

KEYSPAN GAS EAST CORPORATION d/b/a NATIONAL GRID (KEDLI)
Estimated Annual Reconciliation of Incremental State Assessment Surcharge Recoveries and Costs
and Calculation of Annual Imbalance Surcharge
For the Period July 1, 2009 to June 30, 2010

			Collection Period
			2009/2010
Estimated Under Recovery of Incremental State Assessment for the period July 1, 2009 through June 30, 2010:			
(1)	Actual Incremental State Assessment Paid September 2009	Attachment 1, Line 11	\$ 24,735,840
(2)	Less Total Estimated 2009/10 Recoveries (excl Working Capital		<u>23,761,320</u>
(3)	Estimated Under Recovery (excl Working Capital) through July 31, 2010	Line (1) - Line (2)	\$ 974,520
(4)	Plus Under Recovery of Working Capital through July 31, 2010		<u>149,657</u>
(5)	Total Estimated Under Recovery of Incremental State Assessment	Line (3) + Line (4)	\$ 1,124,176
Annual Imbalance Surcharge to be Collected July 1, to June 30, 2011:			
(6)	Carrying Charges on Cash Working Capital for July 1 to June 30, 2011	Line (5) x 6.71% (Line (5)+Line(6))/(1-0.75%)-	6.71% 75,445
(7)	Bad Debt Allowance for July 1, to June 30, 2011	(Line(5)+Line(6))	0.75% <u>9,065</u>
(8)	Annual Imbalance Surcharge including Working Capital and Bad Debt	Sum of Lines (5) through (7)	\$ 1,208,687