

## KeySpan Energy Delivery of New York

Summary of Staff Adjustments  
Twelve Months Ending March 31, 2008  
\$(000)

<u>Adj. No.</u>	<u>Description</u>	<u>Amount</u>	<u>Sponsor</u>
<b>Operating Revenues - Schedule A, Page 1</b>			
1	Revised sales adjustment	\$ 20,970	SP
<b>Operation &amp; Maintenance Expenses - Schedule A, Page 2</b>			
2	Eliminate program enhancement for leak response	(1,850)	SP
3	Adjust uncollectible expense for staff adjustments	(272)	APR
4	Eliminate expense for sales promotion enhancement	(4,851)	APR
5	Reduce customer relations expense	(515)	PDP
6	Move gas supply expenses from delivery to commodity recovery	(13,505)	UP
7	Adjust for updated cost and inflation	(15,530)	APR
8	Adjust labor for 1% productivity	(1,724)	APR
9	Adjust non-labor related expenses for 1% productivity	(1,159)	APR
<b>Depreciation - Schedule A, Page 3</b>			
10	Staff depreciation changes to historic year plant	(22,006)	PDP
11	Staff depreciation changes to rate year plant	(5,879)	PDP
<b>Amortizations - Schedule A, Page 4</b>			
12	Eliminate Property Tax Amortization	(5,542)	APR
13	Reduce amortization of SIR costs	(6,580)	APR
<b>State &amp; Federal Income Taxes - Schedule A, Pages 6 &amp; 7</b>			
14	Include Medicare cash proceeds	920	APR
15	Adjust for change in depreciation rates and plant	(27,885)	APR
16	Eliminate property tax amortization	(5,542)	APR
17	Reduce amortization of SIR costs	(6,580)	APR
18	Adjust tax depreciation for plant change	(628)	APR
<b>Interest Deduction - Schedule A, Page 8</b>			
19	Adjust the interest deduction for rate base adjustments	(123,718)	APR
20	Include CWIP in the interest deduction	11,923	APR
21	To reflect Staff's capital structure		APR
<b>Rate Base - Schedule A, Page 9</b>			
22	Decrease gas plant balance	(9,831)	PDP
23	Decrease reserve for depreciation	12,368	PDP
24	Eliminate deferred merger costs	(4,634)	APR
25	Eliminate deferred SIR costs	(90,669)	APR
26	Eliminate unamortized property tax	(36,025)	APR
27	Adjust deferred taxes for SIR adjustment	39,922	APR
28	Adjust deferred taxes for merger adjustment	2,040	APR
29	Adjust deferred taxes for property tax adjustment	15,862	APR
30	Adjust deferred tax for tax depreciation	(6,013)	APR
31	Eliminate pre-paid pension expense	(88,974)	APR
32	Reduce M&S inventory balance	(600)	PDP

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<b>Earnings Base / Capitalization Comparison - Schedule A, Page10</b>			
<b>Capitalization</b>			
33	Reduce equity for pension earnings 1996 through 2003	30,000	APR
34	Eliminate intercompany accounts payable/receivable for fuel costs	10,131	APR
<b>Earnings Base</b>			
35	Eliminate pre-paid pension expense	(88,974)	APR
36	Reduce earnings base for non-cash pension & OPEBs	(3,864)	APR
<b>Cash Working Capital - Schedule A, Page 11</b>			
37	Eliminate pensions from working cash calculation	17,898	APR
38	Eliminate OPEBs from working cash calculation	21,926	APR
<b>Capital Structure</b>			
	See Capital Structure, Schedule A, Page 12 of 13		APR