

**NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID**  
**Estimated Temporary State Assessment ("TSA") for State Fiscal Year 2016/17 and**  
**Estimated September 2016 TSA Payment including Working Capital and Bad Debt Underlying the Incremental State Assessment Surcharge**

Calculation of Calendar Year 2015 Assessable Revenues:

(1) Total Gas Operating Revenues	PSC Annual Report, Page 64 (Line 28)	\$	528,152,740
Adjustments:			
(2) Less Sales for Resale		\$	(5,597,808)
(3) Less Transportation for Power Generation		\$	(9,240,146)
(4) Less Exempt Revenues @ \$500,000			(500,000)
(5) Total Adjustments	Sum of Lines (2) through (4)	\$	(15,337,954)
(6) Assessable Gas Utility Revenues	Line (1) + Line (5)	\$	512,814,786
(7) Estimated ESCO Energy Revenues	PSC Annual Report, Page 2 (footnote)	\$	236,749,569
(8) Total Gas Assessable Revenue Estimate	Line (6) + Line (7)	\$	749,564,355

Calculation of Estimated Temporary State Assessment:

(9) Combined General & Temporary State Assessment	Line (8) x 0.73%	0.73%	\$	5,471,820
(10) Less: Amount of General Assessment in Base Rates	a\		\$	(2,508,897)
(11) Estimated Temporary State Assessment	Line (9) + Line (10)		\$	2,962,923

Basis for Determination of Incremental State Assessment Surcharge

March 2016 Payment of Combined General & Temporary State Assessment				
(12) General Assessment in Base Rates	b\		\$	1,012,180
(13) Temporary State Assessment	b\		\$	2,389,068
(14) Combined General & Temporary State Assessment	b\		\$	3,401,248
Estimated September 2016 Payment of Combined General & Temporary State Assessment				
(15) General Assessment in Base Rates	Line (10*-1) - Line (12)		\$	1,496,717
(16) Temporary State Assessment	Line (11) - Line (13)		\$	573,855
(17) Combined General & Temporary State Assessment	Line (9) - Line (14)		\$	2,070,571
(18) Carrying Charges on Cash Working Capital	Line (16) x: 3.12%	3.12%	\$	17,904
(19) Bad Debt Allowance		2.69%	\$	16,331
(20) Estimated September 2016 TSA Payment including Working Capital and Bad Debt	Line (16) + Line (18) + Line (19)		\$	608,091

a\ - Approved in Case No. 12-G-0202, for Rate Year ending March 31, 2016

b\ - Per January 30, 2016 Statement of Estimated Assessment

**NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID**  
**Estimated Temporary State Assessment("TSA") for State Fiscal Year 2017/18 and**  
**Estimated March 2017 TSA Payment including Working Capital and Bad Debt Underlying the Incremental State Assessment Surcharge**

Estimate of Calendar Year 2016 Assessable Revenues:

(1)	Estimated Temporary State Assessment	Page 1, Line (11)	\$	2,962,923
(2)	Estimated One-Half of Fiscal Year 2016-2017	Line (1) * 50%	\$	1,481,461

Basis for Determination of Incremental State Assessment Surcharge

(3)	Carrying Charges on Cash Working Capital	Line (2) x: 3.12%	3.12%	\$	46,222
(4)	Bad Debt Allowance		2.69%	\$	<u>83,047</u>
(5)	Estimated Incremental State Assessment Surcharge including Working Capital and Bad Debt Sum of Lines (2) through (4)			\$	1,610,730