

KeySpan Energy Delivery of Long Island

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

<u>Adj. No.</u>	<u>Description</u>	<u>Amount</u>	<u>Sponsor</u>
Operating Revenues - Schedule A, Page 1			
1	Revised sales adjustment	\$ 1,422	SP
Operation & Maintenance Expenses - Schedule A, Page 2			
2	Adjust uncollectible expense for staff adjustments	(35)	ARP
3	Eliminate expense for sales promotion enhancement	(5,250)	ARP
4	Move gas supply expenses from delivery to commodity recovery	(4,077)	UP
5	Adjust for updated cost and inflation	3,880	ARP
6	Adjust labor for 1% productivity	(1,023)	ARP
7	Adjust non-labor related expenses for 1% productivity	(563)	ARP
Depreciation - Schedule A, Page 3			
8	Staff depreciation changes to historic year plant	(6,880)	PDP
9	Staff depreciation changes to rate year plant	(3,997)	PDP
Amortizations - Schedule A, Page 4			
10	Eliminate amortization of pension & OPEBs	(6,829)	ARP
11	Reduce amortization of SIR costs	(4,201)	ARP
State & Federal Income Taxes - Schedule A, Pages 6 & 7			
12	Include Medicare cash proceeds	560	ARP
13	Eliminate pension & OPEBs amortization	(10,279)	ARP
14	Adjust for change in depreciation rates and plant	(10,877)	ARP
15	Reduce amortization of SIR costs	(4,201)	ARP
16	Adjust tax depreciation for plant change	(3,250)	ARP
Interest Deduction - Schedule A, Page 8			
17	Adjust the interest deduction for rate base adjustments	(55,011)	ARP
18	Include CWIP in the interest deduction	15,231	ARP
19	To reflect Staff's capital structure		ARP
Rate Base - Schedule A, Page 9			
20	Decrease gas plant balance	(18,845)	PDP
21	Decrease reserve for depreciation	3,902	PDP
22	Eliminate deferred merger costs	(2,292)	ARP
23	Eliminate deferred SIR costs	(60,110)	ARP
24	Eliminate deferred pension & OPEB expense	(61,309)	ARP
25	Adjust deferred taxes for SIR adjustment	26,466	ARP
26	Adjust deferred taxes for merger adjustment	1,009	ARP
27	Adjust deferred taxes for pension & OPEB adjustment	26,994	ARP
28	Adjust deferred tax for tax depreciation	(1,678)	ARP
29	Eliminate prepaid pension expense	(16,061)	ARP
30	Reduce M&S inventory balance	(350)	

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Earnings Base / Capitalization Comparison - Schedule A, Page 10			
Capitalization			
31	Eliminate intercompany accounts payable/receivable for fuel costs	\$ (8,891)	ARP
Earnings Base			
32	Eliminate deferred pension a& OPEB balance, net of tax	(25,559)	ARP
33	Eliminate prepaid pension expense	(16,061)	ARP
34	Reduce working capital for non-cash pension & OPEB expense	(872)	ARP
Cash Working Capital - Schedule A, Page 11			
35	Eliminate pensions from working cash calculation	12,125	ARP
36	Eliminate OPEBs from working cash calculation	13,812	ARP
Capital Structure			
	See Capital Structure, page 12 of 13		ARP