

September 26, 2011

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket 4269 – 2011 Distribution Adjustment Charge Filing Responses to Division Data Requests – Set 3

Dear Ms. Massaro:

Enclosed is National Grid's¹ responses to the Division's Third Set of Data Requests in the above-captioned proceeding.

The Company's response to Division 3-8 will be forthcoming.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Docket 4269 Service List
Leo Wold, Esq.
Steve Scialabba

¹ The Narragansett Electric Company d/b/a National Grid.

Division 3-1

Request:

Referring to Attachment WRR-2, Page 77, please reconcile the other revenue there to the other revenue on Attachment WRR-1, Page 2 and the explanation by Mr. Richer on pages 5-6 of his testimony.

Response:

The amount of other revenue shown on Attachment WRR-1, Page 2, Line 4 is \$234,888. The detail for that amount per Attachment WRR-1, Page 8 is as follows:

	12 Months Ended JUNE 2011
RENT FROM GAS PROPERTY	274,053
DISPLACEMENT REVENUE	829,837
OTHER REVENUE MISC	56,269
NATURAL GAS PORTFOLIO MANAGEMENT PLAN (NGPMP)	0
INTEREST ON CUST ARREARS	799,750
RECOVERY OF SUPERVISION & ADMINISTRATIVE COSTS	91,292
EXCESS SHARING ON FIRM-MARGIN	(1,816,313)
TOTAL OTHER REVENUE PER FILING - ATT WRR-1 PG. 2 LINE 4	234,888

The amount of other revenue shown on the Company's annual report at Attachment WRR-2, Page 77 is \$2,974,987 which represents the amount recorded to FERC Account 495, Other Revenue. The amount of other revenue presented in the earnings sharing mechanism (ESM) calculation on Attachment WRR-1, Page 2, Line 4 is composed of a portion of amounts recorded to FERC Account 495, plus certain amounts recorded to Account 419, Interest and Dividend Income, and Account 493, Rent from Gas Property. The reconciliation of the \$2,974,987 per the annual report to the \$234,888 per the ESM calculation is as follows:

Division 3-1 (continued)

	12 Months Ended JUNE 2011
TOTAL PER ANNUAL REPORT - PG. 308 LINE 25 (ATT WRR-2 PG 77)	<u>2,974,987</u>
FERC A/C 495 AMOUNTS EXCLUDED FROM OTHER REVENUE:	
PROXY, OFF-SYSTEM SALES & OPTIMIZATION (NGPMP--PG 77, LINE 5)	(4,797,179)
OPTIMIZATION GUARANTEE (NGPMP--PG 77, LINE 8)	1,000,000
OTHER	<u>(5,420)</u>
SUB-TOTAL	(827,612)
ADD:	
FERC ACCOUNT 419-INTEREST ON CUSTOMER ARREARS	799,750
FERC ACCOUNT 493-RENT FROM GAS PROPERTY	<u>262,750</u>
TOTAL OTHER REVENUE PER FILING - ATT WRR-1 PG. 2 LINE 4	<u><u>234,888</u></u>

Prepared by or under the supervision of: William R. Richer

Division 3-2

Request:

Referring to Attachment WRR-2, Page 87, please explain the increase in Account 920 – Administrative and General Salaries from 2010 to 2011.

Response:

The increase in Account 920 – Administrative and General Salaries from 2010 to 2011 is due to an increase in the Company's allocated share of employee salaries, primarily from employees who were charging costs to the legacy KeySpan companies but now are charging the Company.

Prepared by or under the supervision of: William R. Richer

Division 3-3

Request:

Referring to Attachment WRR-1, Page 5, please explain the decrease in Plant in Service and Accumulated Depreciation from March 2011 to June 2011.

Response:

The decrease in Plant in Service and Accumulated Depreciation is largely due to the April, 2011 sale of the Weybosset Street office building in Providence, Rhode Island. As a result of this transaction, Plant in Service was decreased by the \$10.5 million gross book value of the facility with the offsetting debit (i.e. decrease) to Accumulated Depreciation. This decrease in Accumulated Depreciation was partially offset by a credit of \$2.3 million, reflecting the cash proceeds from the sale.

Prepared by or under the supervision of: William R. Richer

Division 3-4

Request:

Referring to Attachment WRR-1, Page 5, please explain the decrease in Accumulated Deferred FIT from December 2010 to March 2011.

Response:

The decrease in Accumulated Deferred FIT from December 2010 to March 2011 was primarily due to a reclassification of accumulated deferred income taxes from FERC Account 282, “Accumulated deferred income taxes—Other property” to Account 283, “Accumulated deferred income taxes—Other”. This reclassification is associated with the Company’s accounting for uncertain tax positions based on the FASB Interpretation No. 48 (FIN 48) “Accounting for Uncertainty in Income Taxes”. The Company’s tax returns are subject to audit by the Internal Revenue Service and it is possible that the Company will be disallowed certain tax deductions taken on its returns. The Company is required to maintain reserves on its books under FIN 48 for its estimate of the value of future disallowed deductions. The FIN 48 reserve for potential IRS disallowances related to the timing of tax deductions is the underlying deferred taxes already on the books. An example of this would be deferred taxes associated with the capital repairs tax deduction. The Company takes a 100% repairs deduction on its tax return for certain amounts recorded to capital for book purposes. A deferred tax liability is established for the timing difference between the book and tax treatment related to these expenditures which will eventually unwind as the capital expenditure is depreciated for book purposes. A portion of the repairs deduction may be disallowed by the IRS; however, the Company already has a deferred tax liability on the books for the timing difference. To the extent that the Company estimates that a portion of these tax deductions will be disallowed, it is required under FIN 48 to reclassify such deferred taxes to a non-deferred tax liability account. However, the Federal Energy Regulatory Commission (FERC) provided guidance to regulated entities requiring that such deferred taxes be recorded to Account 283, which is the purpose for the reclassification from Account 282 described above.

In hindsight, the reduction in plant-related deferred taxes caused by this reclassification adjustment should have been reversed for purposes of the calculating the return on equity for the 12 months ended June 30, 2011. The FIN 48 reclassification adjustment totaled \$11.9 million. When added back to rate base for the quarters ended March 31, 2011 and June 30, 2011, the return on equity would increase by approximately 0.1%.

Prepared by or under the supervision of: William R. Richer

Division 3-5

Request:

Referring to Richer testimony, page 15, please provide calculations supporting the \$100,000 estimate on Line 7.

Response:

The Company took a capital repairs deduction equivalent to 60.74% of total plant additions on its Fiscal 2010 tax return and expects to take a similar deduction of approximately 53.11% total plant additions on its Fiscal 2011 tax return. The capital repairs deduction to be taken on Accelerated Infrastructure Replacement Program (ARP) spending was higher than the percentages shown above based on total plant additions in the respective years. The Tax Department is in the process of determining the actual tax depreciation taken on ARP spending.

The referenced \$100,000 estimate in the testimony was intended to simply provide a level of magnitude for what the final ARP revenue requirement difference might be and was based on a recalculation of the ARP revenue requirement using the percentages above, and factoring in the effects of bonus depreciation. All ARP spending that is not eligible for the capital repairs tax deduction is assumed to be eligible for bonus depreciation. The bonus depreciation rate during all of Fiscal 2010 was 50%. The bonus depreciation rate was 50% for additions placed in service through September 8, 2010, and 100% for additions after September 8, 2010 and placed in service by December 31, 2011. For purposes of calculating the \$100,000 estimate, it was assumed that all spending during Fiscal 2011 occurred during the nine months ended December 31, 2010 since very little construction is performed during the last three months of the fiscal year which are the winter months of January to March. It was also assumed that spending occurred evenly during the nine months and placed in service when spent. Consequently, 5/9ths of Fiscal 2011 spending not eligible for the repairs tax deduction was assumed to be eligible for 50% bonus depreciation and the remaining 4/9ths as eligible for 100% bonus depreciation. The recalculated revenue requirement supporting the \$100,000 estimate referred to above is included as Attachment DIV 3-5.

A final updated ARP revenue requirement will be submitted once the actual ARP related tax deductibility is determined by the Company.

Prepared by or under the supervision of: William R. Richer

**National Grid - RI Gas
Accelerated Infrastructure Replacement Program
Computation of Revenue Requirement**

Line No.		Revised			
		October 1, 2009 Through March 31, 2010 (a)	Fiscal Year 2011 (b)	Fiscal Year 2012 (c)	Fiscal Year 2013 (d)
1	<u>Deferred Tax Calculation:</u>				
2	ARP Program Actual Spend	\$9,197,025	\$28,266,615	\$0	\$0
3	Base Spending Level	6,650,000	13,300,000	0	0
4	Incremental Amount	2,547,025	14,966,615	0	0
5	Cumulative ARP Incremental Spend	\$2,547,025	\$17,513,640	\$17,513,640	\$17,513,640
6					
7	Annual Retirements	\$755,706	\$1,685,062	\$0	\$0
8	Cumulative Retirements	\$755,706	\$2,440,768	\$2,440,768	\$2,440,768
9					
10	Book Depreciation Rate	1/ 1.88%	1.88%	1.88%	1.88%
11	Capital Repairs Tax Deduction	2/ 60.74%	53.11%		
12					
13	Vintage Year Tax Depreciation:	3/ 2,072,092	13,114,684	232,686	209,418
14					
15	Annual Tax Depreciation	2,072,092	13,114,684	232,686	209,418
16	Cumulative Tax Depreciation	2,072,092	15,186,776	15,419,462	15,628,880
17					
18	Book Depreciation	8,398	158,123	\$282,655	\$282,655
19	Cumulative Book Depreciation	8,398	166,521	449,176	731,830
20					
21	Cumulative Book / Tax Timer	2,063,694	15,020,255	14,970,287	14,897,050
22	Effective Tax Rate	35.00%	35.00%	35.00%	35.00%
23	Deferred Tax Reserve	\$722,293	\$5,257,089	\$5,239,600	\$5,213,967
24					
25	<u>Rate Base Calculation:</u>				
26	Cumulative ARP Incremental Spend	\$2,547,025	\$17,513,640	\$17,513,640	\$17,513,640
27	Accum Depreciation	(8,398)	(166,521)	(449,176)	(731,830)
28	Deferred Tax Reserve	(722,293)	(5,257,089)	(5,239,600)	(5,213,967)
29	Year End Rate Base	\$1,816,334	\$12,090,029	\$11,824,864	\$11,567,842
30					
31	<u>Revenue Requirement Calculation:</u>				
32	Year End Rate Base	\$1,816,334	\$12,090,029	\$11,824,864	\$11,567,842
33	Pre-Tax ROR	4/ 11.41%	11.41%	11.41%	11.41%
34	Return and Taxes	207,244	1,379,472	1,349,217	1,319,891
35	Book Depreciation	33,592	282,655	282,655	282,655
36	Property Taxes	5/ 3.08% 82,550	534,291	525,585	516,880
37	Annual Revenue Requirement	\$323,386	\$2,196,418	\$2,157,457	\$2,119,425
38					
	As filed	\$304,692	\$2,108,624		
	Variance	\$18,694	\$87,794	106,488	The estimate of 100K

Column (a) Refer to Page 2

1/ Composite mains and services depr.rate per Docket No. 3943.

	Plant	Depr. Accrual	Rate
Mains - Steel and other	103,509,822	1,697,561	
Mains - Plastic	99,167,915	1,973,442	
Mains - Cast Iron	8,280,995	131,668	
Services - All sizes	146,392,432	2,898,570	
	357,351,164	6,701,241	1.88%

2/ Currently deductible for tax purposes

3/ Refer to Attachment DIV 3-5 Page 3 Line 30 and 32

4/ See Docket No.3943, page 16,17 & 23

5/ Property Tax Calculation:

	CY2009	CY2010	Average
Plant in Service	591,484,436	655,078,494	623,281,465
Accumulated Depreciation	(295,189,100)	(309,170,951)	(302,180,026)
Net Plant in service	296,295,336	345,907,542	321,101,439
Property Tax Expense CY 2010			9,878,147
Property Tax Rate			3.08%

Imputed Capital Structure: 4/

	Ratio	Rate	Weighted Rate	Taxes	Pre-tax Return
Long Term Debt	40.63%	7.99%	3.25%		3.25%
Short Term Debt	11.66%	3.91%	0.45%		0.45%
Common Equity	47.71%	10.50%	5.01%	2.70%	7.71%
	100.00%		8.71%	2.70%	11.41%

**National Grid - RI Gas
Accelerated Infrastructure Replacement Program
Computation of Revenue Requirement**

Line No.	As filed in Docket No.4196		Revised	
	October 1,2009 Through March 31, 2010 (a)		October 1,2009 Through March 31, 2010 (b)	
1	<u>Deferred Tax Calculation:</u>			
2	ARP Program Targeted Spend	\$9,197,025	\$9,197,025	
3	Base Spending Level	6,650,000	6,650,000	
4	Incremental Amount	2,547,025	2,547,025	
5	Cumulative ARP Incremental Spend	\$2,547,025	\$2,547,025	
6				
7	Annual Retirements	\$755,706	\$755,706	
8	Cumulative Retirements	\$755,706	\$755,706	
9				
10	Book Depreciation Rate	1/ 1.88%	1.88%	
11	Capital Repairs Tax Deduction	2/ 100.00%	60.74%	
12				
13	Vintage Year Tax Depreciation:	2,547,025	\$2,072,092	
14				
15	Annual Tax Depreciation	3/ 2,547,025	\$2,072,092	
16	Cumulative Tax Depreciation	2,547,025	\$2,072,092	
17				
18	Book Depreciation	8,398	8,398	
19	Cumulative Book Depreciation	8,398	8,398	
20				
21	Cumulative Book / Tax Timer	2,538,627	2,063,694	
22	Effective Tax Rate	35.00%	35.00%	
23	Deferred Tax Reserve	\$888,519	\$722,293	
24				
25	<u>Rate Base Calculation:</u>			
26	Cumulative ARP Incremental Spend	\$2,547,025	\$2,547,025	
27	Accum Depreciation	(8,398)	(8,398)	
28	Deferred Tax Reserve	(888,519)	(\$722,293)	
29	Year End Rate Base	\$1,650,108	\$1,816,334	
30				
31	<u>Revenue Requirement Calculation:</u>			
32	Year End Rate Base	\$1,650,108	\$1,816,334	
33	Pre-Tax ROR	4/ 11.41%	11.41%	
34	Return and Taxes	188,277	207,244	
35	Book Depreciation	33,592	33,592	
36	Property Taxes	5/ 3.25% 82,823	82,550	
37	Annual Revenue Requirement	\$304,692	\$323,386	
38				
39				
40	Revenue Requirement Adjustment		\$18,694	

1/ Composite mains and services depr.rate per Docket No. 3943.

	Plant	Depr. Accrual	Rate
Mains - Steel and other	103,509,822	1,697,561	
Mains - Plastic	99,167,915	1,973,442	
Mains - Cast Iron	8,280,995	131,668	
Services - All sizes	146,392,432	2,898,570	
	357,351,164	6,701,241	1.88%

2(b) Currently deductible for tax purposes

3/ Refer to Attachment DIV 3-5 Page 4 Line 23

4/ Refer to Docket No. 3943, page 16,17 & 23

5/ Property Tax Calculation:

	CY2008	CY2009	Average
Plant in Service	565,561,284	591,484,436	578,522,860
Accumulated Depreciation	(282,846,425)	(295,189,100)	(289,017,763)
Net Plant in service	282,714,860	296,295,336	289,505,098
Property Tax Expense CY 2009			9,413,974
Property Tax Rate			3.25%

Imputed Capital Structure: 4/

	Ratio	Rate	Weighted Rate	Taxes	Pre-tax Return
Long Term Debt	40.63%	7.99%	3.25%		3.25%
Short Term Debt	11.66%	3.91%	0.45%		0.45%
Common Equity	47.71%	10.50%	5.01%	2.70%	7.71%
	100.00%		8.71%	2.70%	11.41%

**National Grid - RI Gas
Accelerated Infrastructure Replacement Program
Computation of Tax Depreciation and Repairs Deduction**

		<u>Fiscal Year</u> <u>2011</u> <u>(b)</u>	<u>Fiscal Year</u> <u>2012</u> <u>(c)</u>	<u>Fiscal Year</u> <u>2013</u> <u>(d)</u>
1	<u>Capital Repairs Deduction</u>			
2	Plant Additions	\$14,966,615		
3	Capital Repairs Deduction Rate	53.11%		
4	Capital Repairs Deduction	(Line 2 * Line 3) \$7,948,769		
5				
6	<u>Bonus Depreciation</u>			
7	Plant Additions	(From Line 2) \$14,966,615		
8	Less Capital Repairs Deduction	(From Line 4) \$7,948,769		
9	Plant Additions Net of Capital Repairs Deduction	(Line 7 - Line 8) \$7,017,846		
10	Percent of Plant Eligible for Bonus Depreciation	100%		
11	Plant Eligible for Bonus Depreciation	(Line 9 * Line 10) \$7,017,846		
12	Plant Eligible for Bonus Depreciation for April 2010 - August 2010	(Line 9 * 55.56%) \$3,898,803		1/
13	Bonus Depreciation rate April 2010 - August 2010	50%		2/
14	Bonus Depreciation for April 2010 - August 2010	(Line 12 * Line 13) \$1,949,402		
15				
16	Plant Eligible for Bonus Depreciation for September 2010 - March 2011	(Line 9 * 44.44%) \$3,119,043		3/
17	Bonus Depreciation rate September 2010 - March 2011	100%		2/
18	Bonus Depreciation for September 2010 - March 2011	(Line 16 * Line 17) \$3,119,043		
19				
20	Total Bonus Depreciation	(Line 14 + Line 18) \$5,068,445		
21				
22	<u>Remaining Tax Depreciation</u>			
23	Plant Additions	(From Line 20) \$14,966,615		
24	Less: Capital Repairs Deduction	(From Line 4) \$7,948,769		
25	Less: Bonus Depreciation	(From Line 20) \$5,068,445		
26	Remaining Plant Additions Subject to 15 YR MACRS Tax Depreciation	(Line 23 - Line 24 - Line 25) \$1,949,401	\$1,949,401	\$1,949,401
27	15 YR MACRS Tax Depreciation Rates	5.00%	9.50%	8.55%
28	Remaining Tax Depreciation	(Line 26 * Line 27) \$97,470	\$185,193	\$166,674
29				
30	Total Tax Depreciation and Repairs Deduction	(Line 4 + Line 20 + Line 28) \$13,114,684	\$185,193	\$166,674
31	Total Tax Depreciation and Repairs Deduction for October 1, 2009 - March 31, 2010	(From Attachment DIV 3-5 Page 4 Line 23) \$2,072,092	\$47,493	\$42,744
32	Total Tax Depreciation	(Line 30 + Line 31) \$15,186,776	\$232,686	\$209,418

Line 11 times 5/9. Since the construction period takes place from April - December the total plant additions are prorated over 9 months instead of 12 months.

Per the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, assumes 50% Bonus Depreciation on January 1, 2008 - September 8, 2010 additions and placed in service prior to December 31, 2012; 100% Bonus Depreciation on September 8, 2010 or later and placed in service by December 31, 2011; 50% Bonus Depreciation on additions as of September 8, 2010 and placed in service by December 31, 2012.

3/ Line 11 times 4/9, See note 1/ above

Note 1: Pursuant to the Energy Tax Incentive Act of 2005 properties going in service after

4/ 4/1/2005 through 12/31/2010 use 15 year lives. Before and after those dates use 20 years.

**National Grid - RI Gas
Accelerated Infrastructure Replacement Program
Computation of Tax Depreciation and Repairs Deduction**

		<u>October 1, 2009</u> <u>Through</u> <u>March 31, 2010</u> <u>(a)</u>	<u>Fiscal Year</u> <u>2011</u>	<u>Fiscal Year</u> <u>2012</u>	
1	<u>Capital Repairs Deduction</u>				
2	Plant Additions	2,547,025			
3	Capital Repairs Deduction Rate	60.74%			
4	Capital Repairs Deduction	\$1,547,165			(Line 2 * Line 3)
5					
6	<u>Bonus Depreciation</u>				
7	Plant Additions	\$2,547,025			(From Line 2)
8	Less: Capital Repairs Deduction	\$1,547,165			(From Line 4)
9	Plant Additions Net of Capital Repairs Deduction	\$999,860			(Line 7 - Line 8)
10	Percent of Plant Eligible for Bonus Depreciation	100%			
11	Plant Eligible for Bonus Depreciation	\$999,860			(Line 9 * Line 10)
12	Bonus Depreciation Rate	50%			
13	Bonus Depreciation October 2009 -March 2010	\$499,930			(Line 11 * Line 13)
14					
15	<u>Remaining Tax Depreciation</u>				
16	Plant Additions	\$2,547,025			(From Line 2)
17	Less: Capital Repairs Deduction	1,547,165			(From Line 3)
18	Less: Bonus Depreciation	499,930			(From Line 13)
19	Remaining Plant Additions Subject to 15 YR MACRS Tax Depreciation	\$499,930	\$499,930	\$499,930	(Line 16 - Line 17 - Line 18)
20	15 YR MACRS Tax Depreciation Rates	5.00%	9.50%	8.55%	
21	Remaining Tax Depreciation	\$24,997	\$47,493	\$42,744	(Line 19 * Line 20)
22					
23	Total Tax Depreciation and Repairs Deduction	\$2,072,092	\$47,493	\$42,744	(Line 4 + Line 13 + Line 21)

Per the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, assumes 50% Bonus Depreciation on January 1, 2008 - September 8, 2010 additions and placed in service prior to December 31, 2012; 100% Bonus Depreciation on September 8, 2010 or later and placed in service by December 31, 2011; 50% Bonus Depreciation on additions as of September 8, 2010 and place in service by December 31, 2012.

- 1/ Note 1: Pursuant to the Energy Tax Incentive Act of 2005 properties going in service after 4/1/2005 through 12/31/2010 use 15 year lives. Before and after
2/ those dates use 20 years.

Division 3-6

Request:

Referring to Richer testimony, pages 14-15, please explain why the tax accelerated depreciation is expected to decrease in the update, given that the bonus tax depreciation allowance in 2011 is 100% of qualifying plant additions.

Response:

Please see the Company's response to Division 3-5.

Prepared by or under the supervision of: William R. Richer

Division 3-7

Request:

Referring to the response to DIV 1-1, please provide the actuarial reports supporting the FY 2011 pension and PBOP expenses.

Response:

Please see Attachment DIV 3-7 (1) and Attachment DIV 3-7 (2).

Total Narragansett Gas Pension Expense, net

Line No.	(a)	12 Months Ended June 2011 (d)
1	<u>April 1, 2010 through March 31, 2011</u>	
2		
3	Final Average Pay Pension Plan (See Page 5 of 86)	\$ 2,837,015
4	Less:	
5	Apr-10 - Jun-10 Accrual	981,237
6		
7	Adjusted Total	1,855,778
8		
9	<u>April 1, 2011 through March 31, 2012</u>	
10		
11	Final Average Pay Pension Plan (See Page 17 of 86)	3,623,200
12	Less:	
13	Jun-11 - Mar-12 Accrual	2,717,403
14		
15	Adjusted Total	905,797
16		
17	Total per Attachment DIV 1-1, Page 1 of 2 at line 1	\$ 2,761,575

Line Notes:

- 7 L.3 - L.5
- 15 L.11 - L.13
- 17 L.7 + L.15



December 13, 2010

Ms. Mari-Louise Messuri
National Grid USA
40 Sylvan Road
Waltham, MA 02451

Dear Mari:

Subject: Updated FAPP Pension Expense Results under US GAAP and IFRS—
April 1, 2010 through March 31, 2011

We have updated the preliminary Fiscal Year 2011 ASC 715 and IAS 19 expense results for the National Grid USA Companies' Final Average Pay Pension Plan. The results have been updated to reflect the new nonunion cash balance design announced November 15, 2010.

Expense under ASC 715 and IAS 19 is based on the following information:

- 6.1 percent discount rate assumption
- 3.5 percent salary increase assumption
- 8.0 percent expected long-term rate of return on assets
- RP2000 mortality table projected 20 years for nonunion employees
- RP2000 mortality table projected 10 years for union employees
- The April 1, 2010 market value of assets for ASC 715 purposes
- The April 1, 2010 bid value of assets for IAS 19 purposes
- A change in the withdrawal tables from a single select and ultimate table to a sex distinct select and ultimate table.
- The actual charges associated with the special termination benefits of the nonunion Voluntary Early Retirement Offer for those employees who retired during fiscal year 2011. For IAS 19 purposes, the entire cost associated with the VERO was reflected during fiscal 2008.
- Actual contributions made through July 2010 and expected contributions made for the remainder of fiscal year 2011
- The new nonunion cash balance plan design changes reflected November 15, 2010 (but effective January 1, 2011)



US GAAP

ASC 715 expense for the period April 1, 2010 through March 31, 2011 (by company) is shown below. Total expense is \$69.0 million. For fiscal year 2011, the cost due to the nonunion cash balance change is approximately \$148,000.

	ASC 715 Expense/(Income)	VERO STB Expense	Total Expense/(Income)
Granite State	\$ 739,830	\$ 0	\$ 739,830
Mass Electric	21,654,772	0	21,654,772
Nantucket	305,934	0	305,934
Narragansett	8,985,932	0	8,985,932
New England Power	3,454,294	0	3,454,294
NGUSCO	28,252,210	2,345,069	30,597,279
New England Gas	<u>2,837,015</u>	<u>389,029</u>	<u>3,226,044</u>
Total	\$ 66,222,987	\$ 2,734,098	\$ 68,964,085

IFRS

Total IAS 19 expense is \$18.7 million. For fiscal year 2011, the cost due to the nonunion cash balance plan change is approximately \$623,000. This includes a one-time charge of \$468,381. Expense by company for the period April 1, 2010 through March 31, 2011 is as follows:

	IAS 19 Expense/(Income)
Granite State	\$ 146,136
Mass Electric	6,202,515
Nantucket	136,200
Narragansett	2,003,375
New England Power	(771,221)
NGUSCO	9,353,352
New England Gas	<u>1,661,635</u>
Total	\$ 18,731,992

ASC 715 expense is approximately \$1.9 million lower than our prior estimate. IAS 19 expense is approximately \$1.0 million lower than our prior estimate.

In preparing these valuations, we have relied upon participant data as of January 1, 2010 and plan design and asset information supplied by National Grid as of April 1, 2010, including the nonunion cash balance design changes for future nonunion retirees effective January 1, 2011. The supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced the appropriate results.



Ms. Mari-Louise Messuri
Page 3
December 13, 2010

These valuations have been conducted in accordance with generally accepted actuarial principles and practice, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the results are based on our understanding of the requirements of ASC 715 and IAS 19.

Enclosed is a summary of the results.

Mari, if you have any questions, please call.

Sincerely,

A handwritten signature in black ink that reads "Steve". The signature is written in a cursive, flowing style.

Stephen F. Doucette

SFD:chf
Enclosures
4844L825

cc: Mr. James Allen, National Grid USA
Mr. Terrence P. Bertrand, National Grid USA
Mr. Claude Bussieres, National Grid USA
Mr. Charles DeRosa, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Lorraine Lynch, National Grid USA
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Mr. Martin Wheatcroft, National Grid USA
Ms. Kerry-Ann Forrester, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Cindy McDonald, Aon Hewitt
Mr. Wil Ocasio, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

**National Grid USA
ASC 715 Expense for NG FAPP Plan
April 1, 2010 through March 31, 2011**

	Granite St	Mass Elec	Narr Elec	NE Power	NGUSCO	Nantucket	NE Gas	Total
Reconciliation of Funded Status, 4/1/2010								
Projected Benefit Obligation	(18,298,762)	(477,503,224)	(214,307,136)	(128,909,618)	(601,921,778)	(5,350,175)	(180,966,763)	(1,627,257,456)
Assets at Fair Value **	14,928,441	389,555,254	174,835,408	105,166,659	491,058,027	4,364,764	147,635,764	1,327,544,317
Funded Status	(3,370,321)	(87,947,970)	(39,471,728)	(23,742,959)	(110,863,751)	(985,411)	(33,330,999)	(299,713,139)
Unrecognized:								
Net Transition Obligation								0
Prior Service Cost								7,790,111
Net (Gain)/Loss								705,264,108
(Accrued)/Prepaid Cost								413,341,080
ASC 715 Expense, 4/1/2010 - 3/31/2011*								
Service Cost	250,191	8,843,552	3,267,559	9,735	12,197,574	160,733	2,689,504	27,418,848
Interest Cost	1,082,979	28,282,638	12,635,146	7,581,362	35,757,756	321,811	10,712,363	96,374,055
Expected Return on Assets **	(1,162,281)	(30,329,541)	(13,612,132)	(8,187,944)	(38,232,226)	(339,827)	(11,494,454)	(103,358,405)
Amortization of								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	23,462	623,953	306,953	208,400	586,071	3,731	56	1,752,626
Net (Gain)/Loss **	545,479	14,234,170	6,388,406	3,842,741	17,943,035	159,486	929,546	44,042,863
Net Periodic Pension Cost	739,830	21,654,772	8,985,932	3,454,294	28,252,210	305,934	2,837,015	66,229,987
VERO STB Expense	0	0	0	0	2,345,069	0	389,029	2,734,098
Total Expense/(Income)	739,830	21,654,772	8,985,932	3,454,294	30,597,279	305,934	3,226,044	68,964,085
Assumptions								
Discount Rate								6.10%
Expected Return on Assets								8.00%
Average Salary Scale								3.50%
Nonunion								3.50%
Union								1,297,085,056
Market Related Value of Assets								95,210,000
Expected Benefit Payments								60,000,000
Expected Contributions								

* Reflects new cash balance design, adopted 11/15/2010

** Allocation in proportion to the projected benefit obligation. This does not apply to the New England Gas allocation of the amortized net (gain)/loss

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National Grid USA
IAS 19 Expense for FAPP Plan
April 1, 2010 through March 31, 2011

	Granite St	Mass Elec	Narr Elec	NE Power	NGUSCO	Nantucket	NE Gas	Total
Reconciliation of Funded Status, 4/1/2010								
Projected Benefit Obligation	(18,298,762)	(477,503,224)	(214,307,136)	(128,909,618)	(604,266,847)	(5,350,175)	(181,355,792)	(1,629,991,554)
Assets at Bid Value **	<u>14,920,258</u>	<u>389,341,721</u>	<u>174,739,573</u>	<u>105,109,012</u>	<u>490,788,857</u>	<u>4,362,371</u>	<u>147,554,838</u>	<u>1,326,816,630</u>
Funded Status	(3,378,504)	(88,161,503)	(39,567,563)	(23,800,606)	(113,477,990)	(987,804)	(33,800,954)	(303,174,924)
Prior Service Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(Accrued)/Prepaid Cost	(3,378,504)	(88,161,503)	(39,567,563)	(23,800,606)	(113,477,990)	(987,804)	(33,800,954)	(303,174,924)
P&L Pension Expense, 4/1/2010 - 3/31/2011*								
Operating Expense								
Service Cost	250,191	8,843,552	3,267,559	9,735	12,197,574	160,733	2,689,504	27,418,848
Exceptional Costs (STBs)	0	0	0	0	0	0	0	0
Prior Service Costs - On-going cost	0	1,489	279	0	38,626	93	372	40,859
Prior Service Costs - One-time charge	0	50,288	2,413	0	414,906	627	147	468,381
Curtailment/Settlement Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expense	250,191	8,895,329	3,270,251	9,735	12,651,106	161,453	2,690,023	27,928,088
Financing Expense								
Interest Cost	1,082,979	28,282,638	12,635,146	7,581,362	35,900,806	321,811	10,736,093	96,540,835
Expected Return on Assets **	<u>(1,187,034)</u>	<u>(30,975,452)</u>	<u>(13,902,022)</u>	<u>(8,362,318)</u>	<u>(39,198,560)</u>	<u>(347,064)</u>	<u>(11,764,481)</u>	<u>(105,736,931)</u>
Total Financing Expense	(104,055)	(2,692,814)	(1,266,876)	(780,956)	(3,297,754)	(25,253)	(1,028,388)	(9,196,096)
Total P&L Expense	146,136	6,202,515	2,003,375	(771,221)	9,353,352	136,200	1,661,635	18,731,992
Assumptions								
Discount Rate								6.10%
Expected Return on Assets								8.00%
Average Salary Scale								
Nonunion								3.50%
Union								3.50%
Expected Benefit Payments								95,210,000
Expected Contributions								60,000,000

* Reflects new cash balance design, adopted 11/15/2010
** Allocation in proportion to the projected benefit obligation



May 13, 2011

Ms. Mari-Louise Messuri
National Grid USA
40 Sylvan Road
Waltham, MA 02451

Dear Mari,

Subject: Estimated Pension/Retiree Welfare Expense for Fiscal Year 2012—
National Grid New England

As requested, we have estimated fiscal year 2012 expense for the New England pension and retiree welfare plans by company. Estimates are based on a 5.90 percent discount rate assumption for US GAAP and IFRS purposes.

Estimated Fiscal Year 2012 Expense/(Income) (\$ Millions)

	US GAAP ASC 715	IFRS IAS 19
Qualified Pension	\$ 66.6	\$ 12.3
Nonqualified Pension	10.5	7.8
Nonunion Retiree Welfare	21.9	14.8
Union Retiree Welfare	<u>22.0</u>	<u>10.3</u>
Total	\$ 121.0	\$ 45.2

The estimates reflect the following:

- Initial pre-65 medical trend of 8.5 percent with an ultimate trend of 5.0 percent
- Initial post-65 medical trend of 8.0 percent with an ultimate trend of 5.0 percent
- Initial prescription drug trend of 8.75 percent with an ultimate trend of 5.0 percent
- 3.5 percent salary increase
- 7.75 percent expected return on assets for all plans
- Estimated curtailment accounting under US GAAP for the nonunion retiree welfare plan and ESRP
 - Based on an 800 active headcount reduction for nonunion employees
- The March 31, 2011 market and bid value of assets
- Expected fiscal 2012 company contributions of \$60.0 million for the qualified pension plan



- Expected fiscal 2012 company contributions of \$18.5 million for nonunion and union retiree welfare plans

Enclosed are summaries by plan and by company.

Mari, please call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Steve". The letters are cursive and fluid.

Stephen F. Doucette

SFD:chf

Enclosures

4844L881

cc: Mr. James Allen, National Grid USA
Mr. Terrence P. Bertrand, National Grid USA
Mr. Claude Bussieres, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Francine Kollydas, National Grid USA
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Ms. Lori Santoro, National Grid USA
Ms. Tara Sullivan, National Grid USA
Mr. Martin Wheatcroft, National Grid USA
Ms. Kerry-Ann Forrester, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

**National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,627,257,456)	\$ (1,693,211,000)
Fair Value of Assets	1,327,544,317	1,460,218,000
Funded Status	\$ (299,713,139)	\$ (232,993,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	7,790,111	6,704,000
• Net (Gain) or Loss	705,264,108	630,666,000
(Accrued) / Prepaid Pension Cost	\$ 413,341,080	\$ 404,377,000
Net Periodic Pension Cost		
Service Cost	\$ 27,418,848	\$ 28,349,000
Interest Cost	96,374,055	97,006,000
Expected Return on Assets	(103,358,405)	(104,311,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	1,752,626	1,785,000
• Net (Gain) or Loss	44,042,863	43,741,000
ASC 715 Pension Expense/(Income)	\$ 66,229,987	\$ 66,570,000
Special Termination Benefits	\$ 2,734,098	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 68,964,085	\$ 66,570,000
Expected Benefit Payments	\$ 95,210,000	\$ 98,091,000
Expected Contributions	\$ 60,000,000	\$ 60,000,000
Market Related Value of Assets	\$ 1,297,085,056	\$ 1,352,497,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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**National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,629,991,554)	\$ (1,684,179,000)
Assets at Bid Value	1,326,816,630	1,460,147,000
Funded Status	<u>\$ (303,174,924)</u>	<u>\$ (224,032,000)</u>
Prior Service Costs	0	157,000
(Accrued) / Prepaid Pension Cost	<u>\$ (303,174,924)</u>	<u>\$ (223,875,000)</u>
P&L Expense		
Operating Expense		
Service Cost	\$ 27,418,848	\$ 28,349,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	468,381	0
Prior Service Costs - On-going	40,859	108,000
Curtailment Costs*	<u>(9,031,000)</u>	<u>0</u>
Total Operating Expense	<u>\$ 18,897,088</u>	<u>\$ 28,457,000</u>
Financing Expense		
Interest Cost	\$ 96,540,835	\$ 96,473,000
Expected Return on Assets	<u>(105,736,931)</u>	<u>(112,654,000)</u>
Total Financing Expense	<u>\$ (9,196,096)</u>	<u>\$ (16,181,000)</u>
Total P&L Expense	\$ 9,700,992	\$ 12,276,000
<hr/>		
Expected Benefit Payments	\$ 95,210,000	\$ 98,091,000
Expected Contributions	\$ 60,000,000	\$ 60,000,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (18,298,762)	\$ (19,040,000)
Fair Value of Assets	14,928,441	16,420,000
Funded Status	\$ (3,370,321)	\$ (2,620,000)
Net Periodic Pension Cost		
Service Cost	\$ 250,191	\$ 259,000
Interest Cost	1,082,979	1,091,000
Expected Return on Assets	(1,162,281)	(1,173,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	23,462	23,500
• Net (Gain) or Loss	545,479	533,000
ASC 715 Pension Expense/(Income)	\$ 739,830	\$ 733,500
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 739,830	\$ 733,500
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (477,503,224)	\$ (496,857,000)
Fair Value of Assets	389,555,254	428,487,000
Funded Status	\$ (87,947,970)	\$ (68,370,000)
Net Periodic Pension Cost		
Service Cost	\$ 8,843,552	\$ 9,144,000
Interest Cost	28,282,638	28,465,000
Expected Return on Assets	(30,329,541)	(30,609,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	623,953	626,700
• Net (Gain) or Loss	14,234,170	13,895,000
ASC 715 Pension Expense/(Income)	\$ 21,654,772	\$ 21,521,700
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 21,654,772	\$ 21,521,700
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

Aon Hewitt

National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (5,350,175)	\$ (5,567,000)
Fair Value of Assets	4,364,764	4,801,000
Funded Status	\$ (985,411)	\$ (766,000)
Net Periodic Pension Cost		
Service Cost	\$ 160,733	\$ 166,000
Interest Cost	321,811	319,000
Expected Return on Assets	(339,827)	(343,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	3,731	3,800
• Net (Gain) or Loss	159,486	156,000
ASC 715 Pension Expense/(Income)	\$ 305,934	\$ 301,800
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense/(Income)	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 305,934	\$ 301,800
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

Aon Hewitt

National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (214,307,136)	\$ (222,993,000)
Fair Value of Assets	174,835,408	192,308,000
Funded Status	\$ (39,471,728)	\$ (30,685,000)
Net Periodic Pension Cost		
Service Cost	\$ 3,267,559	\$ 3,378,000
Interest Cost	12,635,146	12,776,000
Expected Return on Assets	(13,612,132)	(13,738,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	306,953	307,100
• Net (Gain) or Loss	6,388,406	6,236,000
ASC 715 Pension Expense/(Income)	\$ 8,985,932	\$ 8,959,100
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 8,985,932	\$ 8,959,100
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Actual Return on Assets for Projection	0.00%	0.00%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - NE Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (128,909,618)	\$ (134,134,000)
Fair Value of Assets	105,166,659	115,677,000
Funded Status	\$ (23,742,959)	\$ (18,457,000)
Net Periodic Pension Cost		
Service Cost	\$ 9,735	\$ 10,000
Interest Cost	7,581,362	7,685,000
Expected Return on Assets	(8,187,944)	(8,263,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	208,400	208,400
• Net (Gain) or Loss	3,842,741	3,751,000
ASC 715 Pension Expense/(Income)	\$ 3,454,294	\$ 3,391,400
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 3,454,294	\$ 3,391,400
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

Aon Hewitt

National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (601,921,778)	\$ (626,319,000)
Fair Value of Assets	491,058,027	540,135,000
Funded Status	\$ (110,863,751)	\$ (86,184,000)
Net Periodic Pension Cost		
Service Cost	\$ 12,197,574	\$ 12,611,000
Interest Cost	35,757,756	35,882,000
Expected Return on Assets	(38,232,226)	(38,585,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	586,071	615,300
• Net (Gain) or Loss	17,943,035	17,516,000
ASC 715 Pension Expense/(Income)	\$ 28,252,210	\$ 28,039,300
Special Termination Benefits	\$ 2,345,069	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 30,597,279	\$ 28,039,300
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

Aon Hewitt

National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - NE Gas

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (180,966,763)	\$ (188,301,000)
Fair Value of Assets	147,635,764	162,390,000
Funded Status	\$ (33,330,999)	\$ (25,911,000)
Net Periodic Pension Cost		
Service Cost	\$ 2,689,504	\$ 2,781,000
Interest Cost	10,712,363	10,788,000
Expected Return on Assets	(11,494,454)	(11,600,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	56	200
• Net (Gain) or Loss	929,546	1,654,000
ASC 715 Pension Expense/(Income)	\$ 2,837,015	\$ 3,623,200
Special Termination Benefits	\$ 389,029	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 3,226,044	\$ 3,623,200
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Actual Return on Assets for Projection	0.00%	0.00%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

Aon Hewitt

National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (18,298,762)	\$ (18,907,000)
Assets at Bid Value	14,920,258	16,392,000
Funded Status	\$ (3,378,504)	\$ (2,515,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 250,191	\$ 259,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment Costs*	0	0
Total Operating Expense	\$ 250,191	\$ 259,000
Financing Expense		
Interest Cost	\$ 1,082,979	\$ 1,083,000
Expected Return on Assets	(1,187,034)	(1,265,000)
Total Financing Expense	\$ (104,055)	\$ (182,000)
Total P&L Expense	\$ 146,136	\$ 77,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (477,503,224)	\$ (493,377,000)
Assets at Bid Value	389,341,721	427,747,000
Funded Status	\$ (88,161,503)	\$ (65,630,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 8,843,552	\$ 9,144,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	50,288	0
Prior Service Costs - On-going	1,489	3,900
Curtailment Costs*	(1,657,000)	0
Total Operating Expense	\$ 7,238,329	\$ 9,147,900
Financing Expense		
Interest Cost	\$ 28,282,638	\$ 28,262,000
Expected Return on Assets	(30,975,452)	(33,002,000)
Total Financing Expense	\$ (2,692,814)	\$ (4,740,000)
Total P&L Expense	\$ 4,545,515	\$ 4,407,900
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (5,350,175)	\$ (5,528,000)
Assets at Bid Value	4,362,371	4,793,000
Funded Status	\$ (987,804)	\$ (735,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 160,733	\$ 166,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	627	0
Prior Service Costs - On-going	93	200
Curtailment Costs*	(51,000)	0
Total Operating Expense	\$ 110,453	\$ 166,200
Financing Expense		
Interest Cost	\$ 321,811	\$ 317,000
Expected Return on Assets	(347,064)	(370,000)
Total Financing Expense	\$ (25,253)	\$ (53,000)
Total P&L Expense	\$ 85,200	\$ 113,200

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (214,307,136)	\$ (221,432,000)
Assets at Bid Value	174,739,573	191,977,000
Funded Status	\$ (39,567,563)	\$ (29,455,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 3,267,559	\$ 3,378,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	2,413	0
Prior Service Costs - On-going	279	700
Curtailment Costs*	(552,000)	0
Total Operating Expense	\$ 2,718,251	\$ 3,378,700
Financing Expense		
Interest Cost	\$ 12,635,146	\$ 12,683,000
Expected Return on Assets	(13,902,022)	(14,811,000)
Total Financing Expense	\$ (1,266,876)	\$ (2,128,000)
Total P&L Expense	\$ 1,451,375	\$ 1,250,700
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - NE Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (128,909,618)	\$ (133,195,000)
Assets at Bid Value	105,109,012	115,477,000
Funded Status	\$ (23,800,606)	\$ (17,718,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 9,735	\$ 10,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment Costs*	(9,000)	0
Total Operating Expense	\$ 735	\$ 10,000
Financing Expense		
Interest Cost	\$ 7,581,362	\$ 7,630,000
Expected Return on Assets	(8,362,318)	(8,909,000)
Total Financing Expense	\$ (780,956)	\$ (1,279,000)
Total P&L Expense	\$ (780,221)	\$ (1,269,000)

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

Aon Hewitt

National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (604,266,847)	\$ (624,355,000)
Assets at Bid Value	490,788,857	541,302,000
Funded Status	\$ (113,477,990)	\$ (83,053,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 12,197,574	\$ 12,611,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	414,906	0
Prior Service Costs - On-going	38,626	102,200
Curtailment Costs*	(6,431,000)	0
Total Operating Expense	\$ 6,220,106	\$ 12,713,200
Financing Expense		
Interest Cost	\$ 35,900,806	\$ 35,764,000
Expected Return on Assets	(39,198,560)	(41,763,000)
Total Financing Expense	\$ (3,297,754)	\$ (5,999,000)
Total P&L Expense	\$ 2,922,352	\$ 6,714,200
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - NE Gas

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (181,355,792)	\$ (187,385,000)
Assets at Bid Value	147,554,838	162,459,000
Funded Status	\$ (33,800,954)	\$ (24,926,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,689,504	\$ 2,781,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	147	0
Prior Service Costs - On-going	372	1,000
Curtailment Costs*	(331,000)	0
Total Operating Expense	\$ 2,359,023	\$ 2,782,000
Financing Expense		
Interest Cost	\$ 10,736,093	\$ 10,734,000
Expected Return on Assets	(11,764,481)	(12,534,000)
Total Financing Expense	\$ (1,028,388)	\$ (1,800,000)
Total P&L Expense	\$ 1,330,635	\$ 982,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
ESRP
Estimated ASC 715 Expense

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (82,359,052)	\$ (84,734,000)
Fair Value of Assets	0	0
Funded Status	\$ (82,359,052)	\$ (84,734,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(311,140)	(153,000)
• Net (Gain) or Loss	30,761,221	30,325,000
(Accrued) / Prepaid Pension Cost	\$ (51,908,971)	\$ (54,562,000)
Net Periodic Pension Cost		
Service Cost	\$ 884,200	\$ 937,000
Interest Cost	4,871,982	4,845,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(120,496)	(96,000)
• Net (Gain) or Loss	2,241,325	2,185,000
ASC 715 Pension Expense	\$ 7,877,011	\$ 7,871,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ (38,000)	\$ 0
Total Pension Expense	\$ 7,839,011	\$ 7,871,000
Expected Benefit Payments	\$ 4,981,000	\$ 5,230,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated IAS 19 Expense

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (82,359,052)	\$ (84,734,000)
Fair Value of Assets	0	0
Funded Status	\$ (82,359,052)	\$ (84,734,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (82,359,052)	\$ (84,734,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 884,200	\$ 937,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	(33,000)	0
Total Operating Expense	\$ 851,200	\$ 937,000
Financing Expense		
Interest Cost	\$ 4,871,982	\$ 4,845,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 4,871,982	\$ 4,845,000
Total P&L Expense	\$ 5,723,182	\$ 5,782,000
Expected Benefit Payments	\$ 4,981,000	\$ 5,230,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20
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National Grid USA
ESRP
Estimated ASC 715 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (127,636)	\$ (131,000)
Fair Value of Assets	0	0
Funded Status	\$ (127,636)	\$ (131,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	7,267	8,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	3,473	3,000
ASC 715 Pension Expense	\$ 10,740	\$ 11,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 10,740	\$ 11,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated ASC 715 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (934,907)	\$ (962,000)
Fair Value of Assets	0	0
Funded Status	\$ (934,907)	\$ (962,000)
Net Periodic Pension Cost		
Service Cost	\$ 7,124	\$ 8,000
Interest Cost	55,199	55,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	25,443	25,000
ASC 715 Pension Expense	\$ 87,766	\$ 88,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 87,766	\$ 88,000

Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated ASC 715 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (375,080)	\$ (386,000)
Fair Value of Assets	0	0
Funded Status	\$ (375,080)	\$ (386,000)
Net Periodic Pension Cost		
Service Cost	\$ 2,850	\$ 3,000
Interest Cost	21,568	22,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	10,207	10,000
ASC 715 Pension Expense	\$ 34,625	\$ 35,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 34,625	\$ 35,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated ASC 715 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (819,825)	\$ (843,000)
Fair Value of Assets	0	0
Funded Status	\$ (819,825)	\$ (843,000)
Net Periodic Pension Cost		
Service Cost	\$ 3,096	\$ 3,000
Interest Cost	48,057	48,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	22,311	22,000
ASC 715 Pension Expense	\$ 73,464	\$ 73,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 73,464	\$ 73,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated ASC 715 Expense - New England Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (3,863,319)	\$ (3,975,000)
Fair Value of Assets	0	0
Funded Status	\$ (3,863,319)	\$ (3,975,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	226,024	227,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(22,131)	(22,000)
• Net (Gain) or Loss	105,137	102,000
ASC 715 Pension Expense	\$ 309,030	\$ 307,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 309,030	\$ 307,000

Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated ASC 715 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (76,238,285)	\$ (78,437,000)
Fair Value of Assets	0	0
Funded Status	\$ (76,238,285)	\$ (78,437,000)
Net Periodic Pension Cost		
Service Cost	\$ 871,130	\$ 923,000
Interest Cost	4,513,867	4,485,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(98,365)	(74,000)
• Net (Gain) or Loss	2,074,754	2,023,000
ASC 715 Pension Expense	\$ 7,361,386	\$ 7,357,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ (38,000)	\$ 0
Total Pension Expense	\$ 7,323,386	\$ 7,357,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated IAS 19 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (127,636)	\$ (131,000)
Assets at Bid Value	0	0
Funded Status	\$ (127,636)	\$ (131,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 7,267	\$ 8,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 7,267	\$ 8,000
Total P&L Expense	\$ 7,267	\$ 8,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20
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National Grid USA
ESRP
Estimated IAS 19 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (934,907)	\$ (962,000)
Assets at Bid Value	0	0
Funded Status	\$ (934,907)	\$ (962,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 7,124	\$ 8,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 7,124	\$ 8,000
Financing Expense		
Interest Cost	\$ 55,199	\$ 55,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 55,199	\$ 55,000
Total P&L Expense	\$ 62,323	\$ 63,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated IAS 19 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (375,080)	\$ (386,000)
Assets at Bid Value	0	0
Funded Status	\$ (375,080)	\$ (386,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,850	\$ 3,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 2,850	\$ 3,000
Financing Expense		
Interest Cost	\$ 21,568	\$ 22,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 21,568	\$ 22,000
Total P&L Expense	\$ 24,418	\$ 25,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20
Aon Hewitt		

National Grid USA
ESRP
Estimated IAS 19 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (819,825)	\$ (843,000)
Assets at Bid Value	0	0
Funded Status	\$ (819,825)	\$ (843,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 3,096	\$ 3,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 3,096	\$ 3,000
Financing Expense		
Interest Cost	\$ 48,057	\$ 48,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 48,057	\$ 48,000
Total P&L Expense	\$ 51,153	\$ 51,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated IAS 19 Expense - New England Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (3,863,319)	\$ (3,975,000)
Assets at Bid Value	0	0
Funded Status	\$ (3,863,319)	\$ (3,975,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailement/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 226,024	\$ 227,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 226,024	\$ 227,000
Total P&L Expense	\$ 226,024	\$ 227,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

Aon Hewitt

National Grid USA
ESRP
Estimated IAS 19 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (76,238,285)	\$ (78,437,000)
Assets at Bid Value	0	0
Funded Status	\$ (76,238,285)	\$ (78,437,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 871,130	\$ 923,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	(33,000)	0
Total Operating Expense	\$ 838,130	\$ 923,000
Financing Expense		
Interest Cost	\$ 4,513,867	\$ 4,485,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 4,513,867	\$ 4,485,000
Total P&L Expense	\$ 5,351,997	\$ 5,408,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

Aon Hewitt

**National Grid USA
Deferred Compensation Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (20,424,248)	\$ (19,910,000)
Fair Value of Assets	0	0
Funded Status	\$ (20,424,248)	\$ (19,910,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	7,577,824	7,403,000
(Accrued) / Prepaid Pension Cost	\$ (12,846,424)	\$ (12,507,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	1,183,507	1,114,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	458,652	468,000
ASC 715 Pension Expense	\$ 1,642,159	\$ 1,582,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 1,642,159	\$ 1,582,000
Expected Benefit Payments	\$ 2,045,000	\$ 2,050,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20
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**National Grid USA
Deferred Compensation Plan
Estimated ASC 715 Expense - by Company**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Interest Cost		
Granite State	\$ 14,533	\$ 14,000
Mass Electric	\$ 36,536	\$ 34,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 29,808	\$ 28,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 1,036,757	\$ 976,000
Directors	\$ 65,873	\$ 62,000
Total Interest Cost	\$ 1,183,507	\$ 1,114,000
Net (Gain) or Loss Amortization		
Granite State	\$ 5,632	\$ 6,000
Mass Electric	\$ 14,159	\$ 14,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 11,552	\$ 12,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 401,781	\$ 410,000
Directors	\$ 25,528	\$ 26,000
Total Net (Gain) or Loss Amortization	\$ 458,652	\$ 468,000
Total Net Periodic Pension Cost		
Granite State	\$ 20,166	\$ 20,000
Mass Electric	\$ 50,696	\$ 48,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 41,360	\$ 40,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 1,438,536	\$ 1,386,000
Directors	\$ 91,401	\$ 88,000
Total Expense/(Income)	\$ 1,642,159	\$ 1,582,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Deferred Compensation Plan
Estimated IAS 19 Expense**

	Actual	Estimated
	4/2010-3/2011	4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (20,424,248)	\$ (19,910,000)
Fair Value of Assets	0	0
Funded Status	\$ (20,424,248)	\$ (19,910,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (20,424,248)	\$ (19,910,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 1,183,507	\$ 1,114,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 1,183,507	\$ 1,114,000
Total P&L Expense	\$ 1,183,507	\$ 1,114,000
Expected Benefit Payments	\$ 2,045,000	\$ 2,050,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Deferred Compensation Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Total P&L Expense		
National Grid Plans		
Granite State	\$ 14,534	\$ 14,000
Mass Electric	\$ 36,537	\$ 34,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 29,808	\$ 28,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 1,036,755	\$ 976,000
Directors	\$ 65,873	\$ 62,000
Total Expense/(Income)	\$ 1,183,507	\$ 1,114,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Executive Life Insurance Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (11,654,531)	\$ (11,145,000)
Fair Value of Assets	0	0
Funded Status	\$ (11,654,531)	\$ (11,145,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	4,345,701	4,224,000
(Accrued) / Prepaid Pension Cost	\$ (7,308,830)	\$ (6,921,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	671,246	619,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	275,446	281,000
ASC 715 Pension Expense	\$ 946,692	\$ 900,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 946,692	\$ 900,000
Expected Benefit Payments	\$ 1,301,000	\$ 1,318,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Executive Life Insurance Plan
Estimated ASC 715 Expense - by Company**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Interest Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 45,143	\$ 42,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 626,103	\$ 577,000
Directors	\$ 0	\$ 0
Total Interest Cost	\$ 671,246	\$ 619,000
Net (Gain) or Loss Amortization		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 18,524	\$ 19,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 256,922	\$ 262,000
Directors	\$ 0	\$ 0
Total Net (Gain) or Loss Amortization	\$ 275,446	\$ 281,000
Total Net Periodic Pension Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 63,666	\$ 61,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 883,026	\$ 839,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 946,692	\$ 900,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Executive Life Insurance Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (11,654,531)	\$ (11,145,000)
Fair Value of Assets	0	0
Funded Status	\$ (11,654,531)	\$ (11,145,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (11,654,531)	\$ (11,145,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 671,246	\$ 619,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 671,246	\$ 619,000
Total P&L Expense	\$ 671,246	\$ 619,000
Expected Benefit Payments	\$ 1,301,000	\$ 1,318,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Executive Life Insurance Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Total P&L Expense		
National Grid Plans		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 45,142	\$ 42,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 626,104	\$ 577,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 671,246	\$ 619,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
EUA Supplemental/Restoration Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,900,816)	\$ (2,665,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,900,816)	\$ (2,665,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(2,085,287)	(1,943,000)
(Accrued) / Prepaid Pension Cost	\$ (4,986,103)	\$ (4,608,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	163,774	145,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(110,203)	(104,000)
ASC 715 Pension Expense	\$ 53,571	\$ 41,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 53,571	\$ 41,000
Expected Benefit Payments	\$ 432,000	\$ 415,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH 20	RP2000CH 20

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**National Grid USA
EUA Supplemental/Restoration Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Interest Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 9,163	\$ 8,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 14,807	\$ 13,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 4,087	\$ 4,000
NGUSCO	\$ 135,717	\$ 120,000
Directors	\$ 0	\$ 0
Total Interest Cost	\$ 163,774	\$ 145,000
Net (Gain) or Loss Amortization		
Granite State	\$ 0	\$ 0
Mass Electric	\$ (6,166)	\$ (6,000)
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ (9,963)	\$ (9,000)
NE Gas	\$ 0	\$ 0
NE Power	\$ (2,750)	\$ (3,000)
NGUSCO	\$ (91,323)	\$ (86,000)
Directors	\$ 0	\$ 0
Total Net (Gain) or Loss Amortization	\$ (110,203)	\$ (104,000)
Total Net Periodic Pension Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 2,997	\$ 2,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 4,843	\$ 4,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 1,337	\$ 1,000
NGUSCO	\$ 44,393	\$ 34,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 53,571	\$ 41,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
EUA Supplemental/Restoration Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,900,816)	\$ (2,665,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,900,816)	\$ (2,665,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (2,900,816)	\$ (2,665,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 163,774	\$ 145,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 163,774	\$ 145,000
Total P&L Expense	\$ 163,774	\$ 145,000
Expected Benefit Payments	\$ 432,000	\$ 415,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20
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**National Grid USA
EUA Supplemental/Restoration Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Total P&L Expense National Grid Plans		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 9,450	\$ 8,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 15,315	\$ 13,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 4,215	\$ 4,000
NGUSCO	\$ 134,794	\$ 120,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 163,774	\$ 145,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
EUA KEIP
Estimated ASC 715 Expense

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,284,113)	\$ (1,950,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,284,113)	\$ (1,950,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(1,145,164)	(1,185,000)
(Accrued) / Prepaid Pension Cost	\$ (3,429,277)	\$ (3,135,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	124,477	103,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(46,219)	(52,000)
ASC 715 Pension Expense	\$ 78,258	\$ 51,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 78,258	\$ 51,000
<hr/>		
Expected Benefit Payments	\$ 487,000	\$ 395,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
EUA KEIP
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,284,113)	\$ (1,950,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,284,113)	\$ (1,950,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (2,284,113)	\$ (1,950,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 124,477	\$ 103,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 124,477	\$ 103,000
Total P&L Expense	\$ 124,477	\$ 103,000
Expected Benefit Payments	\$ 487,000	\$ 395,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
NG and EUA Director Plans
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,470,409)	\$ (1,396,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,470,409)	\$ (1,396,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	273,746	278,000
(Accrued) / Prepaid Pension Cost	\$ (1,196,663)	\$ (1,118,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	83,869	77,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	11,085	13,000
ASC 715 Pension Expense	\$ 94,954	\$ 90,000
Settlement Expense		
Total Pension Expense	\$ 94,954	\$ 90,000
Expected Benefit Payments	\$ 191,000	\$ 174,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20
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**National Grid USA
NG and EUA Director Plans
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,470,409)	\$ (1,396,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,470,409)	\$ (1,396,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (1,470,409)	\$ (1,396,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 83,869	\$ 77,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 83,869	\$ 77,000
Total P&L Expense	\$ 83,869	\$ 77,000
Expected Benefit Payments	\$ 191,000	\$ 174,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20
Aon Hewitt		

**National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Before Curtailment 4/2011-3/2012	Impact of Curtailment	After Curtailment 4/2011-3/2012	
Reconciliation of Funded Status, 4/1					
Accumulated Postret. Ben. Obligation	\$ (439,416,144)	\$ (455,696,000)	\$ 13,260,000	\$ (442,436,000)	
Fair Value of Assets	189,743,601	213,995,000	0	213,995,000	
Funded Status	\$ (249,672,543)	\$ (241,701,000)	\$ 13,260,000	\$ (228,441,000)	
Unrecognized:					
• Net Transition Obligation or (Asset)	\$ 0	\$ 0	\$ 0	\$ 0	
• Prior Service Cost	(4,760,796)	(10,818,000)	1,442,000	(9,376,000)	
• Net (Gain) or Loss	150,696,537	141,546,000	(13,260,000)	128,286,000	
(Accrued) / Prepaid Cost	\$ (103,736,802)	\$ (110,973,000)	\$ 1,442,000	(109,531,000)	
Net Periodic Cost					
		Annual		Annual	FY 2012 Est. Exp.
Service Cost	\$ 5,932,109	\$ 6,071,000		\$ 5,301,000	\$ 5,558,000
Interest Cost	25,858,266	26,145,000		25,355,000	25,618,000
Expected Return on Assets	(12,149,845)	(14,557,000)		(14,547,000)	(14,550,000)
Amortization of:					
• Net Transition Obligation or (Asset)	0	0		0	0
• Prior Service Cost	(1,146,456)	(1,496,000)		(1,297,000)	(1,364,000)
• Net (Gain) or Loss	7,725,281	8,688,000		7,770,000	8,076,000
ASC 715 Expense	\$ 26,219,355	\$ 24,851,000		\$ 22,582,000	\$ 23,338,000
Special Termination Benefits	\$ 56,184	\$ 0			\$ 0
Curtailment Expense	\$ 0	\$ 0	\$ (1,442,000)		\$ (1,442,000)
Total RW Expense	\$ 26,275,539	\$ 24,851,000	\$ (1,442,000)		\$ 21,896,000
Expected Benefit Payments - Net	\$ 23,817,000	\$ 25,117,000		\$ 25,378,000	
Expected Benefit Payments - Gross	\$ 25,621,000	\$ 27,065,000		\$ 27,327,000	
Expected Contributions	\$ 12,000,000	\$ 8,000,000		\$ 8,000,000	
Market Related Value of Assets	\$ 186,308,198	\$ 197,028,000		\$ 197,028,000	
Assumptions:					
Discount Rate	6.10%	5.90%	5.90%	5.90%	
Expected Return on Assets	6.75%	7.75%	7.75%	7.75%	
Initial Medical Trend - Pre-65	8.50%	8.50%	8.50%	8.50%	
Initial Medical Trend - Post-65	8.50%	8.00%	8.00%	8.00%	
Initial Prescription Drug Trend	9.25%	8.75%	8.75%	8.75%	
Ultimate Trend	5.00%	5.00%	5.00%	5.00%	
Mortality Table	RP2000CH_20	RP2000CH_20	RP2000CH_20	RP2000CH_20	

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**National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (439,472,328)	\$ (442,436,000)
Assets at Bid Value	189,437,806	213,995,000
Funded Status	<u>\$ (250,034,522)</u>	<u>\$ (228,441,000)</u>
Prior Service Costs	(268,693)	(5,370,000)
(Accrued) / Prepaid Cost	<u>\$ (250,303,215)</u>	<u>\$ (233,811,000)</u>
P&L Expense		
Operating Expense		
Service Cost	\$ 5,932,109	\$ 5,558,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(1,973,462)	0
Prior Service Costs - On-going	32,513	(216,000)
Curtailment Costs*	(13,421,000)	0
Total Operating Expense	<u>\$ (9,429,840)</u>	<u>\$ 5,342,000</u>
Financing Expense		
Interest Cost	25,861,692	\$ 25,355,000
Expected Return on Assets	(12,361,093)	(15,862,000)
Total Financing Expense	<u>\$ 13,500,599</u>	<u>\$ 9,493,000</u>
Total P&L Expense	\$ 4,070,759	\$ 14,835,000
Expected Benefit Payments - Net	\$ 23,817,000	\$ 25,378,000
Expected Benefit Payments - Gross	\$ 25,621,000	\$ 27,327,000
Expected Contributions	\$ 12,000,000	\$ 8,000,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Medical Trend - Pre-65	8.50%	8.50%
Initial Medical Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (5,589,503)	\$ (5,628,000)
Fair Value of Assets	3,088,857	3,292,000
Funded Status	\$ (2,500,646)	\$ (2,336,000)
Net Periodic Cost		
Service Cost	\$ 20,808	\$ 19,000
Interest Cost	328,094	326,000
Expected Return on Assets	(194,578)	(224,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(14,209)	(15,000)
• Net (Gain) or Loss	96,242	103,000
ASC 715 Expense	\$ 236,357	\$ 209,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 236,357	\$ 209,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (98,530,435)	\$ (99,208,000)
Fair Value of Assets	53,965,611	61,667,000
Funded Status	\$ (44,564,824)	\$ (37,541,000)
Net Periodic Cost		
Service Cost	\$ 876,015	\$ 822,000
Interest Cost	5,791,067	5,744,000
Expected Return on Assets	(3,453,474)	(4,193,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(294,812)	(318,000)
• Net (Gain) or Loss	1,450,737	1,811,000
ASC 715 Expense	\$ 4,369,533	\$ 3,866,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ (328,000)
Total RW Expense	\$ 4,369,533	\$ 3,538,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (882,696)	\$ (889,000)
Fair Value of Assets	0	0
Funded Status	\$ (882,696)	\$ (889,000)
Net Periodic Cost		
Service Cost	\$ 19,371	\$ 18,000
Interest Cost	52,491	51,000
Expected Return on Assets	675	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(2,809)	(4,000)
• Net (Gain) or Loss	32,288	16,000
ASC 715 Expense	\$ 102,016	\$ 81,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ (3,000)
Total RW Expense	\$ 102,016	\$ 78,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (46,498,936)	\$ (46,818,000)
Fair Value of Assets	26,727,399	28,652,000
Funded Status	\$ (19,771,537)	\$ (18,166,000)
Net Periodic Cost		
Service Cost	\$ 304,935	\$ 286,000
Interest Cost	2,725,194	2,711,000
Expected Return on Assets	(1,704,658)	(1,948,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(105,139)	(117,000)
• Net (Gain) or Loss	753,130	854,000
ASC 715 Expense	\$ 1,973,462	\$ 1,786,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ (155,000)
Total RW Expense	\$ 1,973,462	\$ 1,631,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - NE Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (25,120,179)	\$ (25,293,000)
Fair Value of Assets	19,528,820	21,395,000
Funded Status	\$ (5,591,359)	\$ (3,898,000)
Net Periodic Cost		
Service Cost	\$ 6,569	\$ 6,000
Interest Cost	1,467,723	1,465,000
Expected Return on Assets	(1,236,175)	(1,455,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(11,138)	(10,000)
• Net (Gain) or Loss	293,547	462,000
ASC 715 Expense	\$ 520,526	\$ 468,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ (83,000)
Total RW Expense	\$ 520,526	\$ 385,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (221,353,772)	\$ (222,875,000)
Fair Value of Assets	78,751,207	90,201,000
Funded Status	\$ (142,602,565)	\$ (132,674,000)
Net Periodic Cost		
Service Cost	\$ 4,423,418	\$ 4,144,000
Interest Cost	13,049,534	12,905,000
Expected Return on Assets	(5,096,290)	(6,132,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(698,533)	(868,000)
• Net (Gain) or Loss	4,733,266	4,068,000
ASC 715 Expense	\$ 16,411,395	\$ 14,117,000
Special Termination Benefits	\$ 33,560	\$ 0
Curtailment Expense	\$ 0	\$ (735,000)
Total RW Expense	\$ 16,444,955	\$ 13,382,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - NE Gas**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (41,440,623)	\$ (41,725,000)
Fair Value of Assets	7,681,707	8,788,000
Funded Status	\$ (33,758,916)	\$ (32,937,000)
Net Periodic Cost		
Service Cost	\$ 280,993	\$ 263,000
Interest Cost	2,444,163	2,416,000
Expected Return on Assets	(465,345)	(598,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(19,816)	(32,000)
• Net (Gain) or Loss	366,071	762,000
ASC 715 Expense	\$ 2,606,066	\$ 2,811,000
Special Termination Benefits	\$ 22,624	\$ 0
Curtailment Expense	\$ 0	\$ (138,000)
Total RW Expense	\$ 2,628,690	\$ 2,673,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (5,589,503)	\$ (5,628,000)
Assets at Bid Value	3,083,879	3,292,000
Funded Status	\$ (2,505,624)	\$ (2,336,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 20,808	\$ 19,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(13,567)	(14,600)
Curtailment Costs	0	0
Total Operating Expense	\$ 7,241	\$ 4,400
Financing Expense		
Interest Cost	\$ 328,094	\$ 323,000
Expected Return on Assets	(198,017)	(244,000)
Total Financing Expense	\$ 130,077	\$ 79,000
Total P&L Expense	\$ 137,318	\$ 83,400
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH 20	RP2000CH 20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (98,530,435)	\$ (99,208,000)
Assets at Bid Value	53,878,639	61,667,000
Funded Status	\$ (44,651,796)	\$ (37,541,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 876,015	\$ 822,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(359,085)	0
Prior Service Costs - On-going	(262,867)	(294,000)
Curtailment Costs	(2,522,000)	0
Total Operating Expense	\$ (2,267,937)	\$ 528,000
Financing Expense		
Interest Cost	\$ 5,791,067	\$ 5,685,000
Expected Return on Assets	(3,513,556)	(4,571,000)
Total Financing Expense	\$ 2,277,511	\$ 1,114,000
Total P&L Expense	\$ 9,574	\$ 1,642,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (882,696)	\$ (889,000)
Assets at Bid Value	0	0
Funded Status	\$ (882,696)	\$ (889,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 19,371	\$ 18,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(15,620)	0
Prior Service Costs - On-going	(1,306)	(1,700)
Curtailment Costs	(45,000)	0
Total Operating Expense	\$ (42,555)	\$ 16,300
Financing Expense		
Interest Cost	\$ 52,490	\$ 51,000
Expected Return on Assets	675	0
Total Financing Expense	\$ 53,165	\$ 51,000
Total P&L Expense	\$ 10,610	\$ 67,300
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20
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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (46,498,936)	\$ (46,818,000)
Assets at Bid Value	26,684,325	28,652,000
Funded Status	\$ (19,814,611)	\$ (18,166,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 304,935	\$ 286,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(200,444)	0
Prior Service Costs - On-going	(97,944)	(110,300)
Curtailment Costs	(973,000)	0
Total Operating Expense	\$ (966,453)	\$ 175,700
Financing Expense		
Interest Cost	\$ 2,725,194	\$ 2,683,000
Expected Return on Assets	(1,734,415)	(2,124,000)
Total Financing Expense	\$ 990,779	\$ 559,000
Total P&L Expense	\$ 24,326	\$ 734,700
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - NE Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (25,120,179)	\$ (25,293,000)
Assets at Bid Value	19,497,347	21,395,000
Funded Status	\$ (5,622,832)	\$ (3,898,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 6,569	\$ 6,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(7,136)	(8,700)
Curtailment Costs	(20,000)	0
Total Operating Expense	\$ (20,567)	\$ (2,700)
Financing Expense		
Interest Cost	\$ 1,467,723	\$ 1,450,000
Expected Return on Assets	(1,257,917)	(1,586,000)
Total Financing Expense	\$ 209,806	\$ (136,000)
Total P&L Expense	\$ 189,239	\$ (138,700)
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - NGUSCO**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (221,387,332)	\$ (222,875,000)
Assets at Bid Value	78,624,289	90,201,000
Funded Status	\$ (142,763,043)	\$ (132,674,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 4,423,418	\$ 4,144,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(1,301,570)	0
Prior Service Costs - On-going	(580,932)	(742,100)
Curtailment Costs	(9,240,000)	0
Total Operating Expense	\$ (6,699,084)	\$ 3,401,900
Financing Expense		
Interest Cost	\$ 13,051,581	\$ 12,772,000
Expected Return on Assets	(5,183,966)	(6,686,000)
Total Financing Expense	\$ 7,867,615	\$ 6,086,000
Total P&L Expense	\$ 1,168,531	\$ 9,487,900
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - NE Gas**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (41,463,247)	\$ (41,725,000)
Assets at Bid Value	7,669,327	8,788,000
Funded Status	\$ (33,793,920)	\$ (32,937,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 280,993	\$ 263,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(96,743)	0
Prior Service Costs - On-going	996,265	955,400
Curtailment Costs	(621,000)	0
Total Operating Expense	\$ 559,515	\$ 1,218,400
Financing Expense		
Interest Cost	\$ 2,445,543	\$ 2,391,000
Expected Return on Assets	(473,897)	(651,000)
Total Financing Expense	\$ 1,971,646	\$ 1,740,000
Total P&L Expense	\$ 2,531,161	\$ 2,958,400
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (414,321,453)	\$ (411,316,000)
Fair Value of Assets	224,659,127	251,412,000
Funded Status	\$ (189,662,326)	\$ (159,904,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(1,953,329)	(1,643,000)
• Net (Gain) or Loss	173,094,344	131,827,000
(Accrued) / Prepaid Cost	\$ (18,391,271)	\$ (29,720,000)
Net Periodic Cost		
Service Cost	\$ 5,648,944	\$ 6,085,000
Interest Cost	24,624,629	23,633,000
Expected Return on Assets	(15,715,940)	(16,122,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(310,605)	(311,000)
• Net (Gain) or Loss	10,406,954	8,715,000
ASC 715 Expense	\$ 24,653,982	\$ 22,000,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 24,653,982	\$ 22,000,000
Expected Benefit Payments - Net	\$ 21,278,000	\$ 21,513,000
Expected Benefit Payments - Gross	\$ 22,953,000	\$ 23,323,000
Expected Contributions	\$ 15,000,000	\$ 10,500,000
Market Related Value of Assets	\$ 199,800,743	\$ 213,994,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Medical Trend - Pre-65	8.50%	8.50%
Initial Medical Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (414,321,453)	\$ (411,316,000)
Assets at Bid Value	224,638,267	251,404,000
Funded Status	\$ (189,683,186)	\$ (159,912,000)
Prior Service Costs	(1,626,544)	(1,250,000)
(Accrued) / Prepaid Cost	\$ (191,309,730)	\$ (161,162,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 5,648,944	\$ 6,085,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(376,200)	(376,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 5,272,744	\$ 5,709,000
Financing Expense		
Interest Cost	\$ 24,624,629	\$ 23,633,000
Expected Return on Assets	(17,702,940)	(19,021,000)
Total Financing Expense	\$ 6,921,689	\$ 4,612,000
Total P&L Expense	\$ 12,194,433	\$ 10,321,000
Expected Benefit Payments - Net	\$ 21,278,000	\$ 21,513,000
Expected Benefit Payments - Gross	\$ 22,953,000	\$ 23,323,000
Expected Contributions	\$ 15,000,000	\$ 10,500,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Medical Trend - Pre-65	8.50%	8.50%
Initial Medical Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - Granite State**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (6,136,828)	\$ (6,092,000)
Fair Value of Assets	3,602,511	3,975,000
Funded Status	\$ (2,534,317)	\$ (2,117,000)
Net Periodic Cost		
Service Cost	\$ 96,748	\$ 104,000
Interest Cost	367,240	350,000
Expected Return on Assets	(255,675)	(255,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(5,724)	(6,000)
• Net (Gain) or Loss	160,424	132,000
ASC 715 Expense	\$ 363,013	\$ 325,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 363,013	\$ 325,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

Aon Hewitt

**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - Mass Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (199,739,431)	\$ (198,291,000)
Fair Value of Assets	107,270,087	121,881,000
Funded Status	\$ (92,469,344)	\$ (76,410,000)
Net Periodic Cost		
Service Cost	\$ 2,921,799	\$ 3,147,000
Interest Cost	11,885,419	11,393,000
Expected Return on Assets	(7,538,715)	(7,816,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(201,955)	(202,000)
• Net (Gain) or Loss	4,805,024	4,307,000
ASC 715 Expense	\$ 11,871,572	\$ 10,829,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 11,871,572	\$ 10,829,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

Aon Hewitt

**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - Nantucket Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (1,201,427)	\$ (1,193,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,201,427)	\$ (1,193,000)
Net Periodic Cost		
Service Cost	\$ 33,321	\$ 36,000
Interest Cost	72,616	69,000
Expected Return on Assets	960	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	212	0
• Net (Gain) or Loss	0	26,000
ASC 715 Expense	\$ 107,109	\$ 131,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 107,109	\$ 131,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

Aon Hewitt

**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - Narragansett Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (97,371,883)	\$ (96,666,000)
Fair Value of Assets	46,316,528	50,468,000
Funded Status	\$ (51,055,355)	\$ (46,198,000)
Net Periodic Cost		
Service Cost	\$ 1,283,775	\$ 1,383,000
Interest Cost	5,780,383	5,554,000
Expected Return on Assets	(3,236,394)	(3,236,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(79,312)	(79,000)
• Net (Gain) or Loss	2,644,250	2,100,000
ASC 715 Expense	\$ 6,392,702	\$ 5,722,000
Special Termination Benefits	\$ 0	\$ 0
Curtailement Expense	\$ 0	\$ 0
Total RW Expense	\$ 6,392,702	\$ 5,722,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - NE Power**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (24,110,040)	\$ (23,935,000)
Fair Value of Assets	18,971,361	20,756,000
Funded Status	\$ (5,138,679)	\$ (3,179,000)
Net Periodic Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	1,408,553	1,375,000
Expected Return on Assets	(1,276,102)	(1,331,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	3,411	3,000
• Net (Gain) or Loss	1,037,847	520,000
ASC 715 Expense	\$ 1,173,709	\$ 567,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 1,173,709	\$ 567,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - NGUSCO**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (65,858,189)	\$ (65,380,000)
Fair Value of Assets	39,459,545	44,658,000
Funded Status	\$ (26,398,644)	\$ (20,722,000)
Net Periodic Cost		
Service Cost	\$ 1,055,938	\$ 1,138,000
Interest Cost	3,927,893	3,757,000
Expected Return on Assets	(2,769,230)	(2,864,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(39,454)	(39,000)
• Net (Gain) or Loss	1,650,655	1,420,000
ASC 715 Expense	\$ 3,825,802	\$ 3,412,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 3,825,802	\$ 3,412,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

Aon Hewitt

**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - NE Gas**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (19,903,655)	\$ (19,759,000)
Fair Value of Assets	9,039,095	9,674,000
Funded Status	\$ (10,864,560)	\$ (10,085,000)
Net Periodic Cost		
Service Cost	\$ 257,363	\$ 277,000
Interest Cost	1,182,525	1,135,000
Expected Return on Assets	(640,784)	(620,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	12,217	12,000
• Net (Gain) or Loss	108,754	209,000
ASC 715 Expense	\$ 920,075	\$ 1,013,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 920,075	\$ 1,013,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - Granite State**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (6,136,828)	\$ (6,092,000)
Assets at Bid Value	3,602,177	3,975,000
Funded Status	\$ (2,534,651)	\$ (2,117,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 96,748	\$ 104,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(6,479)	(6,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 90,269	\$ 98,000
Financing Expense		
Interest Cost	\$ 367,240	\$ 350,000
Expected Return on Assets	(287,537)	(301,000)
Total Financing Expense	\$ 79,703	\$ 49,000
Total P&L Expense	\$ 169,972	\$ 147,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

Aon Hewitt

**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - Mass Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (199,739,431)	\$ (198,291,000)
Assets at Bid Value	107,260,127	121,877,000
Funded Status	\$ (92,479,304)	\$ (76,414,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,921,799	\$ 3,147,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(208,736)	(209,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 2,713,063	\$ 2,938,000
Financing Expense		
Interest Cost	\$ 11,885,419	\$ 11,393,000
Expected Return on Assets	(8,487,467)	(9,221,000)
Total Financing Expense	\$ 3,397,952	\$ 2,172,000
Total P&L Expense	\$ 6,111,015	\$ 5,110,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
Aon Hewitt		

**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - Nantucket Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (1,201,427)	\$ (1,193,000)
Assets at Bid Value	0	0
Funded Status	\$ (1,201,427)	\$ (1,193,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 33,321	\$ 36,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	147	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 33,468	\$ 36,000
Financing Expense		
Interest Cost	\$ 72,616	\$ 69,000
Expected Return on Assets	960	0
Total Financing Expense	\$ 73,576	\$ 69,000
Total P&L Expense	\$ 107,044	\$ 105,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
Aon Hewitt		

**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - Narragansett Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (97,371,883)	\$ (96,666,000)
Assets at Bid Value	46,312,227	50,466,000
Funded Status	\$ (51,059,656)	\$ (46,200,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 1,283,775	\$ 1,383,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(84,763)	(85,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 1,199,012	\$ 1,298,000
Financing Expense		
Interest Cost	\$ 5,780,383	\$ 5,554,000
Expected Return on Assets	(3,646,041)	(3,818,000)
Total Financing Expense	\$ 2,134,342	\$ 1,736,000
Total P&L Expense	\$ 3,333,354	\$ 3,034,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

Aon Hewitt

**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - NE Power**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (24,110,040)	\$ (23,935,000)
Assets at Bid Value	18,969,599	20,755,000
Funded Status	\$ (5,140,441)	\$ (3,180,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(3,519)	(4,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ (3,519)	\$ (4,000)
Financing Expense		
Interest Cost	\$ 1,408,553	\$ 1,375,000
Expected Return on Assets	(1,443,895)	(1,570,000)
Total Financing Expense	\$ (35,342)	\$ (195,000)
Total P&L Expense	\$ (38,861)	\$ (199,000)
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
Aon Hewitt		

**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - NGUSCO**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (65,858,189)	\$ (65,380,000)
Assets at Bid Value	39,455,881	44,657,000
Funded Status	\$ (26,402,308)	\$ (20,723,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 1,055,938	\$ 1,138,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(74,976)	(74,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 980,962	\$ 1,064,000
Financing Expense		
Interest Cost	\$ 3,927,893	\$ 3,757,000
Expected Return on Assets	(3,118,230)	(3,379,000)
Total Financing Expense	\$ 809,663	\$ 378,000
Total P&L Expense	\$ 1,790,625	\$ 1,442,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
Aon Hewitt		

**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - NE Gas**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (19,903,655)	\$ (19,759,000)
Assets at Bid Value	9,038,256	9,674,000
Funded Status	\$ (10,865,399)	\$ (10,085,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 257,363	\$ 277,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	2,126	2,000
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 259,489	\$ 279,000
Financing Expense		
Interest Cost	\$ 1,182,525	\$ 1,135,000
Expected Return on Assets	(720,730)	(732,000)
Total Financing Expense	\$ 461,795	\$ 403,000
Total P&L Expense	\$ 721,284	\$ 682,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
Aon Hewitt		

Total Narragansett Gas PBOP Expense, net

Line No.	(a)	12 Months Ended June 2011 (d)
1	<u>April 1, 2010 through March 31, 2011</u>	
2		
3	Retired Health and Welfare Plan - Nonunion (See Page 5 of 88)	\$ 2,606,066
4	Retired Health and Welfare Plan - Union (See Page 6 of 88)	920,075
5	Less:	
6	Apr-10 - Jun-10 Accrual	<u>1,096,821</u>
7		
8	Adjusted Total	<u>2,429,320</u>
9		
10	<u>April 1, 2011 through March 31, 2012</u>	
11		
12	Retired Health and Welfare Plan - Nonunion (See Page 65 of 88)	2,811,000
13	Retired Health and Welfare Plan - Union (See Page 81 of 88)	1,013,000
14	Less:	
15	Jun-11 - Mar-12 Accrual	<u>2,868,000</u>
16		
17	Adjusted Total	<u>956,000</u>
18		
19	Total per Attachment DIV 1-1, Page 2 of 2 at line 1	<u><u>3,385,320</u></u>

Line Notes:

8 L.3 + L.4 - L.6

17 L.12 + L.13 - L.15

19 L.8 + L.17



December 14, 2010

Ms. Mari-Louise Messuri
National Grid USA
40 Sylvan Road
Waltham, MA 02451

Dear Mari:

Subject: Updated New England Retiree Welfare ASC 715 and IAS 19 Expense Results—April 1, 2010 through March 31, 2011

We have updated the April 1, 2010 through March 31, 2011 ASC 715 and IAS 19 valuation results for the New England retiree welfare plans. The updated results reflect the final nonunion retiree welfare design changes announced November 15, 2010 (including the post-65 medical cost-sharing changes to Grandfathered nonunion employees). Our results are based on the following:

- 6.1 percent discount rate assumption
- Initial medical trend assumption of 8.5 percent decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- Initial prescription drug trend assumption of 9.25 percent decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- 6.75 percent expected long-term rate of return on nonunion assets
- 8.00 percent expected long-term rate of return on union assets
- RP2000 Mortality Table projected 10 years for union employees
- RP2000 Mortality Table projected 20 years for nonunion employees
- The April 1, 2010 market value of assets for ASC 715 purposes
- The April 1, 2010 bid value of assets for IAS 19 purposes
- Expected Fiscal Year 2011 contributions of \$12.0 million for the nonunion plan and \$15 million for the union plan
- The actual charge associated with the special termination benefits of the nonunion Voluntary Early Retirement Offer for those retiring during fiscal year 2011. For IAS 19 purposes, the entire cost associated with the VERO was reflected during fiscal 2008.
- Plan amendment which changes the retiree medical cost sharing for future nonunion retirees effective May 1, 2011 (communication date was November 15, 2010)



- Changes required by healthcare reform (required plan design changes and excise tax on high-cost health plans)

US GAAP

Total ASC 715 expense for fiscal year 2011 is \$50.9 million (excluding regulatory amortization). The change in the retiree medical cost sharing for future nonunion retirees decreased ASC 715 expense by approximately \$789,000. Please note this decrease is for a 4¹/₂ month period only (November 15, 2010 to March 31, 2011). Below is the company allocation of ASC 715 expense.

	2010/2011	
	ASC 715 Expense	
Granite State	\$	0.6 million
Mass Electric		16.2 million
Nantucket		0.2 million
Narragansett		8.4 million
New England Power		1.7 million
NGUSCO		20.3 million
New England Gas		3.5 million
Total	\$	50.9 million

IFRS

Total IAS 19 expense for fiscal year 2011 is \$29.7 million. The change in the retiree medical cost sharing for future nonunion retirees decreased IAS 19 expense by approximately \$2,631,000. This includes a one-time **income** of \$1,973,462.

IAS 19 expense for the period April 1, 2010 through March 31, 2011 (by company) is as follows:

	2010/2011	
	IAS 19 Expense	
Granite State	\$	0.3 million
Mass Electric		8.6 million
Nantucket		0.2 million
Narragansett		4.3 million
New England Power		0.2 million
NGUSCO		12.2 million
New England Gas		3.9 million
Total	\$	29.7 million

ASC 715 expense is \$7.4 million lower than our prior estimate and IAS 19 expense is \$5.8 million lower than our prior estimate. This decrease is due to favorable medical claim experience during 2009 and the new cost sharing for future nonunion retirees. We have not reflected any change associated with the proposed prescription drug coverage move to Caremark for union participants.



Note that one-time IAS 19 charges due to plan amendments for healthcare reform were reflected in fiscal year 2010. The assumption change associates with the excise tax on high-cost health plans increased liability by \$4.9 million.

In preparing these valuations, we have relied upon participant data as of January 1, 2010 and plan design and asset information supplied by National Grid as of April 1, 2010, including the change in the cost sharing for future nonunion retirees effective May 1, 2011. The supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced the appropriate results.

These valuations have been conducted in accordance with generally accepted actuarial principles and practice, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the results are based on our understanding of the requirements of ASC 715 and IAS 19.

Enclosed are summaries of our results.

Mari, if you have any questions please call.

Sincerely,

A handwritten signature in black ink that reads "Steve".

Stephen F. Doucette

SFD:chf

Enclosures

4844L823

cc: Mr. James Allen, National Grid USA
Mr. Terrence P. Bertrand, National Grid USA
Mr. Claude Bussieres, National Grid USA
Mr. Charles DeRosa, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Lorraine Lynch, National Grid USA
Mr. Joseph Marrese, National Grid USA
Ms. Lori Santoro, National Grid USA
Ms. Tara Sullivan, National Grid USA
Mr. Martin Wheatcroft, National Grid USA
Ms. Kerry-Ann Forrester, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Cindy McDonald, Aon Hewitt
Mr. Wil Ocasio, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

**National Grid USA
 Retiree Health and Welfare Plan - Nonunion
 ASC 715 Expense April 1, 2010 through March 31, 2011**

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2010								
Accumulated Postretirement Benefit Obligation	(5,589,503)	(98,530,435)	(882,696)	(46,498,936)	(25,120,179)	(221,353,772)	(41,440,623)	(439,416,144)
Assets at Fair Value	3,088,857	53,965,611	0	26,727,399	19,528,820	78,751,207	7,681,707	189,743,601
Funded Status	(2,500,646)	(44,564,824)	(882,696)	(19,771,537)	(5,591,359)	(142,602,565)	(33,758,916)	(249,672,543)
Unrecognized:								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(68,621)	(1,127,044)	(470)	(385,726)	92,012	(3,219,584)	(51,363)	(4,760,796)
Net (Gain)/Loss	1,875,781	29,568,707	548,820	14,908,331	6,345,470	88,222,954	9,226,474	150,696,537
(Accrued)/Prepaid Cost	(693,486)	(16,123,161)	(334,346)	(5,248,932)	846,123	(57,599,195)	(24,583,805)	(103,736,802)
Market Related Value of Assets	3,032,932	52,988,536	0	26,243,486	19,175,241	77,325,377	7,542,626	186,308,198
Net Postretirement Benefit Cost *								
Service Cost	20,808	876,015	19,371	304,935	6,569	4,423,418	280,993	5,932,109
Interest Cost	328,094	5,791,067	52,491	2,725,194	1,467,723	13,049,534	2,444,163	25,858,266
Expected Return on Assets	(194,578)	(3,453,474)	675	(1,704,658)	(1,236,175)	(5,096,290)	(465,345)	(12,149,845)
Amortization of								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(14,209)	(294,812)	(2,809)	(105,139)	(11,138)	(698,533)	(19,816)	(1,146,456)
Net (Gain)/Loss	96,242	1,450,737	32,288	753,130	293,547	4,733,266	366,071	7,725,281
Net Postret. Benefit Cost	236,357	4,369,533	102,016	1,973,462	520,526	16,411,395	2,606,066	26,219,355
VERO One-time Charges	0	0	0	0	0	33,560	22,624	56,184
Total Expense / (Income)	236,357	4,369,533	102,016	1,973,462	520,526	16,444,955	2,628,690	26,275,539
Expected Benefit Payments								
Gross	436,000	6,526,000	20,000	3,427,000	2,307,000	10,337,000	2,568,000	25,621,000
Net	405,000	6,025,000	18,000	3,141,000	2,114,000	9,700,000	2,414,000	23,817,000
Expected Contributions	125,000	2,653,000	0	1,337,000	539,000	6,173,000	1,173,000	12,000,000
Assumptions								
Discount Rate	6.10%							
Expected Return on Assets	6.75%							
Initial Medical Trend Rate	8.50%							
Initial Prescription Drug	9.25%							
Ultimate Trend Rate	5.00%							
Mortality	RP2000CH_20							

*Includes changes to the cost sharing for future nonunion retirees effective 5/1/2011, adopted 11/15/2010

**National Grid USA
 Retiree Health and Welfare Plan - Union
 ASC 715 Expense April 1, 2010 through March 31, 2011**

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2010								
Accumulated Postretirement Benefit Obligation	(6,136,828)	(199,739,431)	(1,201,427)	(97,371,883)	(24,110,040)	(65,858,189)	(19,903,655)	(414,321,453)
Assets at Fair Value	3,602,511	107,270,087	0	46,316,528	18,971,361	39,459,545	9,039,095	224,659,127
Funded Status	(2,534,317)	(92,469,344)	(1,201,427)	(51,055,355)	(5,138,679)	(26,398,644)	(10,864,560)	(189,662,326)
Unrecognized:								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(38,852)	(1,467,397)	2,609	(554,942)	70,229	(117,323)	152,347	(1,953,329)
Net (Gain)/Loss	2,620,216	80,143,671	614,975	44,256,076	15,871,713	26,967,015	2,620,678	173,094,344
(Accrued)/Prepaid Cost	47,047	(13,793,070)	(583,843)	(7,354,221)	10,803,263	451,048	(8,091,535)	(18,521,311)
Market Related Value of Assets	3,203,896	95,400,723	0	41,191,635	16,872,192	35,093,372	8,038,925	199,800,743
Net Postretirement Benefit Cost								
Service Cost	96,748	2,921,799	33,321	1,283,775	0	1,055,938	257,363	5,648,944
Interest Cost	367,240	11,885,419	72,616	5,780,383	1,408,553	3,927,893	1,182,525	24,624,629
Expected Return on Assets	(255,675)	(7,538,715)	960	(3,236,394)	(1,276,102)	(2,769,230)	(640,784)	(15,715,940)
Amortization of								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(5,724)	(201,955)	212	(79,312)	3,411	(39,454)	12,217	(310,605)
Net (Gain)/Loss	160,424	4,805,024	0	2,644,250	1,037,847	1,650,655	108,754	10,406,954
Net Postret. Benefit Cost	363,013	11,871,572	107,109	6,392,702	1,173,709	3,825,802	920,075	24,653,982
Total Expense / (Income)	363,013	11,871,572	107,109	6,392,702	1,173,709	3,825,802	920,075	24,653,982
Expected Benefit Payments								
Gross	251,000	10,542,000	24,000	5,641,000	2,221,000	3,127,000	1,147,000	22,953,000
Net	233,000	9,793,000	22,000	5,223,000	2,038,000	2,933,000	1,036,000	21,278,000
Expected Contributions	217,000	7,577,000	0	3,847,000	350,000	2,004,000	1,005,000	15,000,000
Assumptions								
Discount Rate	6.10%							
Expected Return on Assets	8.00%							
Initial Medical Trend Rate	8.50%							
Initial Prescription Drug	9.25%							
Ultimate Trend Rate	5.00%							
Mortality	RP2000CH_10							

**National Grid USA
 Retiree Health and Welfare Plan - Nonunion
 IAS 19 Expense April 1, 2010 through March 31, 2011**

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2010								
Accumulated Postretirement Benefit Obligation	(5,589,503)	(98,530,435)	(882,696)	(46,498,936)	(25,120,179)	(221,387,332)	(41,463,247)	(439,472,328)
Assets at Bid Value	3,083,879	53,878,639	0	26,684,325	19,497,347	78,624,289	7,669,327	189,437,806
Funded Status	(2,505,624)	(44,651,796)	(882,696)	(19,814,611)	(5,622,832)	(142,763,043)	(33,793,920)	(250,034,522)
Prior Service Cost	(86,639)	(1,661,342)	(6,129)	(625,711)	(34,298)	(3,469,611)	5,615,037	(268,693)
(Accrued)/Prepaid Cost	(2,592,263)	(46,313,138)	(888,825)	(20,440,322)	(5,657,130)	(146,232,654)	(28,178,883)	(250,303,215)
P&L Expense*								
Operating Expense								
Service Cost	20,808	876,015	19,371	304,935	6,569	4,423,418	280,993	5,932,109
Exceptional Costs (STBs)	0	0	0	0	0	0	0	0
Prior Service Costs - One-time	0	(359,085)	(15,620)	(200,444)	0	(1,301,570)	(96,743)	(1,973,462)
Prior Service Costs - Ongoing	(13,567)	(262,867)	(1,306)	(97,944)	(7,136)	(580,932)	996,265	32,513
Curtailment/Settlement Costs	0	0	0	0	0	0	0	0
Total Operating Expense	7,241	254,063	2,445	6,547	(567)	2,540,916	1,180,515	3,991,160
Financing Expense								
Interest Cost	328,094	5,791,067	52,490	2,725,194	1,467,723	13,051,581	2,445,543	25,861,692
Expected Return on Assets	(198,017)	(3,513,556)	675	(1,734,415)	(1,257,917)	(5,183,966)	(473,897)	(12,361,093)
Total Financing Expense	130,077	2,277,511	53,165	990,779	209,806	7,867,615	1,971,646	13,500,599
Total P&L Expense	137,318	2,531,574	55,610	997,326	209,239	10,408,531	3,152,161	17,491,759
Expected Benefit Payments								
Gross	436,000	6,526,000	20,000	3,427,000	2,307,000	10,337,000	2,568,000	25,621,000
Net	405,000	6,025,000	18,000	3,141,000	2,114,000	9,700,000	2,414,000	23,817,000
Expected Contributions	125,000	2,653,000	0	1,337,000	539,000	6,173,000	1,173,000	12,000,000
Assumptions								
Discount Rate	6.10%							
Expected Return on Assets	6.75%							
Initial Pre-65 Medical Trend Rate	8.50%							
Initial Post-65 Medical Trend Rate	9.25%							
Ultimate Medical Trend Rate	5.00%							
Mortality	RP2000CH_20							

*Includes changes to the cost sharing for future nonunion retirees effective 5/1/2011, adopted 11/15/2010

National Grid USA
 Retiree Health and Welfare Plan - Union
 IAS 19 Expense April 1, 2010 through March 31, 2011

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2010								
Accumulated Postretirement Benefit Obligation	(6,136,828)	(199,739,431)	(1,201,427)	(97,371,883)	(24,110,040)	(65,858,189)	(19,903,655)	(414,321,453)
Assets at Bid Value	3,602,177	107,260,127	0	46,312,227	18,969,599	39,455,881	9,038,256	224,638,267
Funded Status	(2,534,651)	(92,479,304)	(1,201,427)	(51,059,656)	(5,140,441)	(26,402,308)	(10,865,399)	(189,683,186)
Prior Service Cost	(28,343)	(929,128)	1,227	(359,578)	1,525	(338,755)	26,508	(1,626,544)
(Accrued)/Prepaid Cost	(2,562,994)	(93,408,432)	(1,200,200)	(51,419,234)	(5,138,916)	(26,741,063)	(10,838,891)	(191,309,730)
P&L Expense								
Operating Expense								
Service Cost	96,748	2,921,799	33,321	1,283,775	0	1,055,938	257,363	5,648,944
Exceptional Costs (STBs)	0	0	0	0	0	0	0	0
Prior Service Costs - One-time	0	0	0	0	0	0	0	0
Prior Service Costs - Ongoing	(6,479)	(208,736)	147	(84,763)	(3,519)	(74,976)	2,126	(376,200)
Curtailment/Settlement Costs	0	0	0	0	0	0	0	0
Total Operating Expense	90,269	2,713,063	33,468	1,199,012	(3,519)	980,962	259,489	5,272,744
Financing Expense								
Interest Cost	367,240	11,885,419	72,616	5,780,383	1,408,553	3,927,893	1,182,525	24,624,629
Expected Return on Assets	(287,537)	(8,487,467)	960	(3,646,041)	(1,443,895)	(3,118,230)	(720,730)	(17,702,940)
Total Financing Expense	79,703	3,397,952	73,576	2,134,342	(35,342)	809,663	461,795	6,921,689
Total P&L Expense	169,972	6,111,015	107,044	3,333,354	(38,861)	1,790,625	721,284	12,194,433
Expected Benefit Payments								
Gross	251,000	10,542,000	24,000	5,641,000	2,221,000	3,127,000	1,147,000	22,953,000
Net	233,000	9,793,000	22,000	5,223,000	2,038,000	2,933,000	1,036,000	21,278,000
Expected Contributions	217,000	7,577,000	0	3,847,000	350,000	2,004,000	1,005,000	15,000,000
Assumptions								
Discount Rate	6.10%							
Expected Return on Assets	8.00%							
Initial Pre-65 Medical Trend Rate	8.50%							
Initial Post-65 Medical Trend Rate	9.25%							
Ultimate Medical Trend Rate	5.00%							
Mortality	RP2000CH_10							



May 13, 2011

Ms. Mari-Louise Messuri
National Grid USA
40 Sylvan Road
Waltham, MA 02451

Dear Mari,

Subject: Estimated Pension/Retiree Welfare Expense for Fiscal Year 2012—
National Grid New England

As requested, we have estimated fiscal year 2012 expense for the New England pension and retiree welfare plans by company. Estimates are based on a 5.90 percent discount rate assumption for US GAAP and IFRS purposes.

Estimated Fiscal Year 2012 Expense/(Income) (\$ Millions)

	US GAAP ASC 715	IFRS IAS 19
Qualified Pension	\$ 66.6	\$ 12.3
Nonqualified Pension	10.5	7.8
Nonunion Retiree Welfare	21.9	14.8
Union Retiree Welfare	<u>22.0</u>	<u>10.3</u>
Total	\$ 121.0	\$ 45.2

The estimates reflect the following:

- Initial pre-65 medical trend of 8.5 percent with an ultimate trend of 5.0 percent
- Initial post-65 medical trend of 8.0 percent with an ultimate trend of 5.0 percent
- Initial prescription drug trend of 8.75 percent with an ultimate trend of 5.0 percent
- 3.5 percent salary increase
- 7.75 percent expected return on assets for all plans
- Estimated curtailment accounting under US GAAP for the nonunion retiree welfare plan and ESRP
 - Based on an 800 active headcount reduction for nonunion employees
- The March 31, 2011 market and bid value of assets
- Expected fiscal 2012 company contributions of \$60.0 million for the qualified pension plan



- Expected fiscal 2012 company contributions of \$18.5 million for nonunion and union retiree welfare plans

Enclosed are summaries by plan and by company.

Mari, please call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Steve". The letters are cursive and fluid.

Stephen F. Doucette

SFD:chf

Enclosures

4844L881

cc: Mr. James Allen, National Grid USA
Mr. Terrence P. Bertrand, National Grid USA
Mr. Claude Bussieres, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Francine Kollydas, National Grid USA
Ms. Lorraine Lynch, National Grid USA
Mr. Mark Merzbacher, National Grid USA
Ms. Maria Napenas, National Grid USA
Ms. Lori Santoro, National Grid USA
Ms. Tara Sullivan, National Grid USA
Mr. Martin Wheatcroft, National Grid USA
Ms. Kerry-Ann Forrester, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

**National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,627,257,456)	\$ (1,693,211,000)
Fair Value of Assets	1,327,544,317	1,460,218,000
Funded Status	\$ (299,713,139)	\$ (232,993,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	7,790,111	6,704,000
• Net (Gain) or Loss	705,264,108	630,666,000
(Accrued) / Prepaid Pension Cost	\$ 413,341,080	\$ 404,377,000
Net Periodic Pension Cost		
Service Cost	\$ 27,418,848	\$ 28,349,000
Interest Cost	96,374,055	97,006,000
Expected Return on Assets	(103,358,405)	(104,311,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	1,752,626	1,785,000
• Net (Gain) or Loss	44,042,863	43,741,000
ASC 715 Pension Expense/(Income)	\$ 66,229,987	\$ 66,570,000
Special Termination Benefits	\$ 2,734,098	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 68,964,085	\$ 66,570,000
Expected Benefit Payments	\$ 95,210,000	\$ 98,091,000
Expected Contributions	\$ 60,000,000	\$ 60,000,000
Market Related Value of Assets	\$ 1,297,085,056	\$ 1,352,497,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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**National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,629,991,554)	\$ (1,684,179,000)
Assets at Bid Value	1,326,816,630	1,460,147,000
Funded Status	<u>\$ (303,174,924)</u>	<u>\$ (224,032,000)</u>
Prior Service Costs	0	157,000
(Accrued) / Prepaid Pension Cost	<u>\$ (303,174,924)</u>	<u>\$ (223,875,000)</u>
P&L Expense		
Operating Expense		
Service Cost	\$ 27,418,848	\$ 28,349,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	468,381	0
Prior Service Costs - On-going	40,859	108,000
Curtailment Costs*	<u>(9,031,000)</u>	<u>0</u>
Total Operating Expense	<u>\$ 18,897,088</u>	<u>\$ 28,457,000</u>
Financing Expense		
Interest Cost	\$ 96,540,835	\$ 96,473,000
Expected Return on Assets	<u>(105,736,931)</u>	<u>(112,654,000)</u>
Total Financing Expense	<u>\$ (9,196,096)</u>	<u>\$ (16,181,000)</u>
Total P&L Expense	\$ 9,700,992	\$ 12,276,000
Expected Benefit Payments	\$ 95,210,000	\$ 98,091,000
Expected Contributions	\$ 60,000,000	\$ 60,000,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (18,298,762)	\$ (19,040,000)
Fair Value of Assets	14,928,441	16,420,000
Funded Status	\$ (3,370,321)	\$ (2,620,000)
Net Periodic Pension Cost		
Service Cost	\$ 250,191	\$ 259,000
Interest Cost	1,082,979	1,091,000
Expected Return on Assets	(1,162,281)	(1,173,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	23,462	23,500
• Net (Gain) or Loss	545,479	533,000
ASC 715 Pension Expense/(Income)	\$ 739,830	\$ 733,500
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 739,830	\$ 733,500
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (477,503,224)	\$ (496,857,000)
Fair Value of Assets	389,555,254	428,487,000
Funded Status	\$ (87,947,970)	\$ (68,370,000)
Net Periodic Pension Cost		
Service Cost	\$ 8,843,552	\$ 9,144,000
Interest Cost	28,282,638	28,465,000
Expected Return on Assets	(30,329,541)	(30,609,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	623,953	626,700
• Net (Gain) or Loss	14,234,170	13,895,000
ASC 715 Pension Expense/(Income)	\$ 21,654,772	\$ 21,521,700
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 21,654,772	\$ 21,521,700
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (5,350,175)	\$ (5,567,000)
Fair Value of Assets	4,364,764	4,801,000
Funded Status	\$ (985,411)	\$ (766,000)
Net Periodic Pension Cost		
Service Cost	\$ 160,733	\$ 166,000
Interest Cost	321,811	319,000
Expected Return on Assets	(339,827)	(343,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	3,731	3,800
• Net (Gain) or Loss	159,486	156,000
ASC 715 Pension Expense/(Income)	\$ 305,934	\$ 301,800
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense/(Income)	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 305,934	\$ 301,800
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (214,307,136)	\$ (222,993,000)
Fair Value of Assets	174,835,408	192,308,000
Funded Status	\$ (39,471,728)	\$ (30,685,000)
Net Periodic Pension Cost		
Service Cost	\$ 3,267,559	\$ 3,378,000
Interest Cost	12,635,146	12,776,000
Expected Return on Assets	(13,612,132)	(13,738,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	306,953	307,100
• Net (Gain) or Loss	6,388,406	6,236,000
ASC 715 Pension Expense/(Income)	\$ 8,985,932	\$ 8,959,100
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 8,985,932	\$ 8,959,100
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Actual Return on Assets for Projection	0.00%	0.00%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - NE Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (128,909,618)	\$ (134,134,000)
Fair Value of Assets	105,166,659	115,677,000
Funded Status	\$ (23,742,959)	\$ (18,457,000)
Net Periodic Pension Cost		
Service Cost	\$ 9,735	\$ 10,000
Interest Cost	7,581,362	7,685,000
Expected Return on Assets	(8,187,944)	(8,263,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	208,400	208,400
• Net (Gain) or Loss	3,842,741	3,751,000
ASC 715 Pension Expense/(Income)	\$ 3,454,294	\$ 3,391,400
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 3,454,294	\$ 3,391,400
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (601,921,778)	\$ (626,319,000)
Fair Value of Assets	491,058,027	540,135,000
Funded Status	\$ (110,863,751)	\$ (86,184,000)
Net Periodic Pension Cost		
Service Cost	\$ 12,197,574	\$ 12,611,000
Interest Cost	35,757,756	35,882,000
Expected Return on Assets	(38,232,226)	(38,585,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	586,071	615,300
• Net (Gain) or Loss	17,943,035	17,516,000
ASC 715 Pension Expense/(Income)	\$ 28,252,210	\$ 28,039,300
Special Termination Benefits	\$ 2,345,069	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 30,597,279	\$ 28,039,300
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - NE Gas

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (180,966,763)	\$ (188,301,000)
Fair Value of Assets	147,635,764	162,390,000
Funded Status	\$ (33,330,999)	\$ (25,911,000)
Net Periodic Pension Cost		
Service Cost	\$ 2,689,504	\$ 2,781,000
Interest Cost	10,712,363	10,788,000
Expected Return on Assets	(11,494,454)	(11,600,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	56	200
• Net (Gain) or Loss	929,546	1,654,000
ASC 715 Pension Expense/(Income)	\$ 2,837,015	\$ 3,623,200
Special Termination Benefits	\$ 389,029	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 3,226,044	\$ 3,623,200
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Actual Return on Assets for Projection	0.00%	0.00%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (18,298,762)	\$ (18,907,000)
Assets at Bid Value	14,920,258	16,392,000
Funded Status	\$ (3,378,504)	\$ (2,515,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 250,191	\$ 259,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment Costs*	0	0
Total Operating Expense	\$ 250,191	\$ 259,000
Financing Expense		
Interest Cost	\$ 1,082,979	\$ 1,083,000
Expected Return on Assets	(1,187,034)	(1,265,000)
Total Financing Expense	\$ (104,055)	\$ (182,000)
Total P&L Expense	\$ 146,136	\$ 77,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (477,503,224)	\$ (493,377,000)
Assets at Bid Value	389,341,721	427,747,000
Funded Status	\$ (88,161,503)	\$ (65,630,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 8,843,552	\$ 9,144,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	50,288	0
Prior Service Costs - On-going	1,489	3,900
Curtailment Costs*	(1,657,000)	0
Total Operating Expense	\$ 7,238,329	\$ 9,147,900
Financing Expense		
Interest Cost	\$ 28,282,638	\$ 28,262,000
Expected Return on Assets	(30,975,452)	(33,002,000)
Total Financing Expense	\$ (2,692,814)	\$ (4,740,000)
Total P&L Expense	\$ 4,545,515	\$ 4,407,900
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (5,350,175)	\$ (5,528,000)
Assets at Bid Value	4,362,371	4,793,000
Funded Status	\$ (987,804)	\$ (735,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 160,733	\$ 166,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	627	0
Prior Service Costs - On-going	93	200
Curtailment Costs*	(51,000)	0
Total Operating Expense	\$ 110,453	\$ 166,200
Financing Expense		
Interest Cost	\$ 321,811	\$ 317,000
Expected Return on Assets	(347,064)	(370,000)
Total Financing Expense	\$ (25,253)	\$ (53,000)
Total P&L Expense	\$ 85,200	\$ 113,200
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (214,307,136)	\$ (221,432,000)
Assets at Bid Value	174,739,573	191,977,000
Funded Status	\$ (39,567,563)	\$ (29,455,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 3,267,559	\$ 3,378,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	2,413	0
Prior Service Costs - On-going	279	700
Curtailment Costs*	(552,000)	0
Total Operating Expense	\$ 2,718,251	\$ 3,378,700
Financing Expense		
Interest Cost	\$ 12,635,146	\$ 12,683,000
Expected Return on Assets	(13,902,022)	(14,811,000)
Total Financing Expense	\$ (1,266,876)	\$ (2,128,000)
Total P&L Expense	\$ 1,451,375	\$ 1,250,700
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - NE Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (128,909,618)	\$ (133,195,000)
Assets at Bid Value	105,109,012	115,477,000
Funded Status	\$ (23,800,606)	\$ (17,718,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 9,735	\$ 10,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment Costs*	(9,000)	0
Total Operating Expense	\$ 735	\$ 10,000
Financing Expense		
Interest Cost	\$ 7,581,362	\$ 7,630,000
Expected Return on Assets	(8,362,318)	(8,909,000)
Total Financing Expense	\$ (780,956)	\$ (1,279,000)
Total P&L Expense	\$ (780,221)	\$ (1,269,000)

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (604,266,847)	\$ (624,355,000)
Assets at Bid Value	490,788,857	541,302,000
Funded Status	\$ (113,477,990)	\$ (83,053,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 12,197,574	\$ 12,611,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	414,906	0
Prior Service Costs - On-going	38,626	102,200
Curtailment Costs*	(6,431,000)	0
Total Operating Expense	\$ 6,220,106	\$ 12,713,200
Financing Expense		
Interest Cost	\$ 35,900,806	\$ 35,764,000
Expected Return on Assets	(39,198,560)	(41,763,000)
Total Financing Expense	\$ (3,297,754)	\$ (5,999,000)
Total P&L Expense	\$ 2,922,352	\$ 6,714,200
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - NE Gas

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (181,355,792)	\$ (187,385,000)
Assets at Bid Value	147,554,838	162,459,000
Funded Status	\$ (33,800,954)	\$ (24,926,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,689,504	\$ 2,781,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	147	0
Prior Service Costs - On-going	372	1,000
Curtailment Costs*	(331,000)	0
Total Operating Expense	\$ 2,359,023	\$ 2,782,000
Financing Expense		
Interest Cost	\$ 10,736,093	\$ 10,734,000
Expected Return on Assets	(11,764,481)	(12,534,000)
Total Financing Expense	\$ (1,028,388)	\$ (1,800,000)
Total P&L Expense	\$ 1,330,635	\$ 982,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
ESRP
Estimated ASC 715 Expense

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (82,359,052)	\$ (84,734,000)
Fair Value of Assets	0	0
Funded Status	\$ (82,359,052)	\$ (84,734,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(311,140)	(153,000)
• Net (Gain) or Loss	30,761,221	30,325,000
(Accrued) / Prepaid Pension Cost	\$ (51,908,971)	\$ (54,562,000)
Net Periodic Pension Cost		
Service Cost	\$ 884,200	\$ 937,000
Interest Cost	4,871,982	4,845,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(120,496)	(96,000)
• Net (Gain) or Loss	2,241,325	2,185,000
ASC 715 Pension Expense	\$ 7,877,011	\$ 7,871,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ (38,000)	\$ 0
Total Pension Expense	\$ 7,839,011	\$ 7,871,000
Expected Benefit Payments	\$ 4,981,000	\$ 5,230,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated IAS 19 Expense

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (82,359,052)	\$ (84,734,000)
Fair Value of Assets	0	0
Funded Status	\$ (82,359,052)	\$ (84,734,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (82,359,052)	\$ (84,734,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 884,200	\$ 937,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	(33,000)	0
Total Operating Expense	\$ 851,200	\$ 937,000
Financing Expense		
Interest Cost	\$ 4,871,982	\$ 4,845,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 4,871,982	\$ 4,845,000
Total P&L Expense	\$ 5,723,182	\$ 5,782,000
Expected Benefit Payments	\$ 4,981,000	\$ 5,230,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20
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National Grid USA
ESRP
Estimated ASC 715 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (127,636)	\$ (131,000)
Fair Value of Assets	0	0
Funded Status	\$ (127,636)	\$ (131,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	7,267	8,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	3,473	3,000
ASC 715 Pension Expense	\$ 10,740	\$ 11,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 10,740	\$ 11,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated ASC 715 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (934,907)	\$ (962,000)
Fair Value of Assets	0	0
Funded Status	\$ (934,907)	\$ (962,000)
Net Periodic Pension Cost		
Service Cost	\$ 7,124	\$ 8,000
Interest Cost	55,199	55,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	25,443	25,000
ASC 715 Pension Expense	\$ 87,766	\$ 88,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 87,766	\$ 88,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated ASC 715 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (375,080)	\$ (386,000)
Fair Value of Assets	0	0
Funded Status	\$ (375,080)	\$ (386,000)
Net Periodic Pension Cost		
Service Cost	\$ 2,850	\$ 3,000
Interest Cost	21,568	22,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	10,207	10,000
ASC 715 Pension Expense	\$ 34,625	\$ 35,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 34,625	\$ 35,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA

ESRP

Estimated ASC 715 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (819,825)	\$ (843,000)
Fair Value of Assets	0	0
Funded Status	\$ (819,825)	\$ (843,000)
Net Periodic Pension Cost		
Service Cost	\$ 3,096	\$ 3,000
Interest Cost	48,057	48,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	22,311	22,000
ASC 715 Pension Expense	\$ 73,464	\$ 73,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 73,464	\$ 73,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA

ESRP

Estimated ASC 715 Expense - New England Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (3,863,319)	\$ (3,975,000)
Fair Value of Assets	0	0
Funded Status	\$ (3,863,319)	\$ (3,975,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	226,024	227,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(22,131)	(22,000)
• Net (Gain) or Loss	105,137	102,000
ASC 715 Pension Expense	\$ 309,030	\$ 307,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 309,030	\$ 307,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated ASC 715 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (76,238,285)	\$ (78,437,000)
Fair Value of Assets	0	0
Funded Status	\$ (76,238,285)	\$ (78,437,000)
Net Periodic Pension Cost		
Service Cost	\$ 871,130	\$ 923,000
Interest Cost	4,513,867	4,485,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(98,365)	(74,000)
• Net (Gain) or Loss	2,074,754	2,023,000
ASC 715 Pension Expense	\$ 7,361,386	\$ 7,357,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ (38,000)	\$ 0
Total Pension Expense	\$ 7,323,386	\$ 7,357,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
ESRP
Estimated IAS 19 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (127,636)	\$ (131,000)
Assets at Bid Value	0	0
Funded Status	\$ (127,636)	\$ (131,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 7,267	\$ 8,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 7,267	\$ 8,000
Total P&L Expense	\$ 7,267	\$ 8,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20
Aon Hewitt		

National Grid USA
ESRP
Estimated IAS 19 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (934,907)	\$ (962,000)
Assets at Bid Value	0	0
Funded Status	\$ (934,907)	\$ (962,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 7,124	\$ 8,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 7,124	\$ 8,000
Financing Expense		
Interest Cost	\$ 55,199	\$ 55,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 55,199	\$ 55,000
Total P&L Expense	\$ 62,323	\$ 63,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

Aon Hewitt

National Grid USA
ESRP
Estimated IAS 19 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (375,080)	\$ (386,000)
Assets at Bid Value	0	0
Funded Status	\$ (375,080)	\$ (386,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,850	\$ 3,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 2,850	\$ 3,000
Financing Expense		
Interest Cost	\$ 21,568	\$ 22,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 21,568	\$ 22,000
Total P&L Expense	\$ 24,418	\$ 25,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

Aon Hewitt

National Grid USA
ESRP
Estimated IAS 19 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (819,825)	\$ (843,000)
Assets at Bid Value	0	0
Funded Status	\$ (819,825)	\$ (843,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 3,096	\$ 3,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 3,096	\$ 3,000
Financing Expense		
Interest Cost	\$ 48,057	\$ 48,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 48,057	\$ 48,000
Total P&L Expense	\$ 51,153	\$ 51,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20
Aon Hewitt		

National Grid USA
ESRP
Estimated IAS 19 Expense - New England Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (3,863,319)	\$ (3,975,000)
Assets at Bid Value	0	0
Funded Status	\$ (3,863,319)	\$ (3,975,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailement/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 226,024	\$ 227,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 226,024	\$ 227,000
Total P&L Expense	\$ 226,024	\$ 227,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

Aon Hewitt

National Grid USA
ESRP
Estimated IAS 19 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (76,238,285)	\$ (78,437,000)
Assets at Bid Value	0	0
Funded Status	\$ (76,238,285)	\$ (78,437,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 871,130	\$ 923,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	(33,000)	0
Total Operating Expense	\$ 838,130	\$ 923,000
Financing Expense		
Interest Cost	\$ 4,513,867	\$ 4,485,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 4,513,867	\$ 4,485,000
Total P&L Expense	\$ 5,351,997	\$ 5,408,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Deferred Compensation Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (20,424,248)	\$ (19,910,000)
Fair Value of Assets	0	0
Funded Status	\$ (20,424,248)	\$ (19,910,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	7,577,824	7,403,000
(Accrued) / Prepaid Pension Cost	\$ (12,846,424)	\$ (12,507,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	1,183,507	1,114,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	458,652	468,000
ASC 715 Pension Expense	\$ 1,642,159	\$ 1,582,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 1,642,159	\$ 1,582,000
Expected Benefit Payments	\$ 2,045,000	\$ 2,050,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20
Aon Hewitt		

**National Grid USA
Deferred Compensation Plan
Estimated ASC 715 Expense - by Company**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Interest Cost		
Granite State	\$ 14,533	\$ 14,000
Mass Electric	\$ 36,536	\$ 34,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 29,808	\$ 28,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 1,036,757	\$ 976,000
Directors	\$ 65,873	\$ 62,000
Total Interest Cost	\$ 1,183,507	\$ 1,114,000
Net (Gain) or Loss Amortization		
Granite State	\$ 5,632	\$ 6,000
Mass Electric	\$ 14,159	\$ 14,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 11,552	\$ 12,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 401,781	\$ 410,000
Directors	\$ 25,528	\$ 26,000
Total Net (Gain) or Loss Amortization	\$ 458,652	\$ 468,000
Total Net Periodic Pension Cost		
Granite State	\$ 20,166	\$ 20,000
Mass Electric	\$ 50,696	\$ 48,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 41,360	\$ 40,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 1,438,536	\$ 1,386,000
Directors	\$ 91,401	\$ 88,000
Total Expense/(Income)	\$ 1,642,159	\$ 1,582,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

Aon Hewitt

**National Grid USA
Deferred Compensation Plan
Estimated IAS 19 Expense**

	Actual	Estimated
	4/2010-3/2011	4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (20,424,248)	\$ (19,910,000)
Fair Value of Assets	0	0
Funded Status	\$ (20,424,248)	\$ (19,910,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (20,424,248)	\$ (19,910,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 1,183,507	\$ 1,114,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 1,183,507	\$ 1,114,000
Total P&L Expense	\$ 1,183,507	\$ 1,114,000
Expected Benefit Payments	\$ 2,045,000	\$ 2,050,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Deferred Compensation Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Total P&L Expense		
National Grid Plans		
Granite State	\$ 14,534	\$ 14,000
Mass Electric	\$ 36,537	\$ 34,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 29,808	\$ 28,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 1,036,755	\$ 976,000
Directors	\$ 65,873	\$ 62,000
Total Expense/(Income)	\$ 1,183,507	\$ 1,114,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Executive Life Insurance Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (11,654,531)	\$ (11,145,000)
Fair Value of Assets	0	0
Funded Status	\$ (11,654,531)	\$ (11,145,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	4,345,701	4,224,000
(Accrued) / Prepaid Pension Cost	\$ (7,308,830)	\$ (6,921,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	671,246	619,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	275,446	281,000
ASC 715 Pension Expense	\$ 946,692	\$ 900,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 946,692	\$ 900,000
Expected Benefit Payments	\$ 1,301,000	\$ 1,318,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

Aon Hewitt

**National Grid USA
Executive Life Insurance Plan
Estimated ASC 715 Expense - by Company**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Interest Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 45,143	\$ 42,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 626,103	\$ 577,000
Directors	\$ 0	\$ 0
Total Interest Cost	\$ 671,246	\$ 619,000
Net (Gain) or Loss Amortization		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 18,524	\$ 19,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 256,922	\$ 262,000
Directors	\$ 0	\$ 0
Total Net (Gain) or Loss Amortization	\$ 275,446	\$ 281,000
Total Net Periodic Pension Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 63,666	\$ 61,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 883,026	\$ 839,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 946,692	\$ 900,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

Aon Hewitt

**National Grid USA
Executive Life Insurance Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (11,654,531)	\$ (11,145,000)
Fair Value of Assets	0	0
Funded Status	\$ (11,654,531)	\$ (11,145,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (11,654,531)	\$ (11,145,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 671,246	\$ 619,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 671,246	\$ 619,000
Total P&L Expense	\$ 671,246	\$ 619,000
Expected Benefit Payments	\$ 1,301,000	\$ 1,318,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Executive Life Insurance Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Total P&L Expense		
National Grid Plans		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 45,142	\$ 42,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 626,104	\$ 577,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 671,246	\$ 619,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
EUA Supplemental/Restoration Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,900,816)	\$ (2,665,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,900,816)	\$ (2,665,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(2,085,287)	(1,943,000)
(Accrued) / Prepaid Pension Cost	\$ (4,986,103)	\$ (4,608,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	163,774	145,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(110,203)	(104,000)
ASC 715 Pension Expense	\$ 53,571	\$ 41,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 53,571	\$ 41,000
Expected Benefit Payments	\$ 432,000	\$ 415,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH 20	RP2000CH 20

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**National Grid USA
EUA Supplemental/Restoration Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Interest Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 9,163	\$ 8,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 14,807	\$ 13,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 4,087	\$ 4,000
NGUSCO	\$ 135,717	\$ 120,000
Directors	\$ 0	\$ 0
Total Interest Cost	\$ 163,774	\$ 145,000
Net (Gain) or Loss Amortization		
Granite State	\$ 0	\$ 0
Mass Electric	\$ (6,166)	\$ (6,000)
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ (9,963)	\$ (9,000)
NE Gas	\$ 0	\$ 0
NE Power	\$ (2,750)	\$ (3,000)
NGUSCO	\$ (91,323)	\$ (86,000)
Directors	\$ 0	\$ 0
Total Net (Gain) or Loss Amortization	\$ (110,203)	\$ (104,000)
Total Net Periodic Pension Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 2,997	\$ 2,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 4,843	\$ 4,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 1,337	\$ 1,000
NGUSCO	\$ 44,393	\$ 34,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 53,571	\$ 41,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
EUA Supplemental/Restoration Plan
Estimated IAS 19 Expense

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,900,816)	\$ (2,665,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,900,816)	\$ (2,665,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (2,900,816)	\$ (2,665,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 163,774	\$ 145,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 163,774	\$ 145,000
Total P&L Expense	\$ 163,774	\$ 145,000
Expected Benefit Payments	\$ 432,000	\$ 415,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20
Aon Hewitt		

**National Grid USA
EUA Supplemental/Restoration Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Total P&L Expense		
National Grid Plans		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 9,450	\$ 8,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 15,315	\$ 13,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 4,215	\$ 4,000
NGUSCO	\$ 134,794	\$ 120,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 163,774	\$ 145,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
EUA KEIP
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,284,113)	\$ (1,950,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,284,113)	\$ (1,950,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(1,145,164)	(1,185,000)
(Accrued) / Prepaid Pension Cost	\$ (3,429,277)	\$ (3,135,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	124,477	103,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(46,219)	(52,000)
ASC 715 Pension Expense	\$ 78,258	\$ 51,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 78,258	\$ 51,000
Expected Benefit Payments	\$ 487,000	\$ 395,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

Aon Hewitt

**National Grid USA
EUA KEIP
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,284,113)	\$ (1,950,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,284,113)	\$ (1,950,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (2,284,113)	\$ (1,950,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 124,477	\$ 103,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 124,477	\$ 103,000
Total P&L Expense	\$ 124,477	\$ 103,000
Expected Benefit Payments	\$ 487,000	\$ 395,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
NG and EUA Director Plans
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,470,409)	\$ (1,396,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,470,409)	\$ (1,396,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	273,746	278,000
(Accrued) / Prepaid Pension Cost	\$ (1,196,663)	\$ (1,118,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	83,869	77,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	11,085	13,000
ASC 715 Pension Expense	\$ 94,954	\$ 90,000
Settlement Expense		
Total Pension Expense	\$ 94,954	\$ 90,000
Expected Benefit Payments	\$ 191,000	\$ 174,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20
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**National Grid USA
NG and EUA Director Plans
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,470,409)	\$ (1,396,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,470,409)	\$ (1,396,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (1,470,409)	\$ (1,396,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 83,869	\$ 77,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 83,869	\$ 77,000
Total P&L Expense	\$ 83,869	\$ 77,000
Expected Benefit Payments	\$ 191,000	\$ 174,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20
Aon Hewitt		

**National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Before Curtailment 4/2011-3/2012	Impact of Curtailment	After Curtailment 4/2011-3/2012	
Reconciliation of Funded Status, 4/1					
Accumulated Postret. Ben. Obligation	\$ (439,416,144)	\$ (455,696,000)	\$ 13,260,000	\$ (442,436,000)	
Fair Value of Assets	189,743,601	213,995,000	0	213,995,000	
Funded Status	\$ (249,672,543)	\$ (241,701,000)	\$ 13,260,000	\$ (228,441,000)	
Unrecognized:					
• Net Transition Obligation or (Asset)	\$ 0	\$ 0	\$ 0	\$ 0	
• Prior Service Cost	(4,760,796)	(10,818,000)	1,442,000	(9,376,000)	
• Net (Gain) or Loss	150,696,537	141,546,000	(13,260,000)	128,286,000	
(Accrued) / Prepaid Cost	\$ (103,736,802)	\$ (110,973,000)	\$ 1,442,000	(109,531,000)	
Net Periodic Cost					
		Annual		Annual	FY 2012 Est. Exp.
Service Cost	\$ 5,932,109	\$ 6,071,000		\$ 5,301,000	\$ 5,558,000
Interest Cost	25,858,266	26,145,000		25,355,000	25,618,000
Expected Return on Assets	(12,149,845)	(14,557,000)		(14,547,000)	(14,550,000)
Amortization of:					
• Net Transition Obligation or (Asset)	0	0		0	0
• Prior Service Cost	(1,146,456)	(1,496,000)		(1,297,000)	(1,364,000)
• Net (Gain) or Loss	7,725,281	8,688,000		7,770,000	8,076,000
ASC 715 Expense	\$ 26,219,355	\$ 24,851,000		\$ 22,582,000	\$ 23,338,000
Special Termination Benefits	\$ 56,184	\$ 0			\$ 0
Curtailment Expense	\$ 0	\$ 0	\$ (1,442,000)		\$ (1,442,000)
Total RW Expense	\$ 26,275,539	\$ 24,851,000	\$ (1,442,000)		\$ 21,896,000
Expected Benefit Payments - Net	\$ 23,817,000	\$ 25,117,000		\$ 25,378,000	
Expected Benefit Payments - Gross	\$ 25,621,000	\$ 27,065,000		\$ 27,327,000	
Expected Contributions	\$ 12,000,000	\$ 8,000,000		\$ 8,000,000	
Market Related Value of Assets	\$ 186,308,198	\$ 197,028,000		\$ 197,028,000	
Assumptions:					
Discount Rate	6.10%	5.90%	5.90%	5.90%	
Expected Return on Assets	6.75%	7.75%	7.75%	7.75%	
Initial Medical Trend - Pre-65	8.50%	8.50%	8.50%	8.50%	
Initial Medical Trend - Post-65	8.50%	8.00%	8.00%	8.00%	
Initial Prescription Drug Trend	9.25%	8.75%	8.75%	8.75%	
Ultimate Trend	5.00%	5.00%	5.00%	5.00%	
Mortality Table	RP2000CH_20	RP2000CH_20	RP2000CH_20	RP2000CH_20	

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**National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (439,472,328)	\$ (442,436,000)
Assets at Bid Value	189,437,806	213,995,000
Funded Status	\$ (250,034,522)	\$ (228,441,000)
Prior Service Costs	(268,693)	(5,370,000)
(Accrued) / Prepaid Cost	\$ (250,303,215)	\$ (233,811,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 5,932,109	\$ 5,558,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(1,973,462)	0
Prior Service Costs - On-going	32,513	(216,000)
Curtailment Costs*	(13,421,000)	0
Total Operating Expense	\$ (9,429,840)	\$ 5,342,000
Financing Expense		
Interest Cost	25,861,692	\$ 25,355,000
Expected Return on Assets	(12,361,093)	(15,862,000)
Total Financing Expense	\$ 13,500,599	\$ 9,493,000
Total P&L Expense	\$ 4,070,759	\$ 14,835,000
Expected Benefit Payments - Net	\$ 23,817,000	\$ 25,378,000
Expected Benefit Payments - Gross	\$ 25,621,000	\$ 27,327,000
Expected Contributions	\$ 12,000,000	\$ 8,000,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Medical Trend - Pre-65	8.50%	8.50%
Initial Medical Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

*Based on National Grid's adjustment to 3/31/2011 disclosure information

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (5,589,503)	\$ (5,628,000)
Fair Value of Assets	3,088,857	3,292,000
Funded Status	\$ (2,500,646)	\$ (2,336,000)
Net Periodic Cost		
Service Cost	\$ 20,808	\$ 19,000
Interest Cost	328,094	326,000
Expected Return on Assets	(194,578)	(224,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(14,209)	(15,000)
• Net (Gain) or Loss	96,242	103,000
ASC 715 Expense	\$ 236,357	\$ 209,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 236,357	\$ 209,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (98,530,435)	\$ (99,208,000)
Fair Value of Assets	53,965,611	61,667,000
Funded Status	\$ (44,564,824)	\$ (37,541,000)
Net Periodic Cost		
Service Cost	\$ 876,015	\$ 822,000
Interest Cost	5,791,067	5,744,000
Expected Return on Assets	(3,453,474)	(4,193,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(294,812)	(318,000)
• Net (Gain) or Loss	1,450,737	1,811,000
ASC 715 Expense	\$ 4,369,533	\$ 3,866,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ (328,000)
Total RW Expense	\$ 4,369,533	\$ 3,538,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - Nantucket Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (882,696)	\$ (889,000)
Fair Value of Assets	0	0
Funded Status	\$ (882,696)	\$ (889,000)
Net Periodic Cost		
Service Cost	\$ 19,371	\$ 18,000
Interest Cost	52,491	51,000
Expected Return on Assets	675	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(2,809)	(4,000)
• Net (Gain) or Loss	32,288	16,000
ASC 715 Expense	\$ 102,016	\$ 81,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ (3,000)
Total RW Expense	\$ 102,016	\$ 78,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20
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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (46,498,936)	\$ (46,818,000)
Fair Value of Assets	26,727,399	28,652,000
Funded Status	\$ (19,771,537)	\$ (18,166,000)
Net Periodic Cost		
Service Cost	\$ 304,935	\$ 286,000
Interest Cost	2,725,194	2,711,000
Expected Return on Assets	(1,704,658)	(1,948,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(105,139)	(117,000)
• Net (Gain) or Loss	753,130	854,000
ASC 715 Expense	\$ 1,973,462	\$ 1,786,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ (155,000)
Total RW Expense	\$ 1,973,462	\$ 1,631,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - NE Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (25,120,179)	\$ (25,293,000)
Fair Value of Assets	19,528,820	21,395,000
Funded Status	\$ (5,591,359)	\$ (3,898,000)
Net Periodic Cost		
Service Cost	\$ 6,569	\$ 6,000
Interest Cost	1,467,723	1,465,000
Expected Return on Assets	(1,236,175)	(1,455,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(11,138)	(10,000)
• Net (Gain) or Loss	293,547	462,000
ASC 715 Expense	\$ 520,526	\$ 468,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ (83,000)
Total RW Expense	\$ 520,526	\$ 385,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20
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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (221,353,772)	\$ (222,875,000)
Fair Value of Assets	78,751,207	90,201,000
Funded Status	\$ (142,602,565)	\$ (132,674,000)
Net Periodic Cost		
Service Cost	\$ 4,423,418	\$ 4,144,000
Interest Cost	13,049,534	12,905,000
Expected Return on Assets	(5,096,290)	(6,132,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(698,533)	(868,000)
• Net (Gain) or Loss	4,733,266	4,068,000
ASC 715 Expense	\$ 16,411,395	\$ 14,117,000
Special Termination Benefits	\$ 33,560	\$ 0
Curtailment Expense	\$ 0	\$ (735,000)
Total RW Expense	\$ 16,444,955	\$ 13,382,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - NE Gas

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (41,440,623)	\$ (41,725,000)
Fair Value of Assets	7,681,707	8,788,000
Funded Status	\$ (33,758,916)	\$ (32,937,000)
Net Periodic Cost		
Service Cost	\$ 280,993	\$ 263,000
Interest Cost	2,444,163	2,416,000
Expected Return on Assets	(465,345)	(598,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(19,816)	(32,000)
• Net (Gain) or Loss	366,071	762,000
ASC 715 Expense	\$ 2,606,066	\$ 2,811,000
Special Termination Benefits	\$ 22,624	\$ 0
Curtailment Expense	\$ 0	\$ (138,000)
Total RW Expense	\$ 2,628,690	\$ 2,673,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (5,589,503)	\$ (5,628,000)
Assets at Bid Value	3,083,879	3,292,000
Funded Status	\$ (2,505,624)	\$ (2,336,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 20,808	\$ 19,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(13,567)	(14,600)
Curtailment Costs	0	0
Total Operating Expense	\$ 7,241	\$ 4,400
Financing Expense		
Interest Cost	\$ 328,094	\$ 323,000
Expected Return on Assets	(198,017)	(244,000)
Total Financing Expense	\$ 130,077	\$ 79,000
Total P&L Expense	\$ 137,318	\$ 83,400
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH 20	RP2000CH 20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - Mass Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (98,530,435)	\$ (99,208,000)
Assets at Bid Value	53,878,639	61,667,000
Funded Status	\$ (44,651,796)	\$ (37,541,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 876,015	\$ 822,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(359,085)	0
Prior Service Costs - On-going	(262,867)	(294,000)
Curtailment Costs	(2,522,000)	0
Total Operating Expense	\$ (2,267,937)	\$ 528,000
Financing Expense		
Interest Cost	\$ 5,791,067	\$ 5,685,000
Expected Return on Assets	(3,513,556)	(4,571,000)
Total Financing Expense	\$ 2,277,511	\$ 1,114,000
Total P&L Expense	\$ 9,574	\$ 1,642,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - Nantucket Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (882,696)	\$ (889,000)
Assets at Bid Value	0	0
Funded Status	\$ (882,696)	\$ (889,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 19,371	\$ 18,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(15,620)	0
Prior Service Costs - On-going	(1,306)	(1,700)
Curtailment Costs	(45,000)	0
Total Operating Expense	\$ (42,555)	\$ 16,300
Financing Expense		
Interest Cost	\$ 52,490	\$ 51,000
Expected Return on Assets	675	0
Total Financing Expense	\$ 53,165	\$ 51,000
Total P&L Expense	\$ 10,610	\$ 67,300
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (46,498,936)	\$ (46,818,000)
Assets at Bid Value	26,684,325	28,652,000
Funded Status	\$ (19,814,611)	\$ (18,166,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 304,935	\$ 286,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(200,444)	0
Prior Service Costs - On-going	(97,944)	(110,300)
Curtailment Costs	(973,000)	0
Total Operating Expense	\$ (966,453)	\$ 175,700
Financing Expense		
Interest Cost	\$ 2,725,194	\$ 2,683,000
Expected Return on Assets	(1,734,415)	(2,124,000)
Total Financing Expense	\$ 990,779	\$ 559,000
Total P&L Expense	\$ 24,326	\$ 734,700
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - NE Power

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (25,120,179)	\$ (25,293,000)
Assets at Bid Value	19,497,347	21,395,000
Funded Status	\$ (5,622,832)	\$ (3,898,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 6,569	\$ 6,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(7,136)	(8,700)
Curtailment Costs	(20,000)	0
Total Operating Expense	\$ (20,567)	\$ (2,700)
Financing Expense		
Interest Cost	\$ 1,467,723	\$ 1,450,000
Expected Return on Assets	(1,257,917)	(1,586,000)
Total Financing Expense	\$ 209,806	\$ (136,000)
Total P&L Expense	\$ 189,239	\$ (138,700)
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - NGUSCO

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (221,387,332)	\$ (222,875,000)
Assets at Bid Value	78,624,289	90,201,000
Funded Status	\$ (142,763,043)	\$ (132,674,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 4,423,418	\$ 4,144,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(1,301,570)	0
Prior Service Costs - On-going	(580,932)	(742,100)
Curtailment Costs	(9,240,000)	0
Total Operating Expense	\$ (6,699,084)	\$ 3,401,900
Financing Expense		
Interest Cost	\$ 13,051,581	\$ 12,772,000
Expected Return on Assets	(5,183,966)	(6,686,000)
Total Financing Expense	\$ 7,867,615	\$ 6,086,000
Total P&L Expense	\$ 1,168,531	\$ 9,487,900
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - NE Gas

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (41,463,247)	\$ (41,725,000)
Assets at Bid Value	7,669,327	8,788,000
Funded Status	\$ (33,793,920)	\$ (32,937,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 280,993	\$ 263,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	(96,743)	0
Prior Service Costs - On-going	996,265	955,400
Curtailment Costs	(621,000)	0
Total Operating Expense	\$ 559,515	\$ 1,218,400
Financing Expense		
Interest Cost	\$ 2,445,543	\$ 2,391,000
Expected Return on Assets	(473,897)	(651,000)
Total Financing Expense	\$ 1,971,646	\$ 1,740,000
Total P&L Expense	\$ 2,531,161	\$ 2,958,400
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (414,321,453)	\$ (411,316,000)
Fair Value of Assets	224,659,127	251,412,000
Funded Status	\$ (189,662,326)	\$ (159,904,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(1,953,329)	(1,643,000)
• Net (Gain) or Loss	173,094,344	131,827,000
(Accrued) / Prepaid Cost	\$ (18,391,271)	\$ (29,720,000)
Net Periodic Cost		
Service Cost	\$ 5,648,944	\$ 6,085,000
Interest Cost	24,624,629	23,633,000
Expected Return on Assets	(15,715,940)	(16,122,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(310,605)	(311,000)
• Net (Gain) or Loss	10,406,954	8,715,000
ASC 715 Expense	\$ 24,653,982	\$ 22,000,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 24,653,982	\$ 22,000,000
Expected Benefit Payments - Net	\$ 21,278,000	\$ 21,513,000
Expected Benefit Payments - Gross	\$ 22,953,000	\$ 23,323,000
Expected Contributions	\$ 15,000,000	\$ 10,500,000
Market Related Value of Assets	\$ 199,800,743	\$ 213,994,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Medical Trend - Pre-65	8.50%	8.50%
Initial Medical Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (414,321,453)	\$ (411,316,000)
Assets at Bid Value	224,638,267	251,404,000
Funded Status	\$ (189,683,186)	\$ (159,912,000)
Prior Service Costs	(1,626,544)	(1,250,000)
(Accrued) / Prepaid Cost	\$ (191,309,730)	\$ (161,162,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 5,648,944	\$ 6,085,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(376,200)	(376,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 5,272,744	\$ 5,709,000
Financing Expense		
Interest Cost	\$ 24,624,629	\$ 23,633,000
Expected Return on Assets	(17,702,940)	(19,021,000)
Total Financing Expense	\$ 6,921,689	\$ 4,612,000
Total P&L Expense	\$ 12,194,433	\$ 10,321,000
<hr/>		
Expected Benefit Payments - Net	\$ 21,278,000	\$ 21,513,000
Expected Benefit Payments - Gross	\$ 22,953,000	\$ 23,323,000
Expected Contributions	\$ 15,000,000	\$ 10,500,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Medical Trend - Pre-65	8.50%	8.50%
Initial Medical Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - Granite State**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (6,136,828)	\$ (6,092,000)
Fair Value of Assets	3,602,511	3,975,000
Funded Status	\$ (2,534,317)	\$ (2,117,000)
Net Periodic Cost		
Service Cost	\$ 96,748	\$ 104,000
Interest Cost	367,240	350,000
Expected Return on Assets	(255,675)	(255,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(5,724)	(6,000)
• Net (Gain) or Loss	160,424	132,000
ASC 715 Expense	\$ 363,013	\$ 325,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 363,013	\$ 325,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - Mass Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (199,739,431)	\$ (198,291,000)
Fair Value of Assets	107,270,087	121,881,000
Funded Status	\$ (92,469,344)	\$ (76,410,000)
Net Periodic Cost		
Service Cost	\$ 2,921,799	\$ 3,147,000
Interest Cost	11,885,419	11,393,000
Expected Return on Assets	(7,538,715)	(7,816,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(201,955)	(202,000)
• Net (Gain) or Loss	4,805,024	4,307,000
ASC 715 Expense	\$ 11,871,572	\$ 10,829,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 11,871,572	\$ 10,829,000

Assumptions:

Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - Nantucket Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (1,201,427)	\$ (1,193,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,201,427)	\$ (1,193,000)
Net Periodic Cost		
Service Cost	\$ 33,321	\$ 36,000
Interest Cost	72,616	69,000
Expected Return on Assets	960	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	212	0
• Net (Gain) or Loss	0	26,000
ASC 715 Expense	\$ 107,109	\$ 131,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 107,109	\$ 131,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - Narragansett Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (97,371,883)	\$ (96,666,000)
Fair Value of Assets	46,316,528	50,468,000
Funded Status	\$ (51,055,355)	\$ (46,198,000)
Net Periodic Cost		
Service Cost	\$ 1,283,775	\$ 1,383,000
Interest Cost	5,780,383	5,554,000
Expected Return on Assets	(3,236,394)	(3,236,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(79,312)	(79,000)
• Net (Gain) or Loss	2,644,250	2,100,000
ASC 715 Expense	\$ 6,392,702	\$ 5,722,000
Special Termination Benefits	\$ 0	\$ 0
Curtailement Expense	\$ 0	\$ 0
Total RW Expense	\$ 6,392,702	\$ 5,722,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - NE Power**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (24,110,040)	\$ (23,935,000)
Fair Value of Assets	18,971,361	20,756,000
Funded Status	\$ (5,138,679)	\$ (3,179,000)
Net Periodic Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	1,408,553	1,375,000
Expected Return on Assets	(1,276,102)	(1,331,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	3,411	3,000
• Net (Gain) or Loss	1,037,847	520,000
ASC 715 Expense	\$ 1,173,709	\$ 567,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 1,173,709	\$ 567,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - NGUSCO**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (65,858,189)	\$ (65,380,000)
Fair Value of Assets	39,459,545	44,658,000
Funded Status	\$ (26,398,644)	\$ (20,722,000)
Net Periodic Cost		
Service Cost	\$ 1,055,938	\$ 1,138,000
Interest Cost	3,927,893	3,757,000
Expected Return on Assets	(2,769,230)	(2,864,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(39,454)	(39,000)
• Net (Gain) or Loss	1,650,655	1,420,000
ASC 715 Expense	\$ 3,825,802	\$ 3,412,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 3,825,802	\$ 3,412,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - NE Gas**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (19,903,655)	\$ (19,759,000)
Fair Value of Assets	9,039,095	9,674,000
Funded Status	\$ (10,864,560)	\$ (10,085,000)
Net Periodic Cost		
Service Cost	\$ 257,363	\$ 277,000
Interest Cost	1,182,525	1,135,000
Expected Return on Assets	(640,784)	(620,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	12,217	12,000
• Net (Gain) or Loss	108,754	209,000
ASC 715 Expense	\$ 920,075	\$ 1,013,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 920,075	\$ 1,013,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - Granite State**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (6,136,828)	\$ (6,092,000)
Assets at Bid Value	3,602,177	3,975,000
Funded Status	\$ (2,534,651)	\$ (2,117,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 96,748	\$ 104,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(6,479)	(6,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 90,269	\$ 98,000
Financing Expense		
Interest Cost	\$ 367,240	\$ 350,000
Expected Return on Assets	(287,537)	(301,000)
Total Financing Expense	\$ 79,703	\$ 49,000
Total P&L Expense	\$ 169,972	\$ 147,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - Mass Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (199,739,431)	\$ (198,291,000)
Assets at Bid Value	107,260,127	121,877,000
Funded Status	\$ (92,479,304)	\$ (76,414,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,921,799	\$ 3,147,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(208,736)	(209,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 2,713,063	\$ 2,938,000
Financing Expense		
Interest Cost	\$ 11,885,419	\$ 11,393,000
Expected Return on Assets	(8,487,467)	(9,221,000)
Total Financing Expense	\$ 3,397,952	\$ 2,172,000
Total P&L Expense	\$ 6,111,015	\$ 5,110,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
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**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - Nantucket Electric**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (1,201,427)	\$ (1,193,000)
Assets at Bid Value	0	0
Funded Status	\$ (1,201,427)	\$ (1,193,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 33,321	\$ 36,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	147	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 33,468	\$ 36,000
Financing Expense		
Interest Cost	\$ 72,616	\$ 69,000
Expected Return on Assets	960	0
Total Financing Expense	\$ 73,576	\$ 69,000
Total P&L Expense	\$ 107,044	\$ 105,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
Aon Hewitt		

National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - Narragansett Electric

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (97,371,883)	\$ (96,666,000)
Assets at Bid Value	46,312,227	50,466,000
Funded Status	\$ (51,059,656)	\$ (46,200,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 1,283,775	\$ 1,383,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(84,763)	(85,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 1,199,012	\$ 1,298,000
Financing Expense		
Interest Cost	\$ 5,780,383	\$ 5,554,000
Expected Return on Assets	(3,646,041)	(3,818,000)
Total Financing Expense	\$ 2,134,342	\$ 1,736,000
Total P&L Expense	\$ 3,333,354	\$ 3,034,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10

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**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - NE Power**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (24,110,040)	\$ (23,935,000)
Assets at Bid Value	18,969,599	20,755,000
Funded Status	\$ (5,140,441)	\$ (3,180,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(3,519)	(4,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ (3,519)	\$ (4,000)
Financing Expense		
Interest Cost	\$ 1,408,553	\$ 1,375,000
Expected Return on Assets	(1,443,895)	(1,570,000)
Total Financing Expense	\$ (35,342)	\$ (195,000)
Total P&L Expense	\$ (38,861)	\$ (199,000)
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
Aon Hewitt		

**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - NGUSCO**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (65,858,189)	\$ (65,380,000)
Assets at Bid Value	39,455,881	44,657,000
Funded Status	\$ (26,402,308)	\$ (20,723,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 1,055,938	\$ 1,138,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(74,976)	(74,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 980,962	\$ 1,064,000
Financing Expense		
Interest Cost	\$ 3,927,893	\$ 3,757,000
Expected Return on Assets	(3,118,230)	(3,379,000)
Total Financing Expense	\$ 809,663	\$ 378,000
Total P&L Expense	\$ 1,790,625	\$ 1,442,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
Aon Hewitt		

**National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - NE Gas**

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (19,903,655)	\$ (19,759,000)
Assets at Bid Value	9,038,256	9,674,000
Funded Status	\$ (10,865,399)	\$ (10,085,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 257,363	\$ 277,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	2,126	2,000
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 259,489	\$ 279,000
Financing Expense		
Interest Cost	\$ 1,182,525	\$ 1,135,000
Expected Return on Assets	(720,730)	(732,000)
Total Financing Expense	\$ 461,795	\$ 403,000
Total P&L Expense	\$ 721,284	\$ 682,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	RP2000CH_10
Aon Hewitt		

Division 3-9

Request:

Referring to the response to DIV 1-8, please explain why the ARP plant retirements are based on a composite percentage rather than on specific identification.

Response:

The ARP program revenue requirement is based on total ARP spending above a \$13.3 million threshold level of spending. A composite percentage for plant retirements is required because it is not possible to know which ARP assets comprise the amount above the threshold.

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