	18,072	72,006	214,469	159,720	51,108	7,071	8,260	22,016	45,282	57,637
72	Revenue Target At Full COS	1,606,096	957,936	17,268	74,631	205,347	167,454	48,882	7,071	8,641	21,013	42,968	54,884
73													
74	Increase Based on Revenue Targets	286,913	163,637	385	19,917	28,593	39,370	9,981	1,786	3,458	1,872	10,006	7,910
75	Increase for Full COS	315,632	199,836	(418)	22,542	19,471	47,104	7,754	1,786	3,839	870	7,692	5,157

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $250M Increase

		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
1	T&D revenue	1,290,464	758,100	17,687	52,089	185,877	120,351	41,128	5,285	4,802	20,143	35,276	49,727
2	CTC revenue	506,729	117,367	1,907	16,933	86,234	132,579	56,317	14,877	4,223	8,608	67,684	0
3	**Total Revenue at Present Rates**	1,797,193	875,467	19,594	69,022	272,111	252,930	97,445	20,162	9,025	28,751	102,960	49,727
4	Rate of Return at Present Rates	2.5905%	1.75%	9.25%	(2.04%)	5.88%	0.96%	4.16%	2.64%	(4.01%)	7.43%	4.18%	6.37%
5	Relative Return at Present Rates	1.00	0.67	3.57	(0.79)	2.27	0.37	1.61	1.02	(1.55)	2.87	1.62	2.46
6													
7	**Step 1- ECOS with Approved T&D Revenue Requirement at Full Cost of Service**												
8	T&D revenue	1,540,464	920,616	16,455	71,954	196,411	160,009	46,834	6,762	8,276	20,081	41,165	51,901
9	Rate of Return	7.1300%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%
10	Increase (Decrease) Required	250,000	162,516	(1,232)	19,865	10,534	39,658	5,706	1,477	3,474	(62)	5,890	2,174
11	Increase (Decrease) Required	19.4%	21.4%	(7.0%)	38.1%	5.7%	33.0%	13.9%	28.0%	72.3%	(0.3%)	16.7%	4.4%
12		27.565%											
13	**Step 2- Tolerance Band for Return at Present Rates**				Present	New Rates							
14	Top of Band	Relative return	1.15	Rate of Return	2.98%	8.20%		Over					
15	Bottom of Band	Relative return	0.85	Rate of Return	2.20%	6.06%		Under					
16	Within Band	Relative return		Rate of Return	2.20%-2.98%	6.06%-8.20%		Within					
17													
18	**Step 3- Position of Classes / Tolerance Band**		Under	Over	Under	Over	Under	Over	Within	Under	Over	Over	Over
19													
20	**Step 4- T&D Revenue Target for Tolerance Band- see line 71**	1,508,342	888,651	17,164	69,636	204,466	153,179	48,800	NA	7,940	20,967	43,208	54,332
21													
22	**Incresae to Achieve T&D Target Revenue**												
23	Classes Within- Average Increase	1,024	0	0	0	0	0	0	1,024	0	0	0	0
24	Classes Over- Bring to Top of Band	39,100	0	(522)	0	18,589	0	7,672	0	0	823	7,932	4,605
25	Classes Under- Bring to Bottom of Band	184,063	130,551	0	17,546	0	32,829	0	0	3,138	0	0	0
26		224,187	130,551	(522)	17,546	18,589	32,829	7,672	1,024	3,138	823	7,932	4,605
27	**Step 5- Limit increases to Present CTC**	205,785	117,367	(522)	16,933	18,589	32,829	7,672	1,024	3,138	823	7,932	0
28			15.48%	-2.95%	32.51%	10.00%	27.28%	18.65%	19.37%	65.33%	4.09%	22.49%	0.00%
29	**Step 6- Re-allocate Revenue Shortfall**												
30	Revenue shortfall	44,215											
31	Additional CTC available	300,944	0	2,429	0	67,645	99,750	48,645	13,853	1,085	7,785	59,752	0
32	Additional T&D Percentage Increase		0.0%	30.5%	0.0%	17.6%	0.3%	8.9%	8.8%	-37.8%	23.5%	5.1%	0.0%
33	Amount of reallocated increase	44,259	-	2,429	-	32,647	346	3,665	465	(1,814)	4,729	1,791	-
34													
35	**Increase for Classes reaching CTC limit**	0	0	0	0	0	0	0	0	0	0	0	0
36	Balance of re-allocation amount												
37	Adjusted % of total increases												
38	**Balance of re-allocation**												
39													
40	**Total T&D Increase**	250,044	117,367	1,907	16,933	51,237	33,175	11,337	1,489	1,324	5,553	9,724	0
41	T&D Increase %	19.38%	15.48%	10.78%	32.51%	27.57%	27.57%	27.57%	28.17%	27.57%	27.57%	27.57%	0.00%
42	Relative increase	1.00	0.80	0.56	1.68	1.42	1.42	1.42	1.45	1.42	1.42	1.42	0.00
43													

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Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $250M Increase

		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
44	**Proposed T&D Revenue**	1,540,508	875,467	19,594	69,022	237,114	153,525	52,465	6,773	6,126	25,696	44,999	49,727
45	Forfeited discounts	14,899	12,700	25	521	1,080	362	117	11	7	27	36	12
46	Other revenue	138,341	60,546	1,213	3,781	19,678	18,861	8,574	2,256	923	5,092	16,488	930
47	Operating Expenses	(1,278,158)	(755,488)	(12,926)	(59,646)	(161,547)	(132,886)	(42,177)	(6,705)	(6,942)	(19,245)	(43,980)	(36,616)
48	Delivery uncollectibles	(29,654)	(25,273)	(38)	(1,154)	(1,922)	(816)	(241)	(30)	(20)	(52)	(89)	(20)
49		385,936	167,951	7,867	12,524	94,403	39,046	18,737	2,307	93	11,519	17,454	14,034
50	Income tax expense	111,279	48,426	2,268	3,611	27,220	11,258	5,403	665	27	3,321	5,033	4,046
51	**Net income**	274,658	119,525	5,599	8,913	67,183	27,788	13,335	1,642	67	8,197	12,421	9,988
52													
53	**Rate of return on rate base**	**7.1308%**	**5.62%**	**11.86%**	**5.78%**	**12.53%**	**6.11%**	**10.19%**	**7.17%**	**0.30%**	**13.91%**	**9.14%**	**6.17%**
54	Relative Return at Proposed Rates	1.00	0.79	1.66	0.81	1.76	0.86	1.43	1.00	0.04	1.95	1.28	0.87
55	Relative Return at Present Rates	1.00	0.67	3.57	(0.79)	2.27	0.37	1.61	1.02	(1.55)	2.87	1.62	2.46
56													
57													
58	**T&D Revenue Target for Tolerance Band**												
59	Rate Base	3,851,696	2,127,016	47,199	154,267	535,998	454,447	130,822	22,912	22,396	58,926	135,942	161,772
60	Rate of Return to Top / Bottom of Band		6.06%	8.20%	6.06%	8.20%	6.06%	8.20%	7.13%	6.06%	8.20%	8.20%	8.20%
61	Present Rate of Return		1.75%	9.25%	(2.04%)	5.88%	0.96%	4.16%	2.64%	(4.01%)	7.43%	4.18%	6.37%
62	Move Over to	100.0%	6.06%	8.20%	6.06%	8.20%	6.06%	8.20%	7.13%	6.06%	8.20%	8.20%	8.20%
63	Move Under to	100.0%	Under	Over	Under	Over	Under	Over	Within	Under	Over	Over	Over
64													
65	Return	256,578	128,908	3,870	9,349	43,949	27,542	10,727	1,634	1,357	4,832	11,147	13,265
66	Income Tax Expense	103,954	52,228	1,568	3,788	17,806	11,159	4,346	662	550	1,958	4,516	5,374
67	Operating Expenses	1,278,158	755,488	12,926	59,646	161,547	132,886	42,177	6,705	6,942	19,245	43,980	36,616
68	Delivery uncollectibles	29,654	25,273	38	1,154	1,922	816	241	30	20	52	89	20
69	Forfeited discounts	(14,899)	(12,700)	(25)	(521)	(1,080)	(362)	(117)	(11)	(7)	(27)	(36)	(12)
70	Other revenue	(138,341)	(60,546)	(1,213)	(3,781)	(19,678)	(18,861)	(8,574)	(2,256)	(923)	(5,092)	(16,488)	(930)
71	**Revenue Target**	1,515,104	888,651	17,164	69,636	204,466	153,179	48,800	6,762	7,940	20,967	43,208	54,332
72	Revenue Target At Full COS	1,540,464	920,616	16,455	71,954	196,411	160,009	46,834	6,762	8,276	20,081	41,165	51,901
73													
74	Increase Based on Revenue Targets	224,640	130,551	(522)	17,546	18,589	32,829	7,672	1,477	3,138	823	7,932	4,605
75	Increase for Full COS	250,000	162,516	(1,232)	19,865	10,534	39,658	5,706	1,477	3,474	(62)	5,890	2,174

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CY)- Settlement at $200M Increase

#		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
1	T&D revenue	1,290,464	758,100	17,687	52,089	185,877	120,351	41,128	5,285	4,802	20,143	35,276	49,727
2	CTC revenue	506,729	117,367	1,907	16,933	86,234	132,579	56,317	14,877	4,223	8,608	67,684	0
3	**Total Revenue at Present Rates**	1,797,193	875,467	19,594	69,022	272,111	252,930	97,445	20,162	9,025	28,751	102,960	49,727
4	Rate of Return at Present Rates	3.8886%	3.14%	10.93%	(0.90%)	7.33%	1.83%	5.38%	3.37%	(3.61%)	8.99%	5.06%	7.71%
5	Relative Return at Present Rates	1.00	0.81	2.81	(0.23)	1.88	0.47	1.38	0.87	(0.93)	2.31	1.30	1.98
6													
7	**Step 1- ECOS with Approved T&D Revenue Requirement at Full Cost of Service**												
8	T&D revenue	1,490,464	888,312	16,001	69,373	190,626	155,668	45,508	6,630	8,055	19,470	40,378	50,443
9	Rate of Return	7.1300%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%
10	Increase (Decrease) Required	200,000	130,212	(1,685)	17,284	4,749	35,317	4,380	1,346	3,253	(674)	5,103	716
11	Increase (Decrease) Required	15.5%	17.2%	(9.5%)	33.2%	2.6%	29.3%	10.7%	25.5%	67.7%	(3.3%)	14.5%	1.4%
12		17.36%											
13	**Step 2- Tolerance Band for Return at Present Rates**				Present	New Rates							
14	Top of Band	Relative return	1.15	Rate of Return	4.47%	8.20%		Over					
15	Bottom of Band	Relative return	0.85	Rate of Return	3.31%	6.06%		Under					
16	Within Band	Relative return		Rate of Return	3.31%-4.47%	6.06%-8.20%		Within					
17													
18	**Step 3- Position of Classes / Tolerance Band**		Under	Over	Under	Over	Under	Over	Within	Under	Over	Over	Over
19													
20	**Step 4- T&D Revenue Target for Tolerance Band- see line 71**	1,458,476	856,348	16,711	67,055	198,681	148,838	47,474	NA	7,718	20,355	42,422	52,874
21													
22	**Incresae to Achieve T&D Target Revenue**												
23	Classes Within- Average Increase	819	0	0	0	0	0	0	819	0	0	0	0
24	Classes Over- Bring to Top of Band	28,679	0	(976)	0	12,804	0	6,346	0	0	212	7,146	3,147
25	Classes Under- Bring to Bottom of Band	144,617	98,248	0	14,966	0	28,487	0	0	2,916	0	0	0
26		174,115	98,248	(976)	14,966	12,804	28,487	6,346	819	2,916	212	7,146	3,147
27	**Step 5- Limit increases to Present CTC**	170,969	98,248	(976)	14,966	12,804	28,487	6,346	819	2,916	212	7,146	0
28			12.96%	-5.52%	28.73%	6.89%	23.67%	15.43%	15.50%	60.72%	1.05%	20.26%	0.00%
29	**Step 6- Re-allocate Revenue Shortfall**												
30	Revenue shortfall	29,031											
31	Additional CTC available	335,760	19,119	2,883	1,967	73,430	104,092	49,971	14,058	1,307	8,396	60,538	0
32	Additional T&D Percentage Increase		4.4%	22.9%	-11.4%	10.5%	-6.3%	1.9%	1.9%	-43.4%	16.3%	-2.9%	0.0%
33	Amount of reallocated increase	29,034	19,119	2,883	(5,921)	19,470	(7,591)	795	99	(2,082)	3,286	(1,021)	-
34													
35	**Increase for Classes reaching CTC limit**	0	0	0	0	0	0	0	0	0	0	0	0
36	Balance of re-allocation amount												
37	Adjusted % of total increases												
38	**Balance of re-allocation**	0	0	0	0	0	0	0	0	0	0	0	0
39													
40	**Total T&D Increase**	200,003	117,367	1,907	9,044	32,274	20,896	7,141	918	834	3,498	6,125	0
41	T&D Increase %	15.50%	15.48%	10.78%	17.36%	17.36%	17.36%	17.36%	17.36%	17.36%	17.36%	17.36%	0.00%
42	Relative increase	1.00	1.00	0.70	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	0.00
43													

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $200M Increase

Settlement $200M
Sheet 8 of 14

		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
44	**Proposed T&D Revenue**	1,490,467	875,467	19,594	61,134	218,151	141,247	48,269	6,202	5,636	23,641	41,401	49,727
45	Forfeited discounts	14,899	12,700	25	521	1,080	362	117	11	7	27	36	12
46	Other revenue	138,341	60,581	1,212	3,785	19,671	18,850	8,570	2,255	922	5,090	16,477	929
47	Operating Expenses	(1,229,883)	(724,705)	(12,474)	(57,134)	(155,868)	(128,573)	(40,860)	(6,572)	(6,721)	(18,634)	(43,183)	(35,159)
48	Delivery uncollectibles	(27,929)	(23,795)	(36)	(1,091)	(1,806)	(774)	(228)	(28)	(19)	(49)	(85)	(18)
49		385,895	200,247	8,321	7,215	81,227	31,112	15,869	1,868	(175)	10,075	14,645	15,491
50	Income tax expense	111,267	57,738	2,399	2,080	23,420	8,971	4,575	539	(50)	2,905	4,223	4,467
51	**Net income**	274,628	142,509	5,922	5,135	57,806	22,141	11,293	1,329	(124)	7,170	10,422	11,025
52													
53	**Rate of return on rate base**	**7.1301%**	**6.70%**	**12.55%**	**3.33%**	**10.78%**	**4.87%**	**8.63%**	**5.80%**	**-0.56%**	**12.17%**	**7.66%**	**6.82%**
54	Relative Return at Proposed Rates	1.00	0.94	1.76	0.47	1.51	0.68	1.21	0.81	(0.08)	1.71	1.08	0.96
55	Relative Return at Present Rates	1.00	0.81	2.81	(0.23)	1.88	0.47	1.38	0.87	(0.93)	2.31	1.30	1.98
56													
57													
58	**T&D Revenue Target for Tolerance Band**												
59	Rate Base	3,851,696	2,126,936	47,199	154,259	536,013	454,473	130,833	22,917	22,397	58,930	135,974	161,764
60	Rate of Return to Top / Bottom of Band		6.06%	8.20%	6.06%	8.20%	6.06%	8.20%	7.13%	6.06%	8.20%	8.20%	8.20%
61	Present Rate of Return		3.14%	10.93%	(0.90%)	7.33%	1.83%	5.38%	3.37%	(3.61%)	8.99%	5.06%	7.71%
62	Move Over to	100.0%	6.06%	8.20%	6.06%	8.20%	6.06%	8.20%	7.13%	6.06%	8.20%	8.20%	8.20%
63	Move Under to	100.0%	Under	Over	Under	Over	Under	Over	Within	Under	Over	Over	Over
64													
65	Return	256,580	128,903	3,870	9,349	43,950	27,543	10,728	1,634	1,357	4,832	11,149	13,264
66	Income Tax Expense	103,954	52,226	1,568	3,788	17,807	11,159	4,346	662	550	1,958	4,517	5,374
67	Operating Expenses	1,229,883	724,705	12,474	57,134	155,868	128,573	40,860	6,572	6,721	18,634	43,183	35,159
68	Delivery uncollectibles	27,929	23,795	36	1,091	1,806	774	228	28	19	49	85	18
69	Forfeited discounts	(14,899)	(12,700)	(25)	(521)	(1,080)	(362)	(117)	(11)	(7)	(27)	(36)	(12)
70	Other revenue	(138,341)	(60,581)	(1,212)	(3,785)	(19,671)	(18,850)	(8,570)	(2,255)	(922)	(5,090)	(16,477)	(929)
71	**Revenue Target**	1,465,106	856,348	16,711	67,055	198,681	148,838	47,474	6,630	7,718	20,355	42,422	52,874
72	Revenue Target At Full COS	1,490,464	888,312	16,001	69,373	190,626	155,668	45,508	6,630	8,055	19,470	40,378	50,443
73													
74	Increase Based on Revenue Targets	174,642	98,248	(976)	14,966	12,804	28,487	6,346	1,346	2,916	212	7,146	3,147
75	Increase for Full COS	200,000	130,212	(1,685)	17,284	4,749	35,317	4,380	1,346	3,253	(674)	5,103	716

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $150M Increase

		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
1	T&D revenue	1,290,464	758,100	17,687	52,089	185,877	120,351	41,128	5,285	4,802	20,143	35,276	49,727
2	CTC revenue	506,729	117,367	1,907	16,933	86,234	132,579	56,317	14,877	4,223	8,608	67,684	0
3	**Total Revenue at Present Rates**	1,797,193	875,467	19,594	69,022	272,111	252,930	97,445	20,162	9,025	28,751	102,960	49,727
4	Rate of Return at Present Rates	5.1868%	4.59%	12.28%	0.49%	8.61%	2.72%	6.53%	4.06%	(2.95%)	10.34%	5.85%	8.82%
5	Relative Return at Present Rates	1.00	0.88	2.37	0.09	1.66	0.53	1.26	0.78	(0.57)	1.99	1.13	1.70
6													
7	**Step 1- ECOS with Approved T&D Revenue Requirement at Full Cost of Service**												
8	T&D revenue	1,440,464	855,944	15,562	66,757	184,885	151,359	44,163	6,490	7,834	18,852	39,532	49,087
9	Rate of Return	7.1300%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%
10	Increase (Decrease) Required	150,000	97,844	(2,125)	14,668	(992)	31,008	3,036	1,205	3,031	(1,292)	4,256	(641)
11	Increase (Decrease) Required	11.6%	12.9%	(12.0%)	28.2%	(0.5%)	25.8%	7.4%	22.8%	63.1%	(6.4%)	12.1%	(1.3%)
12		12.11%											
13	**Step 2- Tolerance Band for Return at Present Rates**				Present	New Rates							
14	Top of Band	Relative return	1.15	Rate of Return	5.96%	8.20%		Over					
15	Bottom of Band	Relative return	0.85	Rate of Return	4.41%	6.06%		Under					
16	Within Band	Relative return		Rate of Return	4.41%-5.96%	6.06%-8.20%		Within					
17													
18	**Step 3- Position of Classes / Tolerance Band**		Within	Over	Under	Over	Under	Over	Under	Under	Over	Within	Over
19													
20	**Step 4- T&D Revenue Target for Tolerance Band- see line 71**	549,207	NA	16,271	64,439	192,941	144,529	46,130	6,145	7,497	19,738	NA	51,518
21													
22	**Incresae to Achieve T&D Target Revenue**												
23	Classes Within- Average Increase	92,220	88,119	0	0	0	0	0	0	0	0	4,100	0
24	Classes Over- Bring to Top of Band	12,035	0	(1,416)	0	7,064	0	5,002	0	0	(406)	0	1,790
25	Classes Under- Bring to Bottom of Band	40,083	0	0	12,350	0	24,178	0	860	2,695	0	0	0
26		144,338	88,119	(1,416)	12,350	7,064	24,178	5,002	860	2,695	(406)	4,100	1,790
27	**Step 5- Limit increases to Present CTC**	142,547	88,119	(1,416)	12,350	7,064	24,178	5,002	860	2,695	(406)	4,100	0
28			11.62%	-8.00%	23.71%	3.80%	20.09%	12.16%	16.28%	56.11%	-2.02%	11.62%	0.00%
29	**Step 6- Re-allocate Revenue Shortfall**												
30	Revenue shortfall	7,453											
31	Additional CTC available	364,182	29,248	3,323	4,583	79,170	108,401	51,315	14,017	1,528	9,014	63,584	0
32	Additional T&D Percentage Increase		0.5%	20.1%	-11.6%	8.3%	-8.0%	-0.1%	-4.2%	-44.0%	14.1%	0.5%	0.0%
33	Amount of reallocated increase	7,459	3,679	3,323	(6,043)	15,444	(9,605)	(22)	(221)	(2,113)	2,845	171	-
34													
35	**Increase for Classes reaching CTC limit**	0	0	0	0	0	0	0	0	0	0	0	0
36	Balance of re-allocation amount												
37	Adjusted % of total increases												
38	**Balance of re-allocation**												
39													
40	**Total T&D Increase**	150,006	91,798	1,907	6,307	22,508	14,573	4,980	640	582	2,439	4,272	0
41	T&D Increase %	11.62%	12.11%	10.78%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	0.00%
42	Relative increase	1.00	1.04	0.93	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	0.00
43													

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $150M Increase

	Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
		SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
Proposed T&D Revenue	1,440,470	849,898	19,594	58,397	208,385	134,924	46,108	5,924	5,384	22,583	39,547	49,727
Forfeited discounts	14,899	12,700	25	521	1,080	362	117	11	7	27	36	12
Other revenue	138,341	60,619	1,211	3,789	19,663	18,838	8,566	2,253	922	5,089	16,466	926
Operating Expenses	(1,181,738)	(693,980)	(12,035)	(54,599)	(150,228)	(124,296)	(39,523)	(6,431)	(6,500)	(18,017)	(42,326)	(33,802)
Delivery uncollectibles	(26,074)	(22,199)	(34)	(1,015)	(1,696)	(727)	(214)	(27)	(18)	(46)	(81)	(17)
	385,898	207,037	8,761	7,093	77,203	29,101	15,054	1,732	(206)	9,635	13,642	16,846
Income tax expense	111,268	59,696	2,526	2,045	22,260	8,391	4,340	499	(59)	2,778	3,933	4,857
Net income	274,630	147,341	6,235	5,048	54,943	20,710	10,713	1,232	(146)	6,857	9,709	11,989
Rate of return on rate base	**7.1301%**	**6.93%**	**13.21%**	**3.27%**	**10.25%**	**4.56%**	**8.19%**	**5.38%**	**-0.65%**	**11.64%**	**7.14%**	**7.41%**
Relative Return at Proposed Rates	1.00	0.97	1.85	0.46	1.44	0.64	1.15	0.75	(0.09)	1.63	1.00	1.04
Relative Return at Present Rates	1.00	0.88	2.37	0.09	1.66	0.53	1.26	0.78	(0.57)	1.99	1.13	1.70
T&D Revenue Target for Tolerance Band												
Rate Base	3,851,696	2,126,841	47,200	154,250	536,031	454,504	130,846	22,923	22,399	58,936	136,013	161,753
Rate of Return to Top / Bottom of Band		7.13%	8.20%	6.06%	8.20%	6.06%	8.20%	6.06%	6.06%	8.20%	7.13%	8.20%
Present Rate of Return		4.59%	12.28%	0.49%	8.61%	2.72%	6.53%	4.06%	(2.95%)	10.34%	5.85%	8.82%
Move Over to	100.0%	7.13%	8.20%	6.06%	8.20%	6.06%	8.20%	6.06%	6.06%	8.20%	7.13%	8.20%
Move Under to	100.0%	Within	Over	Under	Over	Under	Over	Under	Under	Over	Within	Over
Return	277,628	151,644	3,870	9,348	43,952	27,545	10,729	1,389	1,357	4,832	9,698	13,263
Income Tax Expense	112,482	61,439	1,568	3,788	17,807	11,160	4,347	563	550	1,958	3,929	5,374
Operating Expenses	1,181,738	693,980	12,035	54,599	150,228	124,296	39,523	6,431	6,500	18,017	42,326	33,802
Delivery uncollectibles	26,074	22,199	34	1,015	1,696	727	214	27	18	46	81	17
Forfeited discounts	(14,899)	(12,700)	(25)	(521)	(1,080)	(362)	(117)	(11)	(7)	(27)	(36)	(12)
Other revenue	(138,341)	(60,619)	(1,211)	(3,789)	(19,663)	(18,838)	(8,566)	(2,253)	(922)	(5,089)	(16,466)	(926)
Revenue Target	1,444,682	855,944	16,271	64,439	192,941	144,529	46,130	6,145	7,497	19,738	39,532	51,518
Revenue Target At Full COS	1,440,464	855,944	15,562	66,757	184,885	151,359	44,163	6,490	7,834	18,852	39,532	49,087
Increase Based on Revenue Targets	154,218	97,844	(1,416)	12,350	7,064	24,178	5,002	860	2,695	(406)	4,256	1,790
Increase for Full COS	150,000	97,844	(2,125)	14,668	(992)	31,008	3,036	1,205	3,031	(1,292)	4,256	(641)

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $100M Increase

		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
1	T&D revenue	1,290,464	758,100	17,687	52,089	185,877	120,351	41,128	5,285	4,802	20,143	35,276	49,727
2	CTC revenue	506,729	117,367	1,907	16,933	86,234	132,579	56,317	14,877	4,223	8,608	67,684	0
3	**Total Revenue at Present Rates**	1,797,193	875,467	19,594	69,022	272,111	252,930	97,445	20,162	9,025	28,751	102,960	49,727
4	Rate of Return at Present Rates	6.4849%	6.06%	13.48%	1.98%	9.82%	3.64%	7.63%	4.72%	(2.19%)	11.58%	6.58%	9.83%
5	Relative Return at Present Rates	1.00	0.93	2.08	0.31	1.51	0.56	1.18	0.73	(0.34)	1.79	1.01	1.52
6													
7	**Step 1- ECOS with Approved T&D Revenue Requirement at Full Cost of Service**												
8	T&D revenue	1,390,464	823,575	15,122	64,138	179,151	147,047	42,819	6,349	7,612	18,234	38,685	47,732
9	Rate of Return	7.1300%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%
10	Increase (Decrease) Required	100,000	65,475	(2,564)	12,049	(6,726)	26,697	1,691	1,064	2,810	(1,909)	3,410	(1,996)
11	Increase (Decrease) Required	7.7%	8.6%	(14.5%)	23.1%	(3.6%)	22.2%	4.1%	20.1%	58.5%	(9.5%)	9.7%	(4.0%)
12		8%											
13	**Step 2- Tolerance Band for Return at Present Rates**				Present	New Rates							
14	Top of Band	Relative return	1.15	Rate of Return	7.46%	8.20%		Over					
15	Bottom of Band	Relative return	0.85	Rate of Return	5.51%	6.06%		Under					
16	Within Band	Relative return		Rate of Return	5.51%-7.46%	6.06%-8.20%		Within					
17													
18	**Step 3- Position of Classes / Tolerance Band**		Within	Over	Under	Over	Under	Over	Under	Under	Over	Within	Over
19													
20	**Step 4- T&D Revenue Target for Tolerance Band- see line 71**	532,422	NA	15,831	61,820	187,207	140,216	44,786	6,004	7,276	19,120	NA	50,162
21													
22	**Incresae to Achieve T&D Target Revenue**												
23	Classes Within- Average Increase	61,480	58,746	0	0	0	0	0	0	0	0	2,734	0
24	Classes Over- Bring to Top of Band	2,544	0	(1,855)	0	1,330	0	3,658	0	0	(1,024)	0	435
25	Classes Under- Bring to Bottom of Band	32,790	0	0	9,731	0	19,866	0	720	2,473	0	0	0
26		96,813	58,746	(1,855)	9,731	1,330	19,866	3,658	720	2,473	(1,024)	2,734	435
27	**Step 5- Limit increases to Present CTC**	96,378	58,746	(1,855)	9,731	1,330	19,866	3,658	720	2,473	(1,024)	2,734	0
28			7.75%	-10.49%	18.68%	0.72%	16.51%	8.89%	13.62%	51.50%	-5.08%	7.75%	0.00%
29	**Step 6- Re-allocate Revenue Shortfall**												
30	Revenue shortfall	3,622											
31	Additional CTC available	410,351	58,621	3,762	7,202	84,904	112,713	52,659	14,157	1,750	9,632	64,950	0
32	Additional T&D Percentage Increase		0.3%	18.5%	-10.6%	7.3%	-8.4%	-0.8%	-5.0%	-43.4%	13.1%	0.3%	0.0%
33	Amount of reallocated increase	3,654	2,357	3,281	(5,533)	13,652	(10,165)	(343)	(264)	(2,086)	2,647	110	-
34													
35	**Increase for Classes reaching CTC limit**	0	0	0	0	0	0	0	0	0	0	0	0
36	Balance of re-allocation amount												
37	Adjusted % of total increases												
38	**Balance of re-allocation**	0	0	0	0	0	0	0	0	0	0	0	0
39													
40	**Total T&D Increase**	100,033	61,103	1,426	4,198	14,982	9,700	3,315	455	387	1,624	2,843	0
41	T&D Increase %	7.75%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.62%	8.06%	8.06%	8.06%	0.00%
42	Relative increase	1.00	1.04	1.04	1.04	1.04	1.04	1.04	1.11	1.04	1.04	1.04	0.00
43													

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $100M Increase

#		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
44	**Proposed T&D Revenue**	1,390,497	819,202	19,112	56,288	200,859	130,051	44,443	5,740	5,189	21,767	38,119	49,727
45	Forfeited discounts	14,899	12,700	25	521	1,080	362	117	11	7	27	36	12
46	Other revenue	138,341	60,659	1,210	3,794	19,654	18,825	8,562	2,251	921	5,087	16,455	923
47	Operating Expenses	(1,133,593)	(663,260)	(11,596)	(52,065)	(144,585)	(120,017)	(38,187)	(6,289)	(6,279)	(17,400)	(41,468)	(32,447)
48	Delivery uncollectibles	(24,219)	(20,602)	(32)	(935)	(1,593)	(678)	(201)	(25)	(17)	(44)	(77)	(16)
49		385,925	208,700	8,719	7,602	75,413	28,543	14,734	1,688	(179)	9,438	13,065	18,200
50	Income tax expense	111,275	60,175	2,514	2,192	21,744	8,230	4,248	487	(51)	2,721	3,767	5,248
51	**Net income**	274,649	148,524	6,205	5,410	53,669	20,313	10,486	1,202	(127)	6,717	9,298	12,953
52													
53	**Rate of return on rate base**	**7.1306%**	**6.98%**	**13.15%**	**3.51%**	**10.01%**	**4.47%**	**8.01%**	**5.24%**	**-0.57%**	**11.40%**	**6.83%**	**8.01%**
54	Relative Return at Proposed Rates	1.00	0.98	1.84	0.49	1.40	0.63	1.12	0.73	(0.08)	1.60	0.96	1.12
55	Relative Return at Present Rates	1.00	0.93	2.08	0.31	1.51	0.56	1.18	0.73	(0.34)	1.79	1.01	1.52
56													
57													
58	**T&D Revenue Target for Tolerance Band**												
59	Rate Base	3,851,696	2,126,734	47,201	154,240	536,051	454,539	130,861	22,930	22,401	58,942	136,056	161,742
60	Rate of Return to Top / Bottom of Band		7.13%	8.20%	6.06%	8.20%	6.06%	8.20%	6.06%	6.06%	8.20%	7.13%	8.20%
61	Present Rate of Return		6.06%	13.48%	1.98%	9.82%	3.64%	7.63%	4.72%	(2.19%)	11.58%	6.58%	9.83%
62	Move Over to	100.0%	7.13%	8.20%	6.06%	8.20%	6.06%	8.20%	6.06%	6.06%	8.20%	7.13%	8.20%
63	Move Under to	100.0%	Within	Over	Under	Over	Under	Over	Under	Under	Over	Within	Over
64													
65	Return	277,628	151,636	3,870	9,348	43,954	27,547	10,730	1,390	1,358	4,833	9,701	13,262
66	Income Tax Expense	112,482	61,436	1,568	3,787	17,808	11,161	4,347	563	550	1,958	3,930	5,373
67	Operating Expenses	1,133,593	663,260	11,596	52,065	144,585	120,017	38,187	6,289	6,279	17,400	41,468	32,447
68	Delivery uncollectibles	24,219	20,602	32	935	1,593	678	201	25	17	44	77	16
69	Forfeited discounts	(14,899)	(12,700)	(25)	(521)	(1,080)	(362)	(117)	(11)	(7)	(27)	(36)	(12)
70	Other revenue	(138,341)	(60,659)	(1,210)	(3,794)	(19,654)	(18,825)	(8,562)	(2,251)	(921)	(5,087)	(16,455)	(923)
71	**Revenue Target**	1,394,682	823,575	15,831	61,820	187,207	140,216	44,786	6,004	7,276	19,120	38,685	50,162
72	Revenue Target At Full COS	1,390,464	823,575	15,122	64,138	179,151	147,047	42,819	6,349	7,612	18,234	38,685	47,732
73													
74	Increase Based on Revenue Targets	104,218	65,475	(1,855)	9,731	1,330	19,866	3,658	720	2,473	(1,024)	3,410	435
75	Increase for Full COS	100,000	65,475	(2,564)	12,049	(6,726)	26,697	1,691	1,064	2,810	(1,909)	3,410	(1,996)

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $50M Increase

		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
1	T&D revenue	1,290,464	758,100	17,687	52,089	185,877	120,351	41,128	5,285	4,802	20,143	35,276	49,727
2	CTC revenue	506,729	117,367	1,907	16,933	86,234	132,579	56,317	14,877	4,223	8,608	67,684	0
3	**Total Revenue at Present Rates**	1,797,193	875,467	19,594	69,022	272,111	252,930	97,445	20,162	9,025	28,751	102,960	49,727
4	Rate of Return at Present Rates	7.7830%	7.55%	14.61%	3.53%	10.99%	4.56%	8.71%	5.37%	(1.35%)	12.77%	7.27%	10.79%
5	Relative Return at Present Rates	1.00	0.97	1.88	0.45	1.41	0.59	1.12	0.69	(0.17)	1.64	0.93	1.39
6													
7	**Step 1- ECOS with Approved T&D Revenue Requirement at Full Cost of Service**												
8	T&D revenue	1,340,464	791,210	14,683	61,517	173,420	142,733	41,475	6,208	7,391	17,616	37,838	46,374
9	Rate of Return	7.1300%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%
10	Increase (Decrease) Required	50,000	33,110	(3,004)	9,427	(12,457)	22,382	347	923	2,588	(2,527)	2,563	(3,353)
11	Increase (Decrease) Required	3.9%	4.4%	(17.0%)	18.1%	(6.7%)	18.6%	0.8%	17.5%	53.9%	(12.5%)	7.3%	(6.7%)
12		4.02%											
13	**Step 2- Tolerance Band for Return at Present Rates**				Present	New Rates							
14	Top of Band	Relative return	1.15	Rate of Return	8.95%	8.20%		Over					
15	Bottom of Band	Relative return	0.85	Rate of Return	6.62%	6.06%		Under					
16	Within Band	Relative return		Rate of Return	6.62%-8.95%	6.06%-8.20%		Within					
17													
18	**Step 3- Position of Classes / Tolerance Band**		Within	Over	Under	Over	Under	Within	Under	Under	Over	Within	Over
19													
20	**Step 4- T&D Revenue Target for Tolerance Band- see line 71**	472,193	NA	15,392	59,199	181,476	135,901	NA	5,863	7,054	18,502	NA	48,804
21													
22	**Incresae to Achieve T&D Target Revenue**												
23	Classes Within- Average Increase	32,333	29,373	0	0	0	0	1,594	0	0	0	1,367	0
24	Classes Over- Bring to Top of Band	(9,259)	0	(2,294)	0	(4,401)	0	0	0	0	(1,641)	0	(923)
25	Classes Under- Bring to Bottom of Band	25,491	0	0	7,110	0	15,551	0	578	2,252	0	0	0
26		48,565	29,373	(2,294)	7,110	(4,401)	15,551	1,594	578	2,252	(1,641)	1,367	(923)
27	**Step 5- Limit increases to Present CTC**	48,565	29,373	(2,294)	7,110	(4,401)	15,551	1,594	578	2,252	(1,641)	1,367	(923)
28			3.87%	-12.97%	13.65%	-2.37%	12.92%	3.87%	10.95%	46.89%	-8.15%	3.87%	-1.86%
29	**Step 6- Re-allocate Revenue Shortfall**												
30	Revenue shortfall	1,435											
31	Additional CTC available	458,164	87,994	4,201	9,823	90,635	117,028	54,723	14,299	1,971	10,249	66,317	923
32	Additional T&D Percentage Increase		0.1%	17.0%	-9.6%	6.4%	-8.9%	0.1%	-6.9%	-42.9%	12.2%	0.6%	5.9%
33	Amount of reallocated increase	1,437	1,080	3,005	(5,017)	11,867	(10,716)	59	(366)	(2,059)	2,450	212	923
34													
35	**Increase for Classes reaching CTC limit**	0	0	0	0	0	0	0	0	0	0	0	0
36	Balance of re-allocation amount												
37	Adjusted % of total increases												
38	**Balance of re-allocation**	0	0	0	0	0	0	0	0	0	0	0	0
39													
40	**Total T&D Increase**	50,002	30,453	710	2,092	7,467	4,834	1,652	212	193	809	1,578	0
41	T&D Increase %	3.87%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.47%	0.00%
42	Relative increase	1.00	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.15	0.00
43													

Niagara Mohawk Power Corporation d/b/a National Grid
Rate Year 2011 (CU)- Settlement at $50M Increase

		Total	Residential	Residential TOU	Small General No Dem	Small General Demand	Large General-Sec	Large General-Pri	Large General-Tran	Large General TOU-Sec	Large General TOU-Pri	Large General TOU-Tran	Lighting
			SC-1	SC-1C	SC-2-ND	SC-2-Dem	SC-3-S	SC-3-P	SC-3-T	SC-3A-S	SC-3A-P	SC-3A-T	SC-L
44	**Proposed T&D Revenue**	1,340,466	788,552	18,397	54,182	193,344	125,185	42,780	5,497	4,995	20,953	36,854	49,727
45	Forfeited discounts	14,899	12,700	25	521	1,080	362	117	11	7	27	36	12
46	Other revenue	138,341	60,702	1,208	3,799	19,644	18,811	8,558	2,250	920	5,085	16,443	921
47	Operating Expenses	(1,085,447)	(632,545)	(11,157)	(49,532)	(138,942)	(115,737)	(36,850)	(6,147)	(6,058)	(16,782)	(40,608)	(31,089)
48	Delivery uncollectibles	(22,365)	(19,007)	(30)	(853)	(1,494)	(626)	(188)	(24)	(15)	(41)	(72)	(15)
49		385,894	210,403	8,443	8,117	73,631	27,995	14,418	1,587	(151)	9,242	12,652	19,556
50	Income tax expense	111,267	60,666	2,434	2,340	21,231	8,072	4,157	458	(44)	2,665	3,648	5,639
51	**Net income**	274,627	149,736	6,009	5,776	52,401	19,923	10,261	1,130	(107)	6,577	9,004	13,918
52													
53	**Rate of return on rate base**	**7.1300%**	**7.04%**	**12.73%**	**3.75%**	**9.77%**	**4.38%**	**7.84%**	**4.92%**	**-0.48%**	**11.16%**	**6.62%**	**8.61%**
54	Relative Return at Proposed Rates	1.00	0.99	1.79	0.53	1.37	0.61	1.10	0.69	(0.07)	1.56	0.93	1.21
55	Relative Return at Present Rates	1.00	0.97	1.88	0.45	1.41	0.59	1.12	0.69	(0.17)	1.64	0.93	1.39
56													
57													
58	**T&D Revenue Target for Tolerance Band**												
59	Rate Base	3,851,696	2,126,611	47,202	154,228	536,075	454,579	130,878	22,937	22,403	58,949	136,106	161,728
60	Rate of Return to Top / Bottom of Band		7.13%	8.20%	6.06%	8.20%	6.06%	7.13%	6.06%	6.06%	8.20%	7.13%	8.20%
61	Present Rate of Return		7.55%	14.61%	3.53%	10.99%	4.56%	8.71%	5.37%	(1.35%)	12.77%	7.27%	10.79%
62	Move Over to	100.0%	7.13%	8.20%	6.06%	8.20%	6.06%	7.13%	6.06%	6.06%	8.20%	7.13%	8.20%
63	Move Under to	100.0%	Within	Over	Under	Over	Under	Within	Under	Under	Over	Within	Over
64													
65	Return	276,228	151,627	3,870	9,347	43,955	27,550	9,332	1,390	1,358	4,834	9,704	13,261
66	Income Tax Expense	111,915	61,433	1,568	3,787	17,809	11,162	3,781	563	550	1,958	3,932	5,373
67	Operating Expenses	1,085,447	632,545	11,157	49,532	138,942	115,737	36,850	6,147	6,058	16,782	40,608	31,089
68	Delivery uncollectibles	22,365	19,007	30	853	1,494	626	188	24	15	41	72	15
69	Forfeited discounts	(14,899)	(12,700)	(25)	(521)	(1,080)	(362)	(117)	(11)	(7)	(27)	(36)	(12)
70	Other revenue	(138,341)	(60,702)	(1,208)	(3,799)	(19,644)	(18,811)	(8,558)	(2,250)	(920)	(5,085)	(16,443)	(921)
71	**Revenue Target**	1,342,715	791,210	15,392	59,199	181,476	135,901	41,475	5,863	7,054	18,502	37,838	48,804
72	Revenue Target At Full COS	1,340,464	791,210	14,683	61,517	173,420	142,733	41,475	6,208	7,391	17,616	37,838	46,374
73													
74	Increase Based on Revenue Targets	52,251	33,110	(2,294)	7,110	(4,401)	15,551	347	578	2,252	(1,641)	2,563	(923)
75	Increase for Full COS	50,000	33,110	(3,004)	9,427	(12,457)	22,382	347	923	2,588	(2,527)	2,563	(3,353)

FOR THE NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE

Diane T. Dean

Diane T. Dean
Assistant Counsel
Electric Rate Design Stipulation
Case 10-E-0050
Niagara Mohawk Electric Rates
Dated: September 13, 2010

Signatories. Nothing in this Stipulation shall be construed to limit the Commission's authority under the New York Public Service Law.

O. Counterparts

This Stipulation may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

P. Entire Agreement

This Stipulation, including all attachments, exhibits and appendices, if any, represents the entire agreement of the Signatories with respect to the matters resolved herein.

SIGNATURES

Niagara Mohawk Power Corporation d/b/a National Grid ("the Company")

____

Staff of the New York State Department of Public Service

____

New York State Consumer Protection Board

____

New York Power Authority ("NYPA")[1]

____

Dated: September 15, 2010

[1] NYPA supports sections G and L through P of this Stipulation. NYPA neither supports nor opposes the other sections contained herein.