

September 3, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4431 - 2013 Distribution Adjustment Charge (“DAC”)
Responses to Division Data Requests – Set 1**

Dear Ms. Massaro:

Enclosed are National Grid’s responses to the Rhode Island Division’s (the “Division”) First Set of Data Requests concerning the above-referenced proceeding.

The Company’s responses to Division 1-15 and Division 1-16 will be forthcoming.

Thank you for your attention to this filing. If you have any questions, please do not hesitate to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Leo Wold, Esq.
Steve Scialabba
Bruce Oliver

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Copies of this filing were hand delivered to the RI Public Utilities Commission.

 Joanne M. Scanlon
 National Grid

September 3, 2013

Date

**Docket No. 4431 – National Grid –2013 Annual Distribution Adjustment
 Charge Filing (“DAC”) - Service List as of 8/7/13**

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File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Luly.massaro@puc.ri.gov	401-780-2107
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	Sharon.ColbyCamara@puc.ri.gov	

Division 1-1

Request:

Please provide Schedule WRR-1 in Excel spreadsheet format.

Response:

Please see Schedule WRR-1-S in hard copy attached and in Excel spreadsheet format. The Company has revised Schedule WRR-1 as described in our response to Division data request DIV 1-4. These revisions have resulted in increased carrying charges owed to customers \$99,095 and \$18,387 for pensions and PBOPs, respectively, from the amounts reflected in the Company's original August 1 filing.

In addition, the Company revised the pension and PBOP estimates for National Grid USA Service Company, Inc. (NG-USA Service Co.) on Line 35 of Page 5 and Line 34 of Page 6 of Schedule WRR-1-S. The Company's original filing inadvertently omitted pension and PBOP costs of NG-USA Service Co personnel who are members of the Niagara Mohawk pension and PBOP plans, as well as supplemental NG-USA Service Co pension costs. The actuarial reports supporting these costs are included in the Company's response to DIV 1-2 in Attachment DIV 1-2-B. These revisions have resulted in increased under-recovered pension costs of \$275,605, and a decrease in over-recovered PBOP costs of \$69,781 from the Company's original filing.

The net impact of all revisions for both pensions and PBOPs is a net increase of \$227,904, from the amounts reflected in the Company's original filing.

Finally, despite the revisions proposed here, it is important to note that the Company proposes to true-up estimated amounts included in this revised pension and PBOP reconciliation to actual once the amounts are known, and include the difference in the pension and PBOP reconciliation to be filed with the 2014 DAC.

**Narragansett Electric - Gas Operations
Pension Costs
9 Months Ended March 31, 2013**

<u>Line No.</u>		<u>July 2012 thru January 2013</u> (a)	<u>February 2013 thru March 2013</u> (b)	<u>Total</u> (c)
1	<u>Rate Allowance:</u>			
2	National Grid - RI Gas Pension Costs Allowance	\$2,786,862	\$783,721	\$3,570,583
3	National Grid - Service Company Allocated Pension Costs Allowance	160,139	496,255	\$656,394
4	Total Pension Costs	\$2,947,001	\$1,279,975	\$4,226,977
5				
6	<u>Expense Reconciliation:</u>			
7	July - October Actual Pension Expense Including Service Company-Allocated Expense			\$2,758,015
8	November - March Estimated Pension Expense Including Service Company-Allocated Expense			3,329,299
9				
10	Total Current Year Pension Expense Including Service Company-Allocated Expense			\$6,087,314
11				
12	Rate Allowance			\$4,226,977
13				
14	Current Year Regulatory Expense Reconciliation			\$1,860,337
15				
16	Funding Carrying Charge			(\$99,095)

Line Notes:

- 2(a) Docket No. 3943, Attachment NG-MDL-3, Page 1 of 2, Line 2, prorated for 7 months
- 2(b) Docket No. 4323, Attachment MDL-3-GAS, Page 36 of 65, Line 1(e), prorated for 2 months
- 3(a) Docket No. 3943, Attachment NG-MDL-3, Page 1 of 2, Line 3, prorated for 7 months
- 3(b) Docket No. 4323, Attachment MDL-3-GAS, Page 36 of 65, sum of Lines 2(e) through 5(e), prorated for 2 months
- 4 Line 2 + Line 3
- 7 Pension expense per books
- 8 Page 5 of 6, Line 8(f)
- 10 Line 7 + Line 8
- 12 Line 4
- 14 Line 10 - Line 12
- 16 - Page 3 of 6, line 27(h)

Narragansett Electric - Gas Operations
Post-Retirement Benefits Other Than Pension (PBOP) Costs
9 Months Ended March 31, 2013

Line No.		July 2012 thru <u>January 2013</u> (a)	February 2013 <u>thru March 2013</u> (b)	<u>Total</u> (c)
1	<u>Rate Allowance</u>			
2	National Grid - RI Gas PBOP Costs Allowance	\$2,383,723	\$411,728	\$2,795,450
3	National Grid - Service Company Allocated PBOP Costs Allowance	280,870	308,740	589,610
4	Total PBOP Costs	<u>\$2,664,593</u>	<u>\$720,467</u>	<u>\$3,385,060</u>
5				
6	<u>Expense Reconciliation</u>			
7	July - October Actual PBOP Expense Including Service Company-Allocated Expense			\$1,219,708
8	November - March Estimated PBOP Expense Including Service Company-Allocated Expense			<u>1,593,314</u>
9				
10	Total Current Year PBOP Expense Including Service Company-Allocated Expense			\$2,813,022
11				
12	Rate Allowance			\$3,385,060
13				
14	Current Year Regulatory Expense Reconciliation			(\$572,038)
15				
16	Funding Carrying Charge			(\$272,018)

Line Notes:

- 2(a) Docket No. 3943, Attachment NG-MDL-3, Page 2 of 2, Line 2, prorated for 7 months
- 2(b) Docket No. 4323, Attachment MDL-3-GAS, Page 35 of 65, Line 1(e), prorated for 2 months
- 3(a) Docket No. 3943, Attachment NG-MDL-3, Page 2 of 2, Line 3, prorated for 7 months
- 3(b) Docket No. 4323, Attachment MDL-3-GAS, Page 35 of 65, sum of Lines 2(e) through 5(e), prorated for 2 months
- 4 Line 2 + Line 3
- 7 PBOP expense per books
- 8 Page 6 of 6, Line 8(f)
- 10 Line 7 + Line 8
- 12 Line 4
- 14 Line 10 - Line 12
- 16 - Page 4 of 6, Line 27(h)

Narragansett Electric - Gas Operations
Pension Funding Carrying Charges
9 Months Ended March 31, 2013

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Dkt 3943	Dkt 4323	Mar-2012	Jun-2012	Sep-2012	Dec-2012	Mar-2013	
Customer Funding								
1 Base Rate Recovery:								
2 Direct	\$4,777,478	\$4,702,324	\$1,194,369	\$1,194,369	\$1,194,369	\$1,194,369	\$1,181,844	
3 Servco	\$274,525	\$2,977,528	\$68,631	\$68,631	\$68,631	\$68,631	\$519,132	
4								
5 PAM Surcharge Recovery:	\$2,578,314	\$2,481,524	\$644,579	\$644,579	\$644,579	\$628,447	\$620,381	
6 Exclude Carrying Charge Credit			\$0	\$0	\$0	\$0	\$0	
7 Pension Capitalized Amount:								
8 Direct	\$3,799,162	\$4,050,423	\$949,791	\$949,791	\$949,791	\$949,791	\$991,667	
9 Servco	\$565,799	\$728,424	\$141,450	\$141,450	\$141,450	\$141,450	\$168,554	
10 Charged to Affiliates	\$124,287	\$0	\$31,072	\$31,072	\$31,072	\$31,072	\$10,357	
11								
12 Total Customer Funding:			\$3,029,891	\$3,029,891	\$3,029,891	\$3,013,759	\$3,491,935	
13								
14 Company Contributions¹			Jun-2012	Sep-2012	Dec-2012	Mar-2013	Jun-2013	
15 Pension			\$2,608,000	\$2,317,000	\$3,739,000	895,000	2,004,250	
16								
17 Service Company Allocated Costs			\$210,081	\$210,081	\$210,081	\$210,081	\$687,686	
18 Total Contributions			\$2,818,081	\$2,527,081	\$3,949,081	\$1,105,081	\$2,691,936	
19								
20 Under/(Over) Funding			\$211,810	\$502,810	(\$919,190)	\$1,908,679	\$799,999	
21								
22 Cumulative Under/(Over) Funding			\$211,810	\$714,621	(\$204,569)	\$1,704,110	\$2,504,109	
23 Five Quarter Average								\$986,016
24								
25 Base for Carrying Charge (greater of line 22 or zero)								\$986,016
26 Pre-tax WACC								10.05%
27 Carrying Charge								<u>\$99,095</u>

Company Contributions¹-This amount represents dollars funded in the subsequent quarter

Line Notes

- 2(a) Docket No. 3943, Attachment NG-MDL-3, Page 1 of 2, Line 2
- 2(b) Docket No. 4323, Attachment MDL-3-GAS, Page 36 of 65, Line 1(e)
- 2(c)-2(f) Line 2(a) ÷ 12 x 3
- 2(g) (Line 2(a) ÷ 12 x 1) + (Line 2(b) ÷ 12 x 2)
- 3(a) Docket No. 3943, Attachment NG-MDL-3, Page 1 of 2, Line 3
- 3(b) Docket No. 4323, Attachment MDL-3-GAS, Page 36 of 65, sum of Lines 2(e) through 5(e)
- 3(c)-3(f) Line 3(a) ÷ 12 x 3
- 3(g) (Line 3(a) ÷ 12 x 1) + (Line 3(b) ÷ 12 x 2)
- 5(a) Docket No. 4339, Attachment MCS-5, Page 2 of 3, Line 11(c)
- 5(b) Docket No. 4339, Attachment MCS-5, Page 2 of 3, Line 11(d)
- 5(c)-5(f) Line 5(a) ÷ 12 x 3
- 5(g) (Line 5(a) ÷ 12 x 1) + (Line 5(b) ÷ 12 x 2)
- 8(a) From Company Books (data for the 12 months ended October 31, 2012)
- 8(b) Page 5 of 6, Line 1(a) - Line 4(a)
- 8(c)-8(f) Line 8(a) ÷ 12 x 3
- 8(g) (Line 8(a) ÷ 12 x 1) + (Line 8(b) ÷ 12 x 2)
- 9(a) From Company Books (data for the 12 months ended October 31, 2012)
- 9(b) Page 5 of 6 (Line 1(b) x Line 2(b) x (1 - Line 3(b))) + (Line 1(d) x Line 2(d) x (1 - Line 3(d)))
- 9(c)-9(f) Line 9(a) ÷ 12 x 3
- 9(g) (Line 9(a) ÷ 12 x 1) + (Line 9(b) ÷ 12 x 2)
- 10(a) From Company Books (data for the 12 months ended October 31, 2012)
- 10(c)-10(f) Line 10(a) ÷ 12 x 3
- 10(g) (Line 10(a) ÷ 12 x 1) + (Line 10(b) ÷ 12 x 2)
- 12 Sum of Line 2 through Line 10
- 15 Per Company Books

Narragansett Electric - Gas Operations
PBOP Funding - Carrying Charges
9 Months Ended March 31, 2013

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Dkt 3943	Dkt 4323	Mar-2012	Jun-2012	Sep-2012	Dec-2012	Mar-2013	
Customer Funding								
1 Base Rate Recovery:								
2 Direct	\$4,086,382	\$2,470,365	\$1,021,596	\$1,021,596	\$1,021,596	\$1,021,596	\$752,259	
3 Servco	\$481,491	\$1,852,439	\$120,373	\$120,373	\$120,373	\$120,373	\$348,864	
4								
5 PAM Surcharge Recovery:	\$1,482,590	(\$510,699)	\$370,648	\$370,648	\$370,648	\$38,433	(\$127,675)	
6 Exclude Carrying Charge Credit			\$0	\$0	\$0	\$0	\$0	
7 OPEB Capitalized Amount:								
8 Direct	\$1,870,668	\$1,752,799	\$467,667	\$467,667	\$467,667	\$467,667	\$448,022	
9 Servco	\$318,075	\$364,708	\$79,519	\$79,519	\$79,519	\$79,519	\$87,291	
10 Charged to Affiliates	\$59,981		\$14,995	\$14,995	\$14,995	\$14,995	\$4,998	
11								
12 Total Customer Funding:			\$2,074,797	\$2,074,797	\$2,074,797	\$1,742,582	\$1,513,760	
13								
14 Company Contributions¹			Jun-2012	Sep-2012	Dec-2012	Mar-2013	Jun-2013	
15 OPEB			\$1,237,145	\$703,705	\$700,980	701,719	621,709	
16								
17 Service Company Allocated Costs			\$199,892	\$199,892	\$199,892	\$199,892	\$436,155	
18			\$1,437,037	\$903,597	\$900,872	\$901,610	\$1,057,864	
19								
20 Under/(Over) Funding			\$637,760	\$1,171,200	\$1,173,925	\$840,971	\$455,896	
21								
22 Cumulative Funding Under/(Over) Funding			\$637,760	\$1,808,960	\$2,982,885	\$3,823,856	\$4,279,752	
23 Four Quarter Average								\$2,706,643
24								
25 Base for Carrying Charge (greater of line 22 or zero)								\$2,706,643
26 Pre-tax WACC								10.05%
27 Carrying Charge								<u>\$272,018</u>

Company Contributions¹-This amount represents dollars funded in the subsequent quarter

Line Notes

- 2(a) Docket No. 3943, Attachment NG-MDL-3, Page 2 of 2, Line 3
- 2(b) Docket No. 4323, Attachment MDL-3-GAS, Page 36 of 65, Line 1(e)
- 2(c)-2(f) Line 2(a) ÷ 12 x 3
- 2(g) (Line 2(a) ÷ 12 x 1) + (Line 2(b) ÷ 12 x 2)
- 3(a) Docket No. 3943, Attachment NG-MDL-3, Page 2 of 2, Line 4
- 3(b) Docket No. 4323, Attachment MDL-3-GAS, Page 36 of 65, sum of Lines 2(e) through 5(e)
- 3(c)-3(f) Line 3(a) ÷ 12 x 3
- 3(g) (Line 3(a) ÷ 12 x 1) + (Line 3(b) ÷ 12 x 2)
- 5(a) Docket No. 4339, Attachment MCS-5, Page 3 of 3, Line 11(c)
- 5(b) Docket No. 4339, Attachment MCS-5, Page 3 of 3, Line 11(d)
- 5(c)-5(f) Line 5(a) ÷ 12 x 3
- 5(g) (Line 5(a) ÷ 12 x 1) + (Line 5(b) ÷ 12 x 2)
- 8(a) From Company Books (data for the 12 months ended October 31, 2012)
- 8(b) Page 6 of 6, Line 1(a) - Line 4(a)
- 8(c)-8(f) Line 8(a) ÷ 12 x 3
- 8(g) (Line 8(a) ÷ 12 x 1) + (Line 8(b) ÷ 12 x 2)
- 9(a) From Company Books (data for the 12 months ended October 31, 2012)
- 9(b) Page 6 of 6 (Line 1(b) x Line 2(b) x (1 - Line 3(b))) + (Line 1(d) x Line 2(d) x (1 - Line 3(d)))
- 9(c)-9(f) Line 9(a) ÷ 12 x 3
- 9(g) (Line 9(a) ÷ 12 x 1) + (Line 9(b) ÷ 12 x 2)
- 10(a) From Company Books (data for the 12 months ended October 31, 2012)
- 10(c)-10(f) Line 10(a) ÷ 12 x 3
- 10(g) (Line 10(a) ÷ 12 x 1) + (Line 10(b) ÷ 12 x 2)
- 12 Sum of Line 2 through Line 10
- 15 Per Company Books
- 17 Per Company Books
- 18 Sum of Line 15 through Line 17
- 20 Line 12 - Line 18
- 22 Current year Line 20 + prior year Line 22
- 23 Average of Column (c) through Column (g)
- 25 If Line 23 is greater than zero, Line 23 if not, zero
- 26 Docket No. 4323
- 27 Line 25 x Line 26

**Narragansett Electric - Gas Operations
Estimated Pension Expense
Fiscal Year Ended March 31, 2013**

	(a)	(b)	(c)	(d)	(e)	(a)+(b)+(c)+(d)+(e) (f)
	<u>Company Direct</u>	<u>KeySpan Service Company</u>	<u>FAS87 Costs KeySpan Utility Company</u>	<u>National Grid USA Service Company</u>	<u>Other</u>	<u>Total</u>
1 Actuarial Pension Total Cost	\$8,845,650	\$64,694,423	\$4,910,580	\$48,298,473		
2 Percentage Charged to Company- Total	100.00%	2.29%	0.65%	4.99%		
3 O & M Percentage Charged to Company Labor	54.21%	92.12%	100.00%	74.62%		
4 Total Actuarial Company FAS 87 Costs to O&M	\$4,795,227	\$1,364,760	\$31,919	\$1,798,412	\$0	\$7,990,318
5						\$0
6 Total Estimated Pension Expense	\$4,795,227	\$1,364,760	\$31,919	\$1,798,412	\$0	\$7,990,318
7						
8 Pension Expense Pro Rated for 5 Months						\$3,329,299

	(g) FY 2013
Company Direct	
FAS 87 Cost per Hewitt	\$4,780,390
Fair Value Amortization	\$4,065,260
Company Direct Total Pension Cost	\$8,845,650
KeySpan Corporate Services	
FAS 87 Cost per Hewitt	\$64,694,423
Fair Value Amortization	\$0
KeySpan Corporate Services Total Pension Cost	\$64,694,423
Keyspan Utility Company	
FAS 87 Cost per Hewitt	\$4,910,580
Fair Value Amortization	\$0
Keyspan Utility Serv Co. Total Pension Cost	\$4,910,580
National Grid Service Company	
FAS 87 Cost per Hewitt	\$57,636,464
Fair Value Amortization	(\$9,337,991)
National Grid Service Company Total Pension Cost	\$48,298,473

Line Notes

- 1(a) Line 16(g)
- 1(b) Line 23(g)
- 1(c) Line 30(g)
- 1(d) Line 37(g)
- 2 Docket No. 4323, Schedule MDL-3-GAS, Page 36 of 65, Line 21
- 3 Docket No. 4323, Schedule MDL-3-GAS, Page 36 of 65, Line 22
- 4 Line 1 x Line 2 x Line 3
- 6 Line 4
- 8(f) Line 6(f) ÷ 12 x 5
- 14 2013 Actuary Report
- 15 From Company Books
- 16 Line 14 + Line 15
- 21 2013 Actuary Report
- 22 From Company Books
- 23 Line 21 + Line 22
- 28 2013 Actuary Report
- 29 From Company Books
- 30 Line 28 + Line 29
- 35 2013 Actuary Report
- 36 From Company Books
- 37 Line 35 + Line 36

Narragansett Electric - Gas Operations
Estimated Post-Employment Benefits Other than Pensions (PBOP) Expense
Fiscal Year Ended March 31, 2013

	(a)	(b)	(c)	(d)	(e)	(a)+(b)+(c)+(d)+(e) (f)
	FAS106 Costs					
	Company Direct	KeySpan Service Company	KeySpan Utility Company	National Grid USA Service Company	Other	Total
1 Acutarial PBOP Total Cost	\$3,827,908	\$41,478,830	\$3,324,901	\$22,887,264		
2 Percentage Charged to Company- Total	100.00%	2.29%	0.65%	4.99%		
3 O & M Percentage Charged to Company Labor	54.21%	92.12%	100.00%	74.62%		
4 Total Company Rate Year FAS 106 Costs to O&M	\$2,075,109	\$875,016	\$21,612	\$852,216	\$0	\$3,823,953
5						\$0
6 Total Estimated PBOP Expense	\$2,075,109	\$875,016	\$21,612	\$852,216	\$0	\$3,823,953
7						
8 PBOP Expense Pro Rated for 5 Months						\$1,593,314
9						

	(g) FY 2013
Company Direct	
FAS 106 Cost per Hewitt	\$2,038,178
Fair Value Amortization	\$1,789,730
Company Direct Total POBP Cost	\$3,827,908

	FY 2013
KeySpan Corporate Services	
FAS 106 Cost per Hewitt	\$41,478,830
Fair Value Amortization	\$0
KeySpan Corporate Services Total POBP Cost	\$41,478,830

	FY 2013
KeySpan Utility Services	
FAS 106 Cost per Hewitt	\$3,324,901
Fair Value Amortization	\$0
KeySpan Utility Services Total POBP Cost	\$3,324,901

	FY 2013
National Grid Service Company	
FAS 106 Cost per Hewitt	\$22,527,885
Fair Value Amortization	\$359,379
National Grid Service Company Total POBP Cost	\$22,887,264

Line Notes

- 1(a) Line 15
- 1(b) Line 22
- 1(c) Line 29
- 1(d) Line 36
- 2 Docket No. 4323, Schedule MDL-3-GAS, Page 35 of 65, Line 22
- 3 Docket No. 4323, Schedule MDL-3-GAS, Page 35 of 65, Line 23
- 4 Line 1 x Line 2 x Line 3
- 6 Line 4
- 8(f) Line 6(f) ÷ 12 x 5
- 15 2013 Actuary Report
- 16 From Company Books
- 17 Line 13 + Line 14
- 20 2013 Actuary Report
- 21 From Company Books
- 22 Line 20 + Line 21
- 27 2013 Actuary Report
- 28 From Company Books
- 29 Line 27 + Line 28
- 34 2013 Actuary Report
- 35 From Company Books
- 36 Line 34 + Line 35

Division 1-2

Request:

Referring to WRR-1, Page 1, please provide documentation supporting the July-October 2012 actual pension expense.

Response:

See Attachment DIV 1-2-A for the documentation supporting the July-October 2012 actual pension expense and Attachment DIV 1-2-B for the related actuary reports supporting the monthly accrual amounts.

Narragansett Electric - Gas Operations
Pension Costs
July 2012 - October 2012

		(a)	(b)	(c)	(d)	(a)+(b)+(c)+(d)=(e)
	Type of Expense	July	August	September	October	Grand Total
1						
2	Pension	421,833.00	421,833.00	281,031.00	398,366.00	1,523,063.00
3	Accrual	338,772.00	338,772.00	338,772.00	338,772.00	1,355,088.00
4	Amortization	80,201.00	77,094.00	79,493.00	91,203.00	327,991.00
5	DAC Collections	(229,185.00)	(379,572.00)	(52,193.00)	(52,193.00)	(713,143.00)
6	Deferred True-Up	127,607.94	122,216.17	109,704.41	108,718.13	468,246.65
7	KeySpan Corporate Services LLC				1,205.17	1,205.17
8	KeySpan Utility Services LLC	130,942.42	149,512.25	146,148.48	531,323.14	957,926.29
9	National Grid USA Service Company, Inc.	12,744.30	7,862.72	17,846.23	14,817.25	53,270.50
10	Other NG Affiliate Charges		0.00			0.00
11	Transferred from 174000	(298,540.90)	(403,066.18)	(338,853.82)	(560,323.87)	(1,600,784.77)
12	Transferred to Capital/Other NG Affiliate	584,374.76	334,651.96	581,948.30	871,887.82	2,372,862.84
13	Grand Total					

13
14
15
16
17
18
19
20

Beginning Balance	2,372,862.84
less DAC recoveries	327,991.00
less Deferral	<u>(713,143.00)</u>
Total Current Actual Pension Expense	2,758,014.84

Line notes

- 2 From Page 2 of 2, Line 9
- 3-11 From Company Books
- 12 Sum of Line 2 through Line 11
- 16 Line 12
- 17 Line 4
- 18 Line 5
- 20 Line 16 minus Line 17 minus Line 18

Narragansett Electric - Gas Operations
For the 4 Months Ended October 31, 2012

Line No.	(a)	Total (b)
1	<u>April 1, 2012 through October 31, 2012</u>	
2		
3	Hewitt Actuarial Report	\$ 4,780,390
4		
5	Less:	
6	Apr-12 - Jun-12 Accrual	1,265,498
7	Nov-12 - Mar-12 Accrual	1,991,829
8		
9	Adjusted Total	<u>1,523,063</u>

Line Notes:

- 3 DIV 1-2 Attachment B, Page 3
- 6 From Company Books
- 7 Line 3 divided by 12 times 5
- 9 Line 3 minus Line 6 minus Line 7



September 13, 2012

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

Dear Mari:

Subject: Preliminary FAPP Pension Expense Results under US GAAP and IFRS—
April 1, 2012 through March 31, 2013

We have completed the preliminary Fiscal Year 2013 ASC 715 and IAS 19 expense results for the National Grid USA Companies' Final Average Pay Pension Plan.

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

- 5.10 percent discount rate assumption
- 3.5 percent salary increase assumption
- 7.25 percent expected long-term rate of return on assets
- Active company codes as provided by National Grid
- Generational Mortality table for all participants
- The April 1, 2012 market value of assets for ASC 715 purposes
- The April 1, 2012 bid value of assets for IAS 19 purposes

US GAAP

ASC 715 expense for the period April 1, 2012 through March 31, 2013 (by company) is shown below. Total expense is \$89.7 million. Due to the Granite State spinoff, we have reflected 3 months of service cost, interest cost, and expected return on assets for Granite State. We have **not** reflected any accounting associated with the sale of Granite State.

	ASC 715 Expense/(Income)
Granite State	\$ 793,953
Mass Electric	27,833,950
Nantucket	351,304
Narragansett	11,739,184
New England Power	4,350,243
NGUSCO	39,872,352
New England Gas	4,780,390
Total	<u>\$ 89,721,376</u>

Ms. Mari-Louise Messuri
Page 2
September 13, 2012



IFRS

Total IAS 19 expense is \$17.1 million. Please note that we have not reflected any accounting due to the Granite State spin-off. If National Grid determines that the spin-off is material we will need to revise the results. Expense by company for the period April 1, 2012 through March 31, 2013 is as follows:

	IAS 19
	Expense/(Income)
Granite State	\$ 40,839
Mass Electric	5,943,824
Nantucket	99,252
Narragansett	1,936,560
New England Power	(1,289,634)
NGUSCO	9,228,885
New England Gas	<u>1,096,648</u>
Total	<u>\$ 17,056,374</u>

ASC 715 expense is approximately \$3.3 million higher than our prior estimate. IAS 19 expense is approximately \$0.7 million higher than our prior estimate.

In preparing these valuations, we have relied upon participant data as of January 1, 2012 and plan design and asset information supplied by National Grid as of April 1, 2012. 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 is a summary of the 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

4844L1000

cc: Mr. James Allen, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Ms. Francine Kollydas, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Eileen Leahy, National Grid USA
Ms. Lorraine Lynch, National Grid USA
Mr. Mark Merzbacher, National Grid USA
Ms. Maria Napenas, National Grid USA
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Ms. Tara Sullivan, National Grid USA
Mr. Bradley White, National Grid USA
Mr. Jon Brophy, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

**National Grid USA
ASC 715 Expense for NG FAPP Plan
April 1, 2012 through March 31, 2013**

	Granite St	Mass Elec	Narr Elec	NE Power	NGUSCO	Nantucket	NE Gas	Total
Reconciliation of Funded Status, 4/1/2012								
Projected Benefit Obligation	(21,284,665)	(551,635,060)	(246,328,836)	(140,896,636)	(780,154,141)	(6,443,157)	(201,709,010)	(1,948,451,505)
Assets at Fair Value *	<u>17,112,181</u>	<u>443,496,719</u>	<u>198,040,405</u>	<u>113,276,331</u>	<u>627,218,658</u>	<u>5,180,090</u>	<u>162,167,510</u>	<u>1,566,491,892</u>
Funded Status	(4,172,484)	(108,138,341)	(48,288,431)	(27,620,305)	(152,935,483)	(1,263,067)	(39,541,500)	(381,959,613)
Unrecognized:								
Net Transition Obligation								0
Prior Service Cost								4,919,684
Net (Gain)/Loss								<u>777,128,574</u>
(Accrued)/Prepaid Cost								400,088,645
ASC 715 Expense, 4/1/2012 - 3/31/2013								
Service Cost	87,726	10,779,689	4,133,796	0	15,857,220	151,883	2,892,979	33,903,293
Interest Cost	264,048	27,396,438	12,196,336	6,943,478	38,912,956	323,756	9,989,830	96,026,842
Expected Return on Assets *	(280,650)	(29,094,405)	(12,991,906)	(7,431,188)	(41,146,986)	(339,826)	(10,638,562)	(101,923,523)
Amortization of								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	23,462	626,716	307,135	208,400	615,016	3,783	149	1,784,661
Net (Gain)/Loss *	699,367	18,125,512	8,093,823	4,629,553	25,634,146	211,708	2,535,994	59,930,103
Net Periodic Pension Cost	793,953	27,833,950	11,739,184	4,350,243	39,872,352	351,304	4,780,390	89,721,376
Curtailment/Settlement Cost	0	0	0	0	0	0	0	0
Total Expense/(Income)	793,953	27,833,950	11,739,184	4,350,243	39,872,352	351,304	4,780,390	89,721,376
Assumptions								
Discount Rate								5.10%
Expected Return on Assets								7.25%
Average Salary Scale								3.50%
Nonunion								3.50%
Union								2008 IRS GEN
Mortality								1,413,432,957
Market Related Value of Assets								100,080,000
Expected Benefit Payments								92,765,482
Expected Contributions								

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

National Grid USA
IAS 19 Expense for FAPP Plan
April 1, 2012 through March 31, 2013

	Granite St	Mass Elec	Narr Elec	NE Power	NGUSCO	Nantucket	NE Gas	Total
Reconciliation of Funded Status, 4/1/2012								
Projected Benefit Obligation	(21,284,665)	(551,635,060)	(246,328,836)	(140,896,636)	(780,154,141)	(6,443,157)	(201,709,010)	(1,948,451,505)
Assets at Bid Value *	17,111,124	443,469,321	198,028,171	113,269,333	627,179,909	5,179,770	162,157,492	1,566,395,120
Funded Status	(4,173,541)	(108,165,739)	(48,300,665)	(27,627,303)	(152,974,232)	(1,263,387)	(39,551,518)	(382,056,385)
Prior Service Costs	0	1,774	333	0	46,001	111	443	48,662
(Accrued)/Prepaid Cost	(4,173,541)	(108,163,965)	(48,300,332)	(27,627,303)	(152,928,231)	(1,263,276)	(39,551,075)	(382,007,723)
P&L Pension Expense, 4/1/2012 - 3/31/2013								
Operating Expense								
Service Cost	87,726	10,779,689	4,133,796	0	15,857,220	151,883	2,892,979	33,903,293
Exceptional Costs (STBs)	0	0	0	0	0	0	0	0
Prior Service Costs - On-going cost	0	1,774	333	0	46,001	111	443	48,662
Prior Service Costs - One-time charge	0	0	0	0	0	0	0	0
Curtailment/Settlement Costs	0	0	0	0	0	0	0	0
Total Operating Expense	87,726	10,781,463	4,134,129	0	15,903,221	151,994	2,893,422	33,951,955
Financing Expense								
Interest Cost	264,048	27,396,438	12,196,336	6,943,478	38,912,956	323,756	9,989,830	96,026,842
Expected Return on Assets *	(310,935)	(32,234,077)	(14,393,905)	(8,233,112)	(45,587,292)	(376,498)	(11,786,604)	(112,922,423)
Total Financing Expense	(46,887)	(4,837,639)	(2,197,569)	(1,289,634)	(6,674,336)	(52,742)	(1,796,774)	(16,895,581)
Total P&L Expense	40,839	5,943,824	1,936,560	(1,289,634)	9,228,885	99,252	1,096,648	17,056,374
Assumptions								
Discount Rate								5.10%
Expected Return on Assets								7.25%
Average Salary Scale								
Nonunion								3.50%
Union								3.50%
Mortality								2008 IRS GEN
Expected Benefit Payments								100,080,000
Expected Contributions								92,765,482

* Allocation in proportion to the projected benefit obligation



September 18, 2012

Ms. Mari-Louise Messuri
National Grid USA
40 Sylvan Road
Waltham, MA 0245

Dear Mari,

Subject: Preliminary KeySpan Pension Expense Results under US GAAP and IFRS —
April 1, 2012 through March 31, 2013

Enclosed are the preliminary Fiscal Year 2013 ASC 715 and IAS 19 expense results for the KeySpan Pension Plans. The assumptions used for this valuation are outlined in the March 31, 2012 disclosure report. Some of the key assumptions include:

- 5.1 percent discount rate assumption
- 3.5 percent average salary increase assumption for both union and non-union employees
- 7.25 percent expected long-term rate of return on assets
- Generational Mortality for all participants
- April 1, 2012 market value of assets provided by National Grid for ASC 715 purposes
- April 1, 2012 bid value of assets provided by National Grid for IAS 19 purposes

Below is a summary of expense under ASC 715 and IAS 19 for the period April 1, 2012 through March 31, 2013. Please note that we have reflected only 3 months of service cost, interest cost, and expected return on assets for the Energy North participants included in the July 3, 2012 sale to Liberty Utilities.

	Ongoing Expense
ASC 715	\$ 166,263,286
IAS 19	\$ 55,074,204

ASC 715 expense is approximately \$2.1 million less than our April estimate, while IAS 19 expense is approximately \$3.1 million less than our April estimate.

The results reflect an increase in the flat dollar multiplier from \$64 to \$70 for Boston Gas Union Local 12003, Local 318 and Local 369/350, which was not reflected at year end. For ASC 715 purposes, this was reflected as a plan amendment effective July 1, 2012. For IAS 19 purposes, since National Grid uses the constructive obligation approach, changes between the expected multiplier and the actual multiplier are considered a gain or a loss and not a plan amendment.



The results also reflect a change in future benefit accruals for Local 369/350 former cash balance employees, who as of September 1, 2012 began to accrue under the flat dollar multiplier plan. This was considered a plan amendment for both ASC 715 and IAS 19 purposes. Under a IAS 19 there is a small one-time charge associated with this amendment.

In preparing these valuations, we have relied upon participant data as of January 1, 2012 and plan design and asset information supplied by National Grid as of April 1, 2012. 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.

Mari, if you have any questions please call.

Sincerely,

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

Stephen F. Doucette

SFD:chf

04844L1001

cc: Mr. James Allen, National Grid USA
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Mr. Bradley White, National Grid USA
Mr. Jon Brophy, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

**National Grid USA - KeySpan Pension Plans
IAS 19 Expense - New York and New England Business Unit Allocations
April 1, 2012 through March 31, 2013**

5.10% Discount Rate
3.50% Anticipated Salary Increases

Business Unit	Service Cost	Exceptional Costs (STBs)	Prior Service Cost - One Time	Prior Service Cost - Ongoing	Curtailment/Settlement Costs	Total Operating Expense	Interest Cost	Expected Return on Assets	Total Financing Expense	Total P&L Expense
KeySpan Energy Delivery New York (1)	\$ 8,346,803	\$ 0	\$ 0	\$ 5,496	\$ 0	\$ 8,352,299	\$ 29,951,486	\$ (35,273,302)	\$ (5,321,816)	\$ 3,030,483
KeySpan Energy Delivery Long Island (2)	\$ 187,898	\$ 0	\$ 0	\$ 120	\$ 0	\$ 188,018	\$ 647,645	\$ (769,967)	\$ (122,322)	\$ 65,696
KeySpan Electric Services LLC (3)	\$ 147,252	\$ 0	\$ 0	\$ 104	\$ 0	\$ 147,356	\$ 306,433	\$ (301,899)	\$ 4,534	\$ 151,890
KeySpan Energy Trading Services LLC	\$ 0	\$ 0	\$ 0	\$ 13	\$ 0	\$ 13	\$ 67,829	\$ (80,577)	\$ (12,748)	\$ (12,735)
KeySpan Generation LLC (4)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Corporate Services LLC (5)	\$ 10,389,036	\$ 0	\$ 0	\$ 880,430	\$ 0	\$ 11,269,466	\$ 38,037,132	\$ (38,452,833)	\$ (415,701)	\$ 10,853,765
KeySpan Utility Services LLC	\$ 571,483	\$ 0	\$ 0	\$ 812	\$ 0	\$ 572,295	\$ 4,462,324	\$ (5,164,524)	\$ (702,200)	\$ (129,905)
KeySpan Engineering and Survey	\$ 71,095	\$ 0	\$ 0	\$ 21	\$ 0	\$ 71,116	\$ 187,630	\$ (196,171)	\$ (8,541)	\$ 62,575
KeySpan Energy Management Inc.	\$ 97,696	\$ 0	\$ 0	\$ 20	\$ 0	\$ 97,716	\$ 304,754	\$ (485,672)	\$ (180,918)	\$ (83,202)
KeySpan Energy Services Inc.	\$ 0	\$ 0	\$ 0	\$ 4	\$ 0	\$ 4	\$ 49,257	\$ (94,320)	\$ (45,063)	\$ (45,069)
KeySpan Energy Solutions Inc.	\$ 0	\$ 0	\$ 0	\$ 28	\$ 0	\$ 28	\$ 377,855	\$ (723,191)	\$ (345,336)	\$ (345,308)
KeySpan Energy Supply LLC	\$ 0	\$ 0	\$ 0	\$ 1	\$ 0	\$ 1	\$ 10,494	\$ (20,184)	\$ (9,690)	\$ (9,689)
KeySpan Communications	\$ 0	\$ 0	\$ 0	\$ 5	\$ 0	\$ 5	\$ 65,916	\$ (125,972)	\$ (60,056)	\$ (60,051)
KeySpan Services Inc.	\$ 0	\$ 0	\$ 0	\$ 5	\$ 0	\$ 5	\$ 80,488	\$ (117,091)	\$ (36,603)	\$ (36,598)
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 0	\$ 2	\$ 0	\$ 2	\$ 105,888	\$ (43,927)	\$ 61,961	\$ 61,963
KeySpan Plumbing & Heating Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,228	\$ (2,353)	\$ (1,125)	\$ (1,125)
KeySpan Plumbing Solutions Inc.	\$ 17,453	\$ 0	\$ 0	\$ 76	\$ 0	\$ 17,529	\$ 996,718	\$ (1,890,633)	\$ (893,915)	\$ (876,366)
KeySpan Home Energy Services NE	\$ 0	\$ 0	\$ 0	\$ 2,856	\$ 0	\$ 2,856	\$ 27,743	\$ (30,379)	\$ (2,636)	\$ 220
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,345	\$ (6,507)	\$ (3,162)	\$ (3,162)
KeySpan Ravenswood Services Corp	\$ 0	\$ 0	\$ 0	\$ 2	\$ 0	\$ 2	\$ 268,972	\$ (222,131)	\$ 46,841	\$ 46,843
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Seneca	\$ 0	\$ 0	\$ 0	\$ 6	\$ 0	\$ 6	\$ 29,303	\$ (33,822)	\$ (4,519)	\$ (4,513)
Boston Gas (6)	\$ 7,718,623	\$ 0	\$ 32,441	\$ 1,377,129	\$ 0	\$ 9,128,193	\$ 14,528,104	\$ (14,967,262)	\$ (439,158)	\$ 8,689,035
Colonial Gas (excluding Transgas)	\$ 1,457,071	\$ 0	\$ 0	\$ 107,250	\$ 0	\$ 1,564,321	\$ 4,705,730	\$ (4,967,852)	\$ (262,122)	\$ 1,302,199
Transgas	\$ 91,481	\$ 0	\$ 0	\$ 7,213	\$ 0	\$ 98,694	\$ 409,231	\$ (375,488)	\$ 33,743	\$ 132,437
Algonquin	\$ 19,501	\$ 0	\$ 0	\$ 2,798	\$ 0	\$ 22,299	\$ 26,848	\$ (29,288)	\$ (2,440)	\$ 19,859
EnergyNorth	\$ 144,496	\$ 0	\$ 0	\$ 2,386	\$ 0	\$ 146,882	\$ 606,699	\$ (611,501)	\$ (4,802)	\$ 142,080
Essex Gas	\$ 508,737	\$ 0	\$ 0	\$ 71,964	\$ 0	\$ 580,701	\$ 1,294,752	\$ (1,378,284)	\$ (83,532)	\$ 497,169
Grand Total KeySpan	\$ 29,768,625	\$ 0	\$ 32,441	\$ 2,458,741	\$ 0	\$ 32,259,807	\$ 97,553,804	\$ (106,365,130)	\$ (8,811,326)	\$ 23,448,481

NOTES:

- (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
- (2) Includes 21% of KSE for Long Island
- (3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
- (4) Includes 25% of KSE for Long Island
- (5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
- (6) Includes 100% of Headquarters (non-CSV)

**National Grid USA - KeySpan Pension Plans
IAS 19 Expense - Long Island Business Unit Allocations
April 1, 2012 through March 31, 2013**

5.10% Discount Rate
3.50% Anticipated Salary Increases

Business Unit	Service Cost	Prior Service Cost - One Time	Prior Service Cost - Ongoing	Curtailment/Settlement Costs	Total Operating Expense	Interest Cost	Expected Return on Assets	Total Financing Expense	Total P&L Expense
KeySpan Energy Delivery New York ⁽¹⁾	\$ 100,630	\$ 0	\$ 13	\$ 0	\$ 100,643	\$ 192,302	\$ (216,249)	\$ (23,947)	\$ 76,696
KeySpan Energy Delivery Long Island ⁽²⁾	\$ 5,891,565	\$ 0	\$ 903	\$ 0	\$ 5,892,468	\$ 12,924,786	\$ (14,521,971)	\$ (1,597,185)	\$ 4,295,283
KeySpan Electric Services LLC ⁽³⁾	\$ 10,649,805	\$ 0	\$ 1,576	\$ 0	\$ 10,651,381	\$ 22,593,292	\$ (25,340,560)	\$ (2,747,268)	\$ 7,904,113
KeySpan Energy Trading Services LLC	\$ 100,754	\$ 0	\$ 19	\$ 0	\$ 100,773	\$ 271,295	\$ (304,879)	\$ (33,584)	\$ 67,189
KeySpan Generation LLC ⁽⁴⁾	\$ 3,831,835	\$ 0	\$ 564	\$ 0	\$ 3,832,399	\$ 8,082,589	\$ (9,084,777)	\$ (1,002,188)	\$ 2,830,211
KeySpan Corporate Services LLC ⁽⁵⁾	\$ 13,549,674	\$ 0	\$ 2,323	\$ 0	\$ 13,551,997	\$ 34,142,631	\$ (37,338,807)	\$ (3,196,176)	\$ 10,355,821
KeySpan Utility Services LLC	\$ 629,210	\$ 0	\$ 167	\$ 0	\$ 629,377	\$ 2,376,244	\$ (2,662,907)	\$ (286,663)	\$ 342,714
KeySpan Engineering and Survey	\$ 7,236,075	\$ 0	\$ 893	\$ 0	\$ 7,296,968	\$ 12,958,835	\$ (14,466,490)	\$ (1,507,655)	\$ 5,789,313
KeySpan Energy Management Inc.	\$ 0	\$ 0	\$ 1	\$ 0	\$ 1	\$ 7,636	\$ (8,635)	\$ (999)	\$ (998)
KeySpan Energy Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Energy Solutions Inc.	\$ 0	\$ 0	\$ 4	\$ 0	\$ 4	\$ 52,318	\$ (58,787)	\$ (6,469)	\$ (6,465)
KeySpan Energy Supply LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,571	\$ (1,777)	\$ (206)	\$ (206)
KeySpan Communications	\$ 0	\$ 0	\$ 7	\$ 0	\$ 7	\$ 97,519	\$ (109,116)	\$ (11,597)	\$ (11,590)
KeySpan Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Plumbing & Heating Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Plumbing Solutions Inc.	\$ 0	\$ 0	\$ 6	\$ 0	\$ 6	\$ 83,601	\$ (93,452)	\$ (9,851)	\$ (9,845)
KeySpan Home Energy Services NE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Ravenswood Services Corp	\$ 0	\$ 0	\$ 4	\$ 0	\$ 4	\$ 64,082	\$ (70,078)	\$ (5,996)	\$ (5,992)
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Seneca	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Boston Gas ⁽⁶⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Colonial Gas (excluding Transgas)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transgas	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Algonquin	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
EnergyNorth	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,979	\$ (4,500)	\$ (521)	\$ (521)
Essex Gas	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Grand Total KeySpan	\$ 42,049,548	\$ 0	\$ 6,480	\$ 0	\$ 42,056,028	\$ 93,852,680	\$ (104,282,985)	\$ (10,430,305)	\$ 31,625,723

NOTES:

- (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
- (2) Includes 21% of KSE for Long Island
- (3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
- (4) Includes 25% of KSE for Long Island
- (5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
- (6) Includes 100% of Headquarters (non-CSV)

**National Grid USA
KeySpan Pension Plans
Fiscal Year 2013 IAS 19 Pension Expense**

	Pension Expense			
	Total KeySpan Retirement Plan	Total Retirement Income Plan	Total Unfunded Pension Plans	GRAND TOTAL Pensions
Reconciliation of Funded Status, 4/1/2012				
Projected Benefit Obligation	\$ (1,863,368,407)	\$ (1,862,498,439)	\$ (162,636,010)	\$ (3,888,502,856)
Assets at Bid Value	1,492,884,553	1,420,946,370	0	2,913,830,923
Funded Status	(370,483,854)	(441,552,069)	(162,636,010)	(974,671,933)
Prior Service Cost	3,420,728	6,480	0	3,427,208
(Accrued)/Prepaid Cost	(367,063,126)	(441,545,589)	(162,636,010)	(971,244,725)
FY 2013 P&L Expense				
Operating Expense				
Service Cost	\$ 29,542,108	\$ 41,995,204	\$ 280,861	\$ 71,818,173
Exceptional Costs (STBs)	0	0	0	0
Prior Service Cost - One Time	32,441	0	0	32,441
Prior Service Cost - Ongoing	2,458,741	6,480	0	2,465,221
Curtailment/Settlement Costs	0	0	0	0
Total Operating Expense	\$ 32,033,290	\$ 42,001,684	\$ 280,861	\$ 74,315,835
Financing Expense				
Interest Cost	\$ 90,632,910	\$ 92,789,427	\$ 7,984,147	\$ 191,406,484
Expected Return on Assets	(106,365,130)	(104,282,985)	0	(210,648,115)
Total Financing Expense	\$ (15,732,220)	\$ (11,493,558)	\$ 7,984,147	\$ (19,241,631)
Total P&L Expense	\$ 16,301,070	\$ 30,508,126	\$ 8,265,008	\$ 55,074,204
Expected Cash Contributions (Disclosure)	\$ 92,000,000	\$ 103,000,000	N/A	\$ 195,000,000
Expected Cash Contributions (Updated)	\$ 90,750,000	\$ 93,300,000	N/A	\$ 184,050,000
Expected Benefit Payments	98,538,653	86,195,806	12,168,203	196,902,662
Assumptions				
Discount Rate	5.10%	5.10%	5.10%	5.10%
Expected Return on Assets	7.25%	7.25%	N/A	N/A
Average Salary Scale	3.50%	3.50%	3.50%	3.50%

**National Grid USA - KeySpan Pension Plans
ASC 715 Expense - Total Business Unit Allocations
April 1, 2012 through March 31, 2013**

5.10% Discount Rate
3.50% Anticipated Salary Increases

Business Unit	Service Cost	Interest Cost	Expected Return on Assets	Net Transition Obligation	Prior Service Cost	Net (Gain)/Loss	Net Periodic Pension Cost
KeySpan Energy Delivery New York ⁽¹⁾	\$ 8,447,433	\$ 30,143,788	\$ (35,493,381)	\$ 0	\$ 23,267	\$ 22,230,142	\$ 25,351,249
KeySpan Energy Delivery Long Island ⁽²⁾	\$ 6,079,463	\$ 13,572,431	\$ (15,293,556)	\$ 0	\$ 9,645	\$ 7,982,821	\$ 12,350,804
KeySpan Electric Services LLC ⁽³⁾	\$ 10,797,067	\$ 22,899,725	\$ (25,645,247)	\$ 0	\$ 16,206	\$ 13,328,349	\$ 21,396,090
KeySpan Energy Trading Services LLC	\$ 100,754	\$ 339,124	\$ (385,497)	\$ 0	\$ 244	\$ 207,423	\$ 262,048
KeySpan Generation LLC ⁽⁴⁾	\$ 3,831,835	\$ 8,082,589	\$ (9,085,737)	\$ 0	\$ 5,710	\$ 4,687,150	\$ 7,521,547
KeySpan Corporate Services LLC ⁽⁵⁾	\$ 23,465,127	\$ 71,727,772	\$ (76,241,346)	\$ 0	\$ 844,566	\$ 44,898,304	\$ 64,694,423
KeySpan Utility Services LLC	\$ 1,200,693	\$ 6,838,568	\$ (7,828,278)	\$ 0	\$ 5,108	\$ 4,694,489	\$ 4,910,580
KeySpan Engineering and Survey	\$ 7,367,170	\$ 13,146,465	\$ (14,664,201)	\$ 0	\$ 9,129	\$ 7,560,862	\$ 13,419,425
KeySpan Energy Management Inc.	\$ 97,696	\$ 312,390	\$ (494,358)	\$ 0	\$ 87	\$ (19,479)	\$ (103,664)
KeySpan Energy Services Inc.	\$ 0	\$ 49,257	\$ (94,330)	\$ 0	\$ 16	\$ (7,994)	\$ (53,051)
KeySpan Energy Solutions Inc.	\$ 0	\$ 430,173	\$ (782,056)	\$ 0	\$ 161	\$ (30,810)	\$ (382,532)
KeySpan Energy Supply LLC	\$ 0	\$ 12,065	\$ (21,964)	\$ 0	\$ 4	\$ (842)	\$ (10,737)
KeySpan Communications	\$ 0	\$ 163,435	\$ (235,112)	\$ 0	\$ 89	\$ 45,312	\$ (26,276)
KeySpan Services Inc.	\$ 0	\$ 80,488	\$ (117,103)	\$ 0	\$ 19	\$ 11,632	\$ (24,964)
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 105,888	\$ (43,932)	\$ 0	\$ 7	\$ 24,602	\$ 86,565
KeySpan Plumbing & Heating Services Inc.	\$ 0	\$ 1,228	\$ (2,354)	\$ 0	\$ 0	\$ (200)	\$ (1,326)
KeySpan Plumbing & Heating Solutions Inc.	\$ 17,453	\$ 1,080,319	\$ (1,984,290)	\$ 0	\$ 379	\$ (107,658)	\$ (993,797)
KeySpan Home Energy Services NE	\$ 0	\$ 27,743	\$ (34,024)	\$ 0	\$ 2,738	\$ 14,476	\$ 10,933
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 3,345	\$ (6,508)	\$ 0	\$ 1	\$ (576)	\$ (3,738)
KeySpan Ravenswood Services Corp	\$ 0	\$ 333,054	\$ (292,241)	\$ 0	\$ 55	\$ (12,055)	\$ 28,813
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Seneca	\$ 0	\$ 29,303	\$ (33,826)	\$ 0	\$ 26	\$ 24,899	\$ 20,402
Boston Gas ⁽⁶⁾	\$ 5,615,413	\$ 13,042,098	\$ (14,571,880)	\$ 0	\$ 1,150,252	\$ 6,523,784	\$ 11,759,667
Colonial Gas (excluding Transgas)	\$ 1,096,542	\$ 4,475,586	\$ (4,909,367)	\$ 0	\$ 155,193	\$ 2,763,382	\$ 3,581,336
Transgas	\$ 91,481	\$ 409,231	\$ (391,760)	\$ 0	\$ 11,831	\$ 267,511	\$ 388,294
Algonquin	\$ 19,501	\$ 26,848	\$ (32,860)	\$ 0	\$ 2,683	\$ 14,173	\$ 30,345
EnergyNorth	\$ 144,588	\$ 610,626	\$ (618,942)	\$ 0	\$ 3,165	\$ 1,059,424	\$ 1,198,861
Essex Gas	\$ 391,800	\$ 1,191,728	\$ (1,366,347)	\$ 0	\$ 88,030	\$ 546,778	\$ 851,989
Grand Total KeySpan	\$ 68,764,006	\$ 189,135,267	\$ (210,670,497)	\$ 0	\$ 2,328,611	\$ 116,705,899	\$ 166,263,286

NOTES:
(1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
(2) Includes 21% of KSE for Long Island
(3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
(4) Includes 25% of KSE for Long Island
(5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
(6) Includes 100% of Headquarters (non-CSY)

**National Grid USA - KeySpan Pension Plans
ASC 715 Expense - New York and New England Business Unit Allocations
April 1, 2012 through March 31, 2013**

5.10% Discount Rate
3.50% Anticipated Salary Increases

Business Unit	Service Cost	Interest Cost	Expected Return on Assets	Net Transition Obligation	Prior Service Cost	Net (Gain)/Loss	Net Periodic Pension Cost
KeySpan Energy Delivery New York ⁽¹⁾	\$ 8,346,803	\$ 29,951,486	\$ (35,277,109)	\$ 0	\$ 23,132	\$ 22,118,980	\$ 25,163,292
KeySpan Energy Delivery Long Island ⁽²⁾	\$ 187,898	\$ 647,645	\$ (770,049)	\$ 0	\$ 503	\$ 478,014	\$ 544,011
KeySpan Electric Services LLC ⁽³⁾	\$ 147,252	\$ 306,433	\$ (302,005)	\$ 0	\$ 251	\$ 213,597	\$ 365,528
KeySpan Energy Trading Services LLC	\$ 0	\$ 67,829	\$ (80,586)	\$ 0	\$ 53	\$ 50,189	\$ 37,485
KeySpan Generation LLC ⁽⁴⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Corporate Services LLC ⁽⁵⁾	\$ 9,915,453	\$ 37,585,141	\$ (38,898,585)	\$ 0	\$ 821,032	\$ 24,889,840	\$ 34,312,881
KeySpan Utility Services LLC	\$ 571,483	\$ 4,462,324	\$ (5,165,087)	\$ 0	\$ 3,419	\$ 3,306,928	\$ 3,179,067
KeySpan Engineering and Survey	\$ 71,095	\$ 187,630	\$ (196,192)	\$ 0	\$ 89	\$ 68,002	\$ 130,624
KeySpan Energy Management Inc.	\$ 97,696	\$ 304,754	\$ (485,722)	\$ 0	\$ 82	\$ (23,809)	\$ (106,999)
KeySpan Energy Services Inc.	\$ 0	\$ 49,257	\$ (94,330)	\$ 0	\$ 16	\$ (7,994)	\$ (53,051)
KeySpan Energy Solutions Inc.	\$ 0	\$ 377,855	\$ (723,263)	\$ 0	\$ 124	\$ (61,202)	\$ (406,486)
KeySpan Energy Supply LLC	\$ 0	\$ 10,494	\$ (20,187)	\$ 0	\$ 3	\$ (1,733)	\$ (11,423)
KeySpan Communications	\$ 0	\$ 65,916	\$ (125,985)	\$ 0	\$ 21	\$ (10,616)	\$ (70,664)
KeySpan Services Inc.	\$ 0	\$ 80,488	\$ (177,103)	\$ 0	\$ 19	\$ 11,632	\$ (24,964)
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 105,888	\$ (43,932)	\$ 0	\$ 7	\$ 24,602	\$ 86,565
KeySpan Plumbing & Heating Services Inc.	\$ 1,228	\$ 1,228	\$ (2,354)	\$ 0	\$ 0	\$ (200)	\$ (1,326)
KeySpan Plumbing & Heating Solutions Inc.	\$ 17,453	\$ 996,718	\$ (1,890,828)	\$ 0	\$ 319	\$ (157,166)	\$ (1,033,504)
KeySpan Home Energy Services NE	\$ 0	\$ 27,743	\$ (34,024)	\$ 0	\$ 2,738	\$ 14,476	\$ 10,933
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 3,345	\$ (6,508)	\$ 0	\$ 1	\$ (576)	\$ (3,738)
KeySpan Ravenswood Services Corp	\$ 0	\$ 268,972	\$ (222,155)	\$ 0	\$ 10	\$ (49,889)	\$ (3,062)
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Seneca	\$ 0	\$ 29,303	\$ (33,826)	\$ 0	\$ 26	\$ 24,899	\$ 20,402
Boston Gas ⁽⁶⁾	\$ 5,615,413	\$ 13,042,098	\$ (14,571,880)	\$ 0	\$ 1,150,252	\$ 6,523,784	\$ 11,759,667
Colonial Gas (excluding Transgas)	\$ 1,096,542	\$ 4,475,586	\$ (4,909,367)	\$ 0	\$ 155,193	\$ 2,763,382	\$ 3,581,336
Transgas	\$ 91,481	\$ 409,231	\$ (391,760)	\$ 0	\$ 11,831	\$ 267,511	\$ 388,294
Algonquin	\$ 19,501	\$ 26,848	\$ (32,860)	\$ 0	\$ 2,683	\$ 14,173	\$ 30,345
EnergyNorth	\$ 144,588	\$ 606,647	\$ (614,442)	\$ 0	\$ 3,162	\$ 1,057,168	\$ 1,197,123
Essex Gas	\$ 391,800	\$ 1,191,728	\$ (1,366,347)	\$ 0	\$ 88,030	\$ 546,778	\$ 851,989
Grand Total KeySpan	\$ 26,714,458	\$ 95,282,587	\$ (106,376,486)	\$ 0	\$ 2,262,996	\$ 62,060,770	\$ 79,944,325

NOTES:
 (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
 (2) Includes 21% of KSE for Long Island
 (3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
 (4) Includes 25% of KSE for Long Island
 (5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
 (6) Includes 100% of Headquarters (non-CSV)

**National Grid USA - KeySpan Pension Plans
ASC 715 Expense - Long Island Business Unit Allocations
April 1, 2012 through March 31, 2013**

5.10% Discount Rate
3.50% Anticipated Salary Increases

Business Unit	Service Cost	Interest Cost	Expected Return on Assets	Net Transition Obligation	Prior Service Cost	Net (Gain)/Loss	Net Periodic Pension Cost
KeySpan Energy Delivery New York ⁽¹⁾	\$ 100,630	\$ 192,302	\$ (216,272)	\$ 0	\$ 135	\$ 111,162	\$ 187,957
KeySpan Energy Delivery Long Island ⁽²⁾	\$ 5,891,565	\$ 12,924,786	\$ (14,523,507)	\$ 0	\$ 9,142	\$ 7,504,807	\$ 11,806,793
KeySpan Electric Services LLC ⁽³⁾	\$ 10,649,805	\$ 22,593,292	\$ (25,343,242)	\$ 0	\$ 15,955	\$ 13,114,752	\$ 21,030,562
KeySpan Energy Trading Services LLC	\$ 100,794	\$ 271,295	\$ (304,911)	\$ 0	\$ 191	\$ 157,234	\$ 224,563
KeySpan Generation LLC ⁽⁴⁾	\$ 3,831,835	\$ 8,082,589	\$ (9,085,737)	\$ 0	\$ 5,710	\$ 4,687,150	\$ 7,521,547
KeySpan Corporate Services LLC ⁽⁵⁾	\$ 13,549,674	\$ 34,142,631	\$ (37,342,761)	\$ 0	\$ 23,534	\$ 20,008,464	\$ 30,381,542
KeySpan Utility Services LLC	\$ 629,210	\$ 2,376,244	\$ (2,663,191)	\$ 0	\$ 1,689	\$ 1,387,561	\$ 1,731,513
KeySpan Engineering and Survey	\$ 7,296,075	\$ 12,958,835	\$ (14,468,009)	\$ 0	\$ 9,040	\$ 7,492,860	\$ 13,288,801
KeySpan Energy Management Inc.	\$ 0	\$ 7,636	\$ (8,636)	\$ 0	\$ 5	\$ 4,330	\$ 3,335
KeySpan Energy Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Energy Solutions Inc.	\$ 0	\$ 52,318	\$ (68,793)	\$ 0	\$ 37	\$ 30,392	\$ 23,954
KeySpan Energy Supply LLC	\$ 0	\$ 1,571	\$ (1,777)	\$ 0	\$ 1	\$ 891	\$ 686
KeySpan Communications	\$ 0	\$ 97,519	\$ (109,127)	\$ 0	\$ 68	\$ 55,928	\$ 44,388
KeySpan Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Plumbing & Heating Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Plumbing & Heating Solutions Inc.	\$ 0	\$ 83,601	\$ (93,462)	\$ 0	\$ 60	\$ 49,508	\$ 39,707
KeySpan Home Energy Services NE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KeySpan Ravenswood Services Corp	\$ 0	\$ 64,082	\$ (70,086)	\$ 0	\$ 45	\$ 37,834	\$ 31,875
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Seneca	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Boston Gas ⁽⁶⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Colonial Gas (excluding Transgas)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transgas	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Algonquin	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Energy/North	\$ 0	\$ 3,979	\$ (4,500)	\$ 0	\$ 3	\$ 2,256	\$ 1,738
Essex Gas	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Grand Total KeySpan	\$ 42,049,548	\$ 93,852,680	\$ (104,294,011)	\$ 0	\$ 65,615	\$ 54,645,129	\$ 86,318,961

NOTES:
(1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
(2) Includes 21% of KSE for Long Island
(3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
(4) Includes 25% of KSE for Long Island
(5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
(6) Includes 100% of Headquarters (non-CSV)

**National Grid USA
KeySpan Pension Plans
Fiscal Year 2013 ACS 715 Pension Expense**

9/18/2012

	Pension Expense				GRAND TOTAL Pensions
	Total KeySpan Retirement Plan	Total Retirement Income Plan	Total Unfunded Pension Plans		
Reconciliation of Funded Status, 4/1/2012					
Projected Benefit Obligation	\$ (1,811,225,798)	\$ (1,862,498,439)	\$ (162,636,010)	\$ (3,836,360,247)	
Assets at Fair Value	1,493,044,341	1,421,098,459	0	2,914,142,800	
Funded Status	\$ (318,181,457)	\$ (441,399,980)	\$ (162,636,010)	\$ (922,217,447)	
Prior Service Cost	14,581,275	628,263	0	15,209,538	
Net (Gain)/Loss	446,472,335	422,818,080	34,104,316	903,394,731	
(Accrued)/Prepaid Cost	\$ 142,872,153	\$ (17,953,637)	\$ (128,531,694)	\$ (3,613,178)	
FY 2013 ASC 715 Expense					
Service Cost	\$ 26,487,941	\$ 41,995,204	\$ 280,861	\$ 68,764,006	
Interest Cost	88,361,693	92,789,427	7,984,147	189,135,267	
Expected Return on Assets	(106,376,486)	(104,294,011)	0	(210,670,497)	
Amortization of:					
Prior Service Cost	2,262,996	65,615	0	2,328,611	
Net (Gain)/Loss	58,734,425	53,859,308	4,112,166	116,705,899	
Net Periodic Pension Cost	\$ 69,470,569	\$ 84,415,543	\$ 12,377,174	\$ 166,263,286	
Settlement/Curtailment Expense	\$ 0	\$ 0	\$ 0	\$ 0	
Total Pension Expense	\$ 69,470,569	\$ 84,415,543	\$ 12,377,174	\$ 166,263,286	
Expected Cash Contributions (Disclosure)	\$ 92,000,000	\$ 103,000,000	N/A	\$ 195,000,000	
Expected Cash Contributions (Updated)	\$ 90,750,000	\$ 93,300,000	N/A	\$ 184,050,000	
Expected Benefit Payments	98,538,653	86,195,806	12,168,203	196,902,662	
Assumptions					
Discount Rate	5.10%	5.10%	5.10%		
Expected Return on Assets	7.25%	7.25%	N/A		
Average Salary Scale	3.50%	3.50%	3.50%		

Aon Hewitt

**National Grid USA - KeySpan Pension Plans
IAS 19 Expense - Total Business Unit Allocations
April 1, 2012 through March 31, 2013**

5.10% Discount Rate
3.50% Anticipated Salary Increases

Business Unit	Service Cost	Prior Service Cost - One Time	Prior Service Cost - Ongoing	Curtailment/Settlement Costs	Total Operating Expense	Interest Cost	Expected Return on Assets	Total Financing Expense	Total P&L Expense
KeySpan Energy Delivery New York ⁽¹⁾	\$ 8,447,433	\$ 0	\$ 5,509	\$ 0	\$ 8,452,942	\$ 30,143,788	\$ (35,489,551)	\$ (5,345,763)	\$ 3,107,179
KeySpan Energy Delivery Long Island ⁽²⁾	\$ 6,079,463	\$ 0	\$ 1,023	\$ 0	\$ 6,080,486	\$ 13,572,431	\$ (15,291,938)	\$ (1,719,507)	\$ 4,360,979
KeySpan Electric Services LLC ⁽³⁾	\$ 10,797,067	\$ 0	\$ 1,680	\$ 0	\$ 10,798,737	\$ 22,899,725	\$ (25,642,459)	\$ (2,742,734)	\$ 8,056,003
KeySpan Energy Trading Services LLC	\$ 100,784	\$ 0	\$ 32	\$ 0	\$ 100,786	\$ 339,124	\$ (385,456)	\$ (46,332)	\$ 54,464
KeySpan Generation LLC ⁽⁴⁾	\$ 3,631,835	\$ 0	\$ 564	\$ 0	\$ 3,832,399	\$ 8,082,589	\$ (9,084,777)	\$ (1,002,188)	\$ 2,830,211
KeySpan Corporate Services LLC ⁽⁵⁾	\$ 23,938,710	\$ 0	\$ 882,753	\$ 0	\$ 24,821,463	\$ 72,179,763	\$ (75,791,640)	\$ (3,611,877)	\$ 21,209,586
KeySpan Utility Services LLC	\$ 1,200,693	\$ 0	\$ 979	\$ 0	\$ 1,201,672	\$ 6,838,568	\$ (7,827,431)	\$ (988,863)	\$ 212,809
KeySpan Engineering and Survey	\$ 7,367,170	\$ 0	\$ 914	\$ 0	\$ 7,368,084	\$ 13,146,465	\$ (14,662,661)	\$ (1,516,196)	\$ 5,851,888
KeySpan Energy Management Inc.	\$ 97,696	\$ 0	\$ 21	\$ 0	\$ 97,717	\$ 312,390	\$ (494,307)	\$ (181,917)	\$ (84,200)
KeySpan Energy Services Inc.	\$ 0	\$ 0	\$ 4	\$ 0	\$ 4	\$ 49,257	\$ (94,320)	\$ (45,063)	\$ (45,059)
KeySpan Energy Solutions Inc.	\$ 0	\$ 0	\$ 32	\$ 0	\$ 32	\$ 430,173	\$ (781,978)	\$ (351,805)	\$ (351,773)
KeySpan Energy Supply LLC	\$ 0	\$ 0	\$ 1	\$ 0	\$ 1	\$ 12,065	\$ (21,961)	\$ (9,896)	\$ (9,895)
KeySpan Communications	\$ 0	\$ 0	\$ 12	\$ 0	\$ 12	\$ 163,435	\$ (235,088)	\$ (71,653)	\$ (71,641)
KeySpan Services Inc.	\$ 0	\$ 0	\$ 5	\$ 0	\$ 5	\$ 80,488	\$ (117,091)	\$ (36,603)	\$ (36,598)
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 2	\$ 0	\$ 2	\$ 105,888	\$ (43,927)	\$ 61,961	\$ 61,963
KeySpan Plumbing & Heating Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,228	\$ (2,353)	\$ (1,125)	\$ (1,125)
KeySpan Plumbing Solutions Inc.	\$ 17,463	\$ 0	\$ 82	\$ 0	\$ 17,535	\$ 1,080,319	\$ (1,984,085)	\$ (903,766)	\$ (886,231)
KeySpan Home Energy Services NE	\$ 0	\$ 0	\$ 2,866	\$ 0	\$ 2,856	\$ 27,743	\$ (30,379)	\$ (2,636)	\$ 220
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,345	\$ (6,507)	\$ (3,162)	\$ (3,162)
KeySpan Ravenswood Services Corp	\$ 0	\$ 0	\$ 6	\$ 0	\$ 6	\$ 333,054	\$ (292,209)	\$ 40,845	\$ 40,851
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Seneca	\$ 0	\$ 0	\$ 6	\$ 0	\$ 6	\$ 29,303	\$ (33,822)	\$ (4,519)	\$ (4,513)
Boston Gas ⁽⁶⁾	\$ 7,718,623	\$ 32,441	\$ 1,377,129	\$ 0	\$ 9,128,193	\$ 14,528,104	\$ (14,967,262)	\$ (439,158)	\$ 8,689,035
Colonial Gas (excluding Transgas)	\$ 1,457,071	\$ 0	\$ 107,250	\$ 0	\$ 1,564,321	\$ 4,705,730	\$ (4,967,852)	\$ (262,122)	\$ 1,302,199
Transgas	\$ 91,481	\$ 0	\$ 7,213	\$ 0	\$ 98,694	\$ 409,231	\$ (375,488)	\$ 33,743	\$ 132,437
Algonquin	\$ 19,501	\$ 0	\$ 2,798	\$ 0	\$ 22,299	\$ 26,848	\$ (29,288)	\$ (2,440)	\$ 19,859
EnergyNorth	\$ 144,496	\$ 0	\$ 2,386	\$ 0	\$ 146,882	\$ 610,678	\$ (616,001)	\$ (5,323)	\$ 141,559
Essex Gas	\$ 508,737	\$ 0	\$ 71,964	\$ 0	\$ 580,701	\$ 1,294,752	\$ (1,378,284)	\$ (83,532)	\$ 497,169
Grand Total KeySpan	\$ 71,818,173	\$ 32,441	\$ 2,465,221	\$ 0	\$ 74,315,835	\$ 191,406,484	\$ (210,648,115)	\$ (19,241,631)	\$ 55,074,204

NOTES:

- (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
- (2) Includes 21% of KSE for Long Island
- (3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
- (4) Includes 25% of KSE for Long Island
- (5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
- (6) Includes 100% of Headquarters (non-CSV)



September 13, 2012

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

Dear Mari:

Subject: Preliminary Niagara Mohawk Qualified Pension Expense Results Under US GAAP and IFRS—
April 1, 2012 through March 31, 2013

We have completed the preliminary Fiscal Year 2013 ASC 715 and IAS 19 expense results for the Niagara Mohawk Pension Plan. Expense has been determined based on the following information:

- 5.10 percent discount rate assumption
- 3.5 percent salary increase assumption
- 6.75 percent expected long-term rate of return on assets
- Generational Mortality for all participants
- 4.75 percent nonunion cash balance interest crediting rate
- 6.25 percent union cash balance interest crediting rate
- The April 1, 2012 market value of assets for ASC 715 purposes
- The April 1, 2012 bid value of assets for IAS 19 purposes
- Actual contributions made through August 2012 and expected contributions made for the remainder of fiscal year 2013

US GAAP

ASC 715 expense for the period April 1, 2012 through March 31, 2013 is shown below. Ongoing expense is approximately \$4.7 million lower than our prior estimate.

	ASC 715 Ongoing Expense
Niagara Mohawk	\$ 77,641,704
NGUSCO	9,804,977
Total	\$ 87,446,681

Ms. Mari-Louise Messuri
Page 2
September 13, 2012



IFRS

Total **income** under IAS 19 is \$11.9 million and is approximately \$2.8 million lower than our prior estimate. This amount includes net financing income of \$41.4 million and operating expense of \$29.5 million.

IAS 19 expense/(income) for the period April 1, 2012 through March 31, 2013 is as follows:

	IAS 19 Total Expense/(Income)
Niagara Mohawk	\$ (12,929,535)
NGUSCO	<u>1,061,912</u>
Total	<u>\$ (11,867,623)</u>

In preparing these valuations, we have relied upon participant data as of January 1, 2012 and plan design and asset information supplied by National Grid as of April 1, 2012. 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 is a summary of the 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

4844L997

cc: Mr. James Allen, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Ms. Francine Kollydas, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Eileen Leahy, 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. Bradley White, National Grid USA
Mr. Jon Brophy, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

National Grid USA
Niagara Mohawk Pension Plan
Preliminary ASC 715 Expense, 4/1/2012 - 3/31/2013

	Niagara Mohawk	NGUSCO	Total Plan
Reconciliation of Funded Status, 4/1/2012			
Projected Benefit Obligation	\$ (1,293,571,008)	\$ (127,005,963)	\$ (1,420,576,971)
Fair Value of Assets*	1,527,798,309	150,002,972	1,677,801,281
Funded Status	\$ 234,227,301	\$ 22,997,009	\$ 257,224,310
Unrecognized:			
• Net Transition Obligation			\$ 0
• Prior Service Cost			34,068,196
• Net (Gain) or Loss			360,562,347
(Accrued) / Prepaid Pension Cost			\$ 651,854,853
Net Periodic Pension Cost, 4/1/2012 - 3/31/2013			
Service Cost	\$ 24,772,297	\$ 4,758,166	\$ 29,530,463
Interest Cost*	63,405,130	6,225,271	69,630,401
Expected Return on Assets*	(92,617,943)	(9,093,456)	(101,711,399)
Amortization of:			
• Net Transition Obligation	0	0	0
• Prior Service Cost	4,805,251	327,754	5,133,005
• Net (Gain) or Loss*	77,276,969	7,587,242	84,864,211
Net Periodic Pension Cost	\$ 77,641,704	\$ 9,804,977	\$ 87,446,681
STB Expense	\$ 0	\$ 0	\$ 0
Total Pension Expense	\$ 77,641,704	\$ 9,804,977	\$ 87,446,681

Assumptions:

Discount Rate	5.10%
Expected Return on Assets	6.75%
Salary Scale	
Nonunion	3.50%
Union	3.50%
Mortality	2008 IRS GEN
Expected Benefit Payments	\$ 110,550,000
Expected Contributions	\$ 50,000,000
Market Related Value of Assets	\$ 1,539,377,488

* Prorated based on Projected Benefit Obligation

National Grid USA
Niagara Mohawk Pension Plan
Preliminary IAS 19 Expense, 4/1/2012 - 3/31/2013

	Niagara Mohawk	NGUSCO	Total Plan
Reconciliation of Funded Status, 4/1/2012			
Projected Benefit Obligation	\$ (1,293,571,008)	\$ (127,005,963)	\$ (1,420,576,971)
Assets at Bid Value*	1,527,722,651	149,995,544	1,677,718,195
Funded Status	\$ 234,151,643	\$ 22,989,581	\$ 257,141,224
Prior Service Cost			20,910
(Accrued) / Prepaid Pension Cost			\$ 257,162,134
P&L Expense, 4/1/2012 - 3/31/2013			
Operating Expense			
Service Cost	\$ 24,772,297	\$ 4,758,166	\$ 29,530,463
Prior Service Cost - One Time	0	0	0
Prior Service Cost - Ongoing	14,120	6,790	20,910
Curtailement/Settlement Costs	0	0	0
Total Operating Expense	\$ 24,786,417	\$ 4,764,956	\$ 29,551,373
Financing Expense			
Interest Cost*	63,405,130	6,225,271	69,630,401
Expected Return on Assets*	(101,121,082)	(9,928,315)	(111,049,397)
Total Financing Expense	\$ (37,715,952)	\$ (3,703,044)	\$ (41,418,996)
Total P&L Expense	\$ (12,929,535)	\$ 1,061,912	\$ (11,867,623)

Assumptions:

Discount Rate	5.10%
Expected Return on Assets	6.75%
Salary Scale	
Nonunion	3.50%
Union	3.50%
Mortality	2008 IRS GEN
Expected Benefit Payments	\$ 110,550,000
Expected Contributions	\$ 50,000,000

* Prorated based on Projected Benefit Obligation



September 13, 2012

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

Dear Mari,

Subject: Preliminary New England Nonqualified Pension Expense Under US GAAP and IFRS—
April 1, 2012 through March 31, 2013

Enclosed are summaries of the April 1, 2012 through March 31, 2013 expense results for the nonqualified plans of National Grid USA.

ASC 715 and IFRS expense were determined using a 5.10 percent discount rate assumption, an average salary increase assumption of 3.50 percent, and the IRS 2008 Generational Mortality Table. Our results also reflect the integration of the KeySpan nonqualified plans as outlined in our June 7, 2011 email to National Grid.

Total ASC 715 expense for fiscal year 2013 is \$11.3 million and is within \$700,000 of our estimate provided in April. The allocation of expense by company follows:

	ASC 715 Expense
Directors	\$ 192,665
Granite State	31,094
Mass Electric	193,558
Nantucket	22,838
Narragansett	115,039
New England Power	307,683
NGUSCO	<u>10,398,748</u>
Total	\$ 11,261,625



Total IAS 19 expense for fiscal year 2013 is \$7.6 million and is \$400,000 greater than our prior estimate. The allocation of expense by company is as follows:

	Ongoing IAS 19 Expense
Directors	\$ 128,337
Granite State	18,824
Mass Electric	122,994
Nantucket	14,087
Narragansett	81,757
New England Power	202,946
NGUSCO	<u>7,054,258</u>
Total	\$ 7,623,203

Mari, please call if you have any questions.

Sincerely,

Stephen F. Doucette

SFD:chf

Enclosures

4844L988

cc: Mr. James Allen, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Francine Kollydas, National Grid USA
Ms. Eileen Leahy, National Grid USA
Ms. Lorraine Lynch, National Grid USA
Mr. Mark Merzbacher, National Grid
Ms. Maria Napenas, National Grid USA
Ms. Lori Santoro, National Grid USA
Ms. Tara Sullivan, National Grid USA
Mr. Bradley White, National Grid USA
Mr. Jon Brophy, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt



National Grid USA

ESRP, RSP, & EUA Supplemental Plans
 2012/2013 ASC 715 Expense – Nonqualified Plans – US GAAP

	Granite State	Mass Electric	Narragansett Electric	New England Power	Directors	Nantucket Electric	National Grid USA Service Company	Total Plans
2012/2013 Net Periodic Pension Cost								
Service Cost	\$ 0	\$ 0	\$ 1,698	\$ 0	\$ 0	\$ 0	\$ 1,183,812	\$ 1,185,510
Interest Cost	5,901	48,953	54,631	202,945	0	14,087	4,358,601	4,685,118
Expected Return on Assets	0	0	0	0	0	0	0	0
Unrecognized:								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	0	0	0	(12,884)	0	0	(43,234)	(56,118)
Net (Gain)/Loss	3,651	19,992	16,323	117,622	0	8,751	2,459,956	2,626,295
Net Periodic Pension Cost	\$ 9,552	\$ 68,945	\$ 72,652	\$ 307,683	\$ 0	\$ 22,838	\$ 7,959,135	\$ 8,440,805



National Grid USA

April 1, 2012 through March 31, 2013 IAS 19 Expense for Nonqualified Plans—IFRS

	ESRP, RSP and EUA Supplemental Plan	Deferred Compensation Plan	Executive Life Plan	EUA and NG Directors Plans	EUA KEIP Plan	Total Nonqualified
Reconciliation of Funded Status						
April 1, 2012						
Projected Benefit Obligation	\$ (94,950,053)	\$ (21,620,524)	\$ (11,569,198)	\$ (1,411,146)	\$ (1,833,361)	\$ (131,384,282)
Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funded Status	\$ (94,950,053)	\$ (21,620,524)	\$ (11,569,198)	\$ (1,411,146)	\$ (1,833,361)	\$ (131,384,282)
Prior Service Costs (Accrued) Pension Cost	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$ (94,950,053)	\$ (21,620,524)	\$ (11,569,198)	\$ (1,411,146)	\$ (1,833,361)	\$ (131,384,282)
IAS 19 Expense, FY 2013						
Operating Costs						
Service Cost	\$ 1,185,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,185,510
Exceptional Costs (STB)	0	0	0	0	0	0
Prior Service Costs	0	0	0	0	0	0
Curtailment Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Costs	\$ 1,185,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,185,510
Financing Costs						
Interest Cost	\$ 4,685,118	\$ 1,043,716	\$ 556,981	\$ 67,149	\$ 84,729	\$ 6,437,693
Expected Return on Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Financing Cost	\$ 4,685,118	\$ 1,043,716	\$ 556,981	\$ 67,149	\$ 84,729	\$ 6,437,693
Total P&L Expense	\$ 5,870,628	\$ 1,043,716	\$ 556,981	\$ 67,149	\$ 84,729	\$ 7,623,203

Assumptions
Discount Rate 5.10%
Average Salary Scale 3.50%
Return on Assets N/A



National Grid USA

Summary of 2012/2013 IAS 19 Expense for Nonqualified Plans by Company—IFRS

	ESRP, RSP and EUA Supplemental Plan	Deferred Compensation Plan	Executive Life Plan	EUA and NG Directors Plans	EUA KEIP Plan	Total Nonqualified
Operating Expense						
Granite State Electric	\$ 0	0	\$ 0	0	0	\$ 0
Mass Electric	0	0	0	0	0	0
Narragansett Electric	1,698	0	0	0	0	1,698
New England Power	0	0	0	0	0	0
Directors	0	0	0	0	0	0
Nantucket	0	0	0	0	0	0
NGUSCO ¹	<u>1,183,812</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,183,812</u>
Total	\$ 1,185,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,185,510
Financing Expense						
Granite State Electric	\$ 5,901	12,923	\$ 0	0	0	\$ 18,824
Mass Electric	48,953	35,812	38,229	0	0	122,994
Narragansett Electric	54,631	25,428	0	0	0	80,059
New England Power	202,946	0	0	0	0	202,946
Directors	0	61,188	0	67,149	0	128,337
Nantucket	14,087	0	0	0	0	14,087
NGUSCO ¹	<u>4,358,600</u>	<u>908,365</u>	<u>518,752</u>	<u>0</u>	<u>84,729</u>	<u>5,870,446</u>
Total	\$ 4,685,118	\$ 1,043,716	\$ 556,981	\$ 67,149	\$ 84,729	\$ 6,437,693
Total IAS 19 Expense						
Granite State Electric	\$ 5,901	12,923	\$ 0	0	0	\$ 18,824
Mass Electric	48,953	35,812	38,229	0	0	122,994
Narragansett Electric	56,329	25,428	0	0	0	81,757
New England Power	202,946	0	0	0	0	202,946
Directors	0	61,188	0	67,149	0	128,337
Nantucket	14,087	0	0	0	0	14,087
NGUSCO ¹	<u>5,542,412</u>	<u>908,365</u>	<u>518,752</u>	<u>0</u>	<u>84,729</u>	<u>7,054,258</u>
Total	\$ 5,870,628	\$ 1,043,716	\$ 556,981	\$ 67,149	\$ 84,729	\$ 7,623,203

¹ Includes 8 Niagara Mohawk and 28 KeySpan Employees.



National Grid USA

April 1, 2012 through March 31, 2013 ASC 715 Expense for Nonqualified Plans—US GAAP

	ESRP, RSP and EUA Supplemental Plan	Deferred Compensation Plan	Executive Life Plan	EUA and NG Directors Plans	EUA KEIP Plan	Total Nonqualified
Reconciliation of Funded Status April 1, 2012						
Vested Benefit Obligation	\$ (85,619,127)	\$ (21,620,524)	\$ (11,569,198)	\$ (1,411,146)	\$ (1,833,361)	\$ (122,053,356)
Accumulated Benefit Obligation	(85,619,127)	(21,620,524)	(11,569,198)	(1,411,146)	(1,833,361)	(122,053,356)
Projected Benefit Obligation	(94,950,053)	(21,620,524)	(11,569,198)	(1,411,146)	(1,833,361)	(131,384,282)
Assets at Fair Value	0	0	0	0	0	0
Funded Status	\$ (94,950,053)	\$ (21,620,524)	\$ (11,569,198)	\$ (1,411,146)	\$ (1,833,361)	\$ (131,384,282)
Unrecognized:						
Net Transition Obligation	0	0	0	0	0	0
Prior Service Cost	(56,118)	0	0	0	0	(56,118)
Net (Gain)/Loss	34,131,167	9,544,417	5,048,242	373,472	(980,139)	48,117,159
(Accrued) Pension Cost	\$ (60,875,004)	\$ (12,076,107)	\$ (6,520,956)	\$ (1,037,674)	\$ (2,813,500)	\$ (83,323,241)
ASC 715 Expense, FY 2013						
Service Cost	\$ 1,185,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,185,510
Interest Cost	4,685,118	1,043,716	556,981	67,149	84,729	6,437,693
Return on Assets	0	0	0	0	0	0
Unrecognized:						
Net Transition Obligation	0	0	0	0	0	0
Prior Service Cost	(56,118)	0	0	0	0	(56,118)
Net (Gain)/Loss	2,626,295	696,121	388,808	23,518	(40,202)	3,694,540
Net Periodic Pension Cost	\$ 8,440,805	\$ 1,739,837	\$ 945,789	\$ 90,667	\$ 44,527	\$ 11,261,625

Assumptions

Discount Rate	5.10%
Average Salary Scale	3.50%
Return on Assets	N/A



National Grid USA

Summary of 2012/2013 ASC 715 Expense for Nonqualified Plans by Company—US GAAP

	ESRP, RSP and EUA Supplemental Plan	Deferred Compensation Plan	Executive Life Plan	EUA and NG Directors Plans	EUA KEIP Plan	Total Nonqualified
Projected Benefit Obligation, April 1, 2012						
Granite State Electric	\$ 124,202	\$ 267,701	\$ 0	\$ 0	\$ 0	\$ 391,903
Mass Electric	1,000,204	741,837	794,068	0	0	2,536,109
Narragansett Electric	1,120,590	526,734	0	0	0	1,647,324
New England Power	4,141,634	0	0	0	0	4,141,634
Directors	0	1,267,504	0	1,411,146	0	2,678,650
Nantucket	297,713	0	0	0	0	297,713
NGUSCO ¹	88,265,710	18,816,748	10,775,130	0	1,833,361	119,690,949
Total	\$94,950,053	\$ 21,620,524	\$ 11,569,198	\$1,411,146	\$1,833,361	\$ 131,384,282
Net Periodic Pension Cost						
Granite State Electric	\$ 9,552	\$ 21,542	\$ 0	\$ 0	\$ 0	\$ 31,094
Mass Electric	68,945	59,697	64,916	0	0	193,558
Narragansett Electric	72,652	42,387	0	0	0	115,039
New England Power	307,683	0	0	0	0	307,683
Directors	0	101,998	0	90,667	0	192,665
Nantucket	22,838	0	0	0	0	22,838
NGUSCO ¹	7,959,135	1,514,213	880,873	0	44,527	10,398,748
Total	\$ 8,440,805	\$ 1,739,837	\$ 945,789	\$ 90,667	\$ 44,527	\$ 11,261,625

Assumptions

Discount Rate	5.10%
Average Salary Scale	3.50%
Return on Assets	N/A

Expected Benefit Payments

	\$ 6,170,000	\$ 2,311,000	\$ 1,296,000	\$ 189,000	\$ 344,000	\$ 10,310,000
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¹ Includes 8 Niagara Mohawk and 28 KeySpan Employees.



National Grid USA

Other Nonqualified Plans

2012/2013 ASC 715 Expense – Nonqualified Plans – US GAAP

	Granite State	Mass Electric	Narragansett Electric	New England Power	Directors	Nantucket Electric	National Grid USA Service Company	Total Plans
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Cost	12,923	74,041	25,428	0	128,337	0	1,511,846	1,752,575
Expected Return on Assets	0	0	0	0	0	0	0	0
Unrecognized:								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	0	0	0	0	0	0	0	0
Net (Gain)/Loss	8,619	50,572	16,959	0	64,328	0	927,767	1,068,245
Net Periodic Pension Cost	\$ 21,542	\$ 124,613	\$ 42,387	\$ 0	\$ 192,665	\$ 0	\$ 2,439,613	\$ 2,820,820

Division 1-3

Request:

Referring to WRR-1, Page 2, please provide documentation supporting the July-October 2012 actual PBOP expense.

Response:

See Attachment DIV 1-3-A for the documentation supporting the July-October 2012 actual PBOP expense and Attachment DIV 1-3-B for the related actuary reports supporting the monthly accrual amounts.

Narragansett Electric - Gas Operations
PBOP Costs
July 2012 - October 2012

		(a)	(b)	(c)	(d)	(a)+(b)+(c)+(d)=(e)
1	Type of Expense	July	August	September	October	Grand Total
2	FAS 106	195,334.00	195,334.00	42,419.00	169,848.00	602,935.00
3	Accrual	149,144.00	149,144.00	149,144.00	149,144.00	596,576.00
4	Amortization	46,313.00	44,519.00	45,904.00	52,666.00	189,402.00
5	DAC Collections	77,433.00	(18,381.00)	261,322.00	261,322.00	581,696.00
6	Deferred True-Up	83,848.20	80,246.75	72,045.10	53,907.81	290,047.86
7	KeySpan Corporate Services LLC				522.17	522.17
8	KeySpan Utility Services LLC	64,215.63	65,147.45	51,703.19	224,813.79	405,880.06
9	National Grid USA Service Company, In	14,694.64	10,038.65	20,449.82	10,603.26	55,786.37
10	Other NG Affiliate Charges		0.00			0.00
11	Transferred from 174000	(149,357.85)	(201,650.96)	(169,525.94)	(211,504.38)	(732,039.13)
12	Transferred to Capital/Other NG Affiliat	481,624.62	324,397.89	473,461.17	711,322.65	1,990,806.33
13	Grand Total					

16	Beginning Balance	1,990,806.33
17	less DAC	189,402.00
18	less Deferral	581,696.00

20 Total Current Actual PBOP Expense 1,219,708.33

Line notes

- 2-11 From Page 2 of 2, Line 10
- 3-11 From Company Books
- 12 Sum of Line through Line 11
- 16 Line 12
- 17 Line 4
- 18 Line 5
- 20 Line 16 minus Line 17 minus Line 18

Narragansett Electric - Gas Operations
For the 4 Months Ended October 31, 2012

Line No.	(a)	Total (b)
1	<u>April 1, 2012 through October 31, 2012</u>	
2		
3	Hewitt Actuarial Report - Union	\$ 262,884
4	Hewitt Actuarial Report - Non Union	\$ 1,775,294
5		
6	Less:	
7	Apr-12 - Jun-12 Accrual	586,002
8	Nov-12 - Mar-12 Accrual	<u>849,241</u>
9		
10	Adjusted Total	<u>602,935</u>

Line Notes:

- 3 DIV 1-3 Attachment B, Page 4
- 4 DIV 1-3 Attachment B, Page 5
- 7 From Company Books
- 8 (Line 3 plus Line 4) divided by 12 times 5
- 10 Line 3 plus Line 4 minus Line 7 minus Line 8

September 20, 2012

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

Dear Mari,

Subject: Preliminary New England Retiree Welfare ASC 715 and IAS 19 Expense Results—
April 1, 2012 through March 31, 2013

We have completed the preliminary April 1, 2012 through March 31, 2013 ASC 715 and IAS 19 valuation results for the New England retiree welfare plans. Our results are based on the following:

- 5.1 percent discount rate assumption
- Initial pre-65 medical trend assumption of 8.0 percent decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- Initial post-65 medical trend assumption of 7.5 percent decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- Initial prescription drug trend assumption of 8.25 percent decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- 7.50 percent expected long-term rate of return on union assets
- 7.25 percent expected long-term rate of return on nonunion assets
- Generational mortality for all employees
- The April 1, 2012 market value of assets for ASC 715 purposes
- The April 1, 2012 bid value of assets for IAS 19 purposes
- The updated company codes provided by National Grid
- Expected Fiscal Year 2013 contributions of \$35.0 million for the nonunion plan and \$47.5 million for the union plan

In addition, we have reflected the savings associated with the adoption of an Employer Group Waiver Plan (EGWP) plus Wrap. Due to the Granite State spin-off, we reflected 3 months of service cost, interest cost, and expected return on assets for Granite State. We have not reflected any accounting associated with the sale of Granite State.

US GAAP

Total ASC 715 expense for fiscal year 2013 is \$37.2 million. Below is the company allocation of ASC 715 expense.

	2012/2013	
	ASC 715 Expense	
Granite State	\$	0.2 million
Mass Electric		10.6 million
Nantucket		0.2 million
Narragansett		5.9 million
New England Power		0.3 million
NGUSCO		18.0 million
New England Gas		<u>2.0 million</u>
Total	\$	<u>37.2 million</u>

IFRS

Total IAS 19 expense for fiscal year 2013 is \$19.3 million. Expense for the period April 1, 2012 through March 31, 2013 by company is as follows:

	2012/2013	
	IAS 19 Expense	
Granite State	\$	0.0 million
Mass Electric		4.1 million
Nantucket		0.2 million
Narragansett		2.4 million
New England Power		(0.9) million
NGUSCO		11.1 million
New England Gas		<u>2.4 million</u>
Total	\$	<u>19.3 million</u>

ASC 715 expense is \$2.0 million greater than our prior estimate and IAS 19 expense is \$0.3 million greater than our prior estimate.

In preparing these valuations, we have relied upon participant data as of January 1, 2012 and plan design and asset information supplied by National Grid as of April 1, 2012. 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
September 20, 2012



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". The signature is written in a cursive, flowing style.

Stephen F. Doucette

SFD:chf

Enclosures

4844L1003

cc: Mr. James Allen, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Ms. Francine Kollydas, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Eileen Leahy, 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. Bradley White, National Grid USA
Mr. Jon Brophy, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

**National Grid USA
 Retiree Health and Welfare Plan - Nonunion
 ASC 715 Expense April 1, 2012 through March 31, 2013**

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2012								
Accumulated Postretirement Benefit Obligation	(5,091,608)	(94,616,193)	(576,098)	(44,175,131)	(22,035,395)	(238,755,010)	(27,165,510)	(432,414,945)
Assets at Fair Value	3,150,567	60,490,224	0	27,804,183	20,923,285	90,073,538	16,914,957	219,356,754
Funded Status	(1,941,041)	(34,125,969)	(576,098)	(16,370,948)	(1,112,110)	(148,681,472)	(10,250,553)	(213,058,191)
Unrecognized:								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(56,368)	(1,560,294)	(19,925)	(630,977)	109,371	(6,412,339)	(293,188)	(8,863,720)
Net (Gain)/Loss	1,214,611	19,703,733	237,248	10,434,587	2,337,432	82,860,906	(8,240,881)	108,547,636
(Accrued)/Prepaid Cost	(782,798)	(15,982,530)	(358,775)	(6,567,338)	1,334,693	(72,232,905)	(18,784,622)	(113,374,275)
Market Related Value of Assets	2,939,093	56,429,966	0	25,937,895	19,518,861	84,027,573	15,779,582	204,632,969
Net Postretirement Benefit Cost								
Service Cost	3,443	729,553	10,018	177,541	0	5,102,608	89,359	6,112,522
Interest Cost	62,502	4,662,328	28,641	2,163,248	1,070,816	11,910,898	1,333,829	21,232,262
Expected Return on Assets	(53,032)	(4,176,502)	1,124	(1,914,666)	(1,433,351)	(6,400,363)	(1,128,103)	(15,104,893)
Amortization of								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(14,861)	(340,108)	(4,125)	(125,612)	(10,500)	(923,722)	(32,201)	(1,451,129)
Net (Gain)/Loss	58,460	911,877	11,453	502,620	98,079	4,146,208	0	5,728,697
Net Postret. Benefit Cost	56,512	1,787,148	47,111	803,131	(274,956)	13,835,629	262,884	16,517,459
ASC 715 One-time Charges	0	0	0	0	0	0	0	0
Total Expense / (Income)	56,512	1,787,148	47,111	803,131	(274,956)	13,835,629	262,884	16,517,459
Expected Benefit Payments								
Gross	399,000	6,745,000	31,000	3,706,000	2,201,000	10,884,000	2,141,000	26,107,000
Net	379,000	6,396,000	29,000	3,517,000	2,078,000	10,416,000	2,024,000	24,839,000
Expected Contributions	344,000	8,399,000	0	4,291,000	2,496,000	17,899,000	1,571,000	35,000,000
Assumptions								
Discount Rate		5.10%						
Expected Return on Assets		7.25%						
Initial Pre-65 Medical Trend Rate		8.00%						
Initial Post-65 Medical Trend Rate		7.50%						
Initial Prescription Drug		8.25%						
Ultimate Trend Rate		5.00%						
Mortality		2008 IRS GEN						9/20/2012

**National Grid USA
 Retiree Health and Welfare Plan - Union
 ASC 715 Expense April 1, 2012 through March 31, 2013**

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2012								
Accumulated Postretirement Benefit Obligation	(5,784,034)	(199,703,428)	(1,410,131)	(97,932,315)	(20,031,887)	(77,315,913)	(23,891,566)	(426,069,274)
Assets at Fair Value	4,055,783	122,251,485	0	50,299,741	19,508,716	45,677,487	10,123,462	251,916,674
Funded Status	(1,728,251)	(77,451,943)	(1,410,131)	(47,632,574)	(523,171)	(31,638,426)	(13,768,104)	(174,152,600)
Unrecognized:								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(27,404)	(1,063,487)	2,185	(396,318)	63,407	(38,414)	127,913	(1,332,118)
Net (Gain)/Loss	1,369,133	56,819,561	609,825	33,253,963	10,465,640	27,975,741	6,924,165	137,418,028
(Accrued)/Prepaid Cost	(386,522)	(21,695,869)	(798,121)	(14,774,929)	10,005,876	(3,701,099)	(6,716,026)	(38,066,690)
Market Related Value of Assets	3,537,678	106,634,496	0	43,874,212	17,016,579	39,842,427	8,830,243	219,735,635
Net Postretirement Benefit Cost								
Service Cost	27,509	3,570,137	40,867	1,555,504	0	1,501,078	783,517	7,478,612
Interest Cost	72,267	9,950,581	71,228	4,869,598	972,743	3,864,725	1,191,567	20,992,709
Expected Return on Assets	(71,825)	(8,609,868)	1,050	(3,637,141)	(1,219,659)	(3,176,829)	(669,024)	(17,383,296)
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	102,632	4,114,110	0	2,343,516	858,998	2,044,988	457,017	9,921,261
Net Postret. Benefit Cost	124,859	8,823,005	113,357	5,052,165	615,493	4,194,508	1,775,294	20,698,681
ASC 715 One-time Charges	124,859	8,823,005	113,357	5,052,165	615,493	4,194,508	1,775,294	20,698,681
Total Expense / (Income)								
Expected Benefit Payments								
Gross	246,000	9,731,000	28,000	5,188,000	2,043,000	3,245,000	1,148,000	21,629,000
Net	232,000	9,188,000	27,000	4,900,000	1,917,000	3,074,000	1,055,000	20,393,000
Expected Contributions	768,000	24,054,000	0	13,320,000	493,000	7,639,000	1,226,000	47,500,000
Assumptions								
Discount Rate		5.10%						
Expected Return on Assets		7.50%						
Initial Pre-65 Medical Trend Rate		8.00%						
Initial Post-65 Medical Trend Rate		7.50%						
Initial Prescription Drug		8.25%						
Ultimate Trend Rate		5.00%						
Mortality		2008 IRS GEN						9/20/2012

**National Grid USA
 Retiree Health and Welfare Plan - Nonunion
 IAS 19 Expense April 1, 2012 through March 31, 2013**

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2012								
Accumulated Postretirement Benefit Obligation	(5,091,608)	(94,616,193)	(576,098)	(44,175,131)	(22,035,395)	(238,755,010)	(27,165,510)	(432,414,945)
Assets at Bid Value	3,150,453	60,488,033	0	27,803,176	20,922,527	90,070,276	16,914,344	219,348,810
Funded Status	(1,941,155)	(34,128,160)	(576,098)	(16,371,955)	(1,112,868)	(148,684,734)	(10,251,166)	(213,066,136)
Prior Service Cost	(75,123)	(1,902,443)	(10,806)	(716,957)	(21,013)	(5,951,780)	3,410,729	(5,267,393)
(Accrued)/Prepaid Cost	(2,016,278)	(36,030,603)	(586,904)	(17,088,912)	(1,133,881)	(154,636,514)	(6,840,437)	(218,333,529)
P&L Expense								
Operating Expense								
Service Cost	3,443	729,553	10,018	177,541	0	5,102,608	89,359	6,112,522
Exceptional Costs (STBs)	0	0	0	0	0	0	0	0
Prior Service Costs	(14,590)	(299,883)	(1,774)	(112,548)	(8,848)	(757,195)	974,634	(220,204)
Curtailment/Settlement Costs	0	0	0	0	0	0	0	0
Total Operating Expense	(11,147)	429,670	8,244	64,993	(8,848)	4,345,413	1,063,993	5,892,318
Financing Expense								
Interest Cost	62,502	4,662,328	28,641	2,163,248	1,070,816	11,910,898	1,333,829	21,232,262
Expected Return on Assets	(56,863)	(4,470,712)	1,124	(2,049,899)	(1,535,117)	(6,838,459)	(1,210,373)	(16,160,299)
Total Financing Expense	5,639	191,616	29,765	113,349	(464,301)	5,072,439	123,456	5,071,963
Total P&L Expense	(5,508)	621,286	38,009	178,342	(473,149)	9,417,852	1,187,449	10,964,281
Expected Benefit Payments								
Gross	399,000	6,745,000	31,000	3,706,000	2,201,000	10,884,000	2,141,000	26,107,000
Net	379,000	6,396,000	29,000	3,517,000	2,078,000	10,416,000	2,024,000	24,839,000
Expected Contributions	344,000	8,399,000	0	4,291,000	2,496,000	17,899,000	1,571,000	35,000,000
Assumptions								
Discount Rate	5.10%							
Expected Return on Assets	7.25%							
Initial Pre-65 Medical Trend Rate	8.00%							
Initial Post-65 Medical Trend Rate	8.25%							
Ultimate Medical Trend Rate	5.00%							
Mortality	2008 IRS GEN							

9/20/2012

IAS_Nonunion

**National Grid USA
 Retiree Health and Welfare Plan - Union
 IAS 19 Expense April 1, 2012 through March 31, 2013**

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2012								
Accumulated Postretirement Benefit Obligation	(5,784,034)	(199,703,428)	(1,410,131)	(97,932,315)	(20,031,887)	(77,315,913)	(23,891,566)	(426,069,274)
Assets at Bid Value	4,055,508	122,243,181	0	50,296,324	19,507,391	45,674,384	10,122,774	251,899,562
Funded Status	(1,728,526)	(77,460,247)	(1,410,131)	(47,635,991)	(524,496)	(31,641,529)	(13,768,792)	(174,169,712)
Prior Service Cost	(15,385)	(511,656)	933	(190,052)	8,563	(188,803)	22,256	(874,144)
(Accrued)/Prepaid Cost	(1,743,911)	(77,971,903)	(1,409,198)	(47,826,043)	(515,933)	(31,830,332)	(13,746,536)	(175,043,855)
P&L Expense								
Operating Expense	27,509	3,570,137	40,867	1,555,504	0	1,501,078	783,517	7,478,612
Service Cost	0	0	0	0	0	0	0	0
Exceptional Costs (STBs)	(6,479)	(208,736)	147	(84,763)	(3,519)	(74,976)	2,126	(376,200)
Prior Service Costs	0	0	0	0	0	0	0	0
Curtailment/Settlement Costs	21,030	3,361,401	41,014	1,470,741	(3,519)	1,426,102	785,643	7,102,412
Total Operating Expense	72,267	9,950,581	71,228	4,869,598	972,743	3,864,725	1,191,567	20,992,709
Financing Expense	(81,535)	(9,780,520)	1,050	(4,118,799)	(1,406,470)	(3,614,226)	(765,964)	(19,766,464)
Interest Cost	(9,268)	170,061	72,278	750,799	(433,727)	250,499	425,603	1,226,245
Expected Return on Assets	11,762	3,531,462	113,292	2,221,540	(437,246)	1,676,601	1,211,246	8,328,658
Total Financing Expense	246,000	9,731,000	28,000	5,188,000	2,043,000	3,245,000	1,148,000	21,629,000
Expected Benefit Payments	232,000	9,188,000	27,000	4,900,000	1,917,000	3,074,000	1,055,000	20,393,000
Gross	768,000	24,054,000	0	13,320,000	493,000	7,639,000	1,226,000	47,500,000
Net								
Expected Contributions								
Assumptions								
Discount Rate	5.10%							
Expected Return on Assets	7.50%							
Initial Pre-65 Medical Trend Rate	8.00%							
Initial Post-65 Medical Trend Rate	7.50%							
Initial Prescription Drug	8.25%							
Ultimate Medical Trend Rate	5.00%							
Mortality	2008 IRS GEN							

9/20/2012

IAS Union

September 24, 2012

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

Dear Mari,

Subject: Preliminary KeySpan Retiree Welfare Expense Results under US GAAP and IFRS—April 1, 2012 through March 31, 2013

Enclosed are the preliminary Fiscal Year 2013 ASC 715 and IAS 19 expense results for the KeySpan retiree welfare plans. The assumptions used for these valuations are outlined in the March 31, 2012 disclosure report. Some of the key assumptions include:

- 5.1 percent discount rate assumption
- 3.5 percent average salary increase assumption for both union and nonunion employees (applicable to life insurance only)
- Initial medical trend rate assumption of 8.0 percent pre-65 and 7.5 percent post-65 decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- Initial prescription drug trend rate assumption of 8.25 percent decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- 7.25 percent expected long-term rate of return on assets for the nonunion health VEBA assets
- 8.25 percent expected long-term rate of return on assets for the nonunion life insurance VEBA assets
- 7.50 percent expected long-term rate of return on assets for the union health and life insurance VEBA assets
- Generational Mortality for all employees.
- April 1, 2012 market value of assets provided by National Grid for ASC 715 purposes
- April 1, 2012 bid value of assets provided by National Grid for IAS 19 purposes
- Expected fiscal year 2013 contributions provided to us by National Grid for FY 2012 year-end disclosure

In addition, we have reflected the savings associated with the adoption of an Employer Group Waiver Plan (EGWP) Plus Wrap.

Due to the Energy North Spin-off, we have reflected only 3 months of service cost, interest cost, and expected return on assets associated with the individuals going with the sale. We have also reflected curtailment and settlement accounting for the four EnergyNorth stand-alone plans for both US GAAP and IFRS purposes. For US GAAP, we reflected the Gain due to Sale. For this purpose, we re-measured plan assets and liabilities as of 7/2/2012. The discount rate used to measure the liabilities as of 7/2/2012 is 4.8 percent.

Below is a summary of expense under ASC 715 and IAS 19 for the period April 1, 2012 through March 31, 2013.

	Ongoing Retiree Welfare Expense	One-time Past Service Cost/(Credit)	Curtailement/ Settlement Expense	Total Expense
ASC 715	\$ 126,446,847	N/A	\$(3,742,767)	\$ 122,704,080
IAS 19	\$ 80,618,917	\$ 0	(4,813,155)	\$ 75,805,762

ASC 715 ongoing expense is \$4.8 million less than our prior estimate and IAS 19 ongoing expense is \$3.9 million less than our prior estimates. These gains are attributable to favor medical claims cost experience as well as demographic changes.

In preparing these valuations, we have relied upon participant data as of January 1, 2012, and plan design and asset information supplied by National Grid as of April 1, 2012. 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, including the business unit allocations.

Mari, if you have any questions please call.

Sincerely,



Stephen F. Doucette

SFD:chf

Enclosures

4844L1004

cc: Mr. James Allen, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Ms. Francine Kollydas, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Eileen Leahy, 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. Bradley White, National Grid USA
Mr. Jon Brophy, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

National Grid USA
KeySpan Postretirement Health and Life Insurance Plans
Fiscal Year 2013 ASC 715 Retiree Welfare Expense

	Total Health	Total Life	Grand Total Retiree Welfare
Reconciliation of Funded Status, 4/1/2012			
Accumulated Postretirement Benefit Obligation	\$ (1,686,227,410)	\$ (175,793,835)	\$ (1,862,021,245)
Assets at Fair Value	501,984,908	102,719,800	604,704,708
Funded Status	\$ (1,184,242,502)	\$ (73,074,035)	\$ (1,257,316,537)
Unrecognized:			
Prior Service Cost	7,950,676	(7,432,957)	517,719
Net (Gain)/Loss	353,378,766	33,352,549	386,731,315
(Accrued)/Prepaid Cost	\$ (822,913,061)	\$ (47,154,443)	\$ (870,067,504)
FY2013 ASC 715 Expense			
Service Cost	\$ 33,766,309	\$ 1,482,417	\$ 35,248,726
Interest Cost	84,066,249	8,628,023	92,694,272
Expected Return on Assets	(39,292,872)	(7,491,065)	(46,783,937)
Amortization of:			
Prior Service Cost	1,427,662	(1,418,689)	8,973
Net (Gain)/Loss	40,792,989	4,485,824	45,278,813
Net Periodic Postretirement Cost	\$ 120,760,337	\$ 5,686,510	\$ 126,446,847
Curtailment Expense	\$ 0	\$ 0	\$ 0
Settlement Expense	494,348	560,117	1,054,465
Gain due to Sale	(3,938,080)	(859,152)	(4,797,232)
Total One-time Charges	\$ (3,443,732)	\$ (299,035)	\$ (3,742,767)
Total Postretirement Expense	\$ 117,316,605	\$ 5,387,475	\$ 122,704,080
Expected Cash Contributions (Disclosure)	\$ 129,000,000	\$ 0	\$ 129,000,000
Expected Cash Contributions (Updated)	\$ 126,000,000	\$ 0	\$ 126,000,000
Expected Benefit Payments - Gross	\$ 70,495,443	\$ 10,936,370	\$ 81,431,813
Expected Benefit Payments - Net	\$ 66,997,363	\$ 10,936,370	\$ 77,933,733
Expected Benefit Payments from the Trust	\$ 65,314,624	\$ 8,465,171	\$ 73,779,795
Assumptions			
Discount Rate	5.10%	5.10%	
Initial Pre-65 Medical Trend Rate	8.00%	n/a	
Initial Post-65 Medical Trend Rate	7.50%	n/a	
Initial Prescription Drug Trend Rate	8.25%	n/a	
Ultimate Trend Rate	5.00%	n/a	

National Grid USA - KeySpan Postretirement Health Insurance Plans
ASC 715 Expense - Total Business Unit Allocations
April 1, 2012 through March 31, 2013

5.10% Discount Rate

Grand Total Postretirement Health Insurance										
Business Unit	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss	Net Periodic Cost	ASC 715 One-time Charge	Total ASC 715 Expense		
KeySpan Energy Delivery New York (1)	\$ 3,270,062	\$ 10,742,073	\$ (9,898,887)	\$ 132,147	\$ 4,548,851	\$ 8,794,246	\$ 0	\$ 8,794,246		
KeySpan Energy Delivery Long Island (2)	\$ 4,437,817	\$ 9,477,457	\$ (3,613,004)	\$ 128,391	\$ 5,403,528	\$ 15,834,189	\$ 0	\$ 15,834,189		
KeySpan Electric Services LLC (3)	\$ 6,631,083	\$ 14,515,955	\$ (5,515,355)	\$ 201,625	\$ 8,210,059	\$ 24,043,367	\$ 0	\$ 24,043,367		
KeySpan Energy Trading Services LLC	\$ 26,552	\$ 106,850	\$ (40,705)	\$ 1,628	\$ 55,668	\$ 149,993	\$ 0	\$ 149,993		
KeySpan Generation LLC (4)	\$ 2,108,528	\$ 5,455,609	\$ (2,065,817)	\$ 76,617	\$ 3,076,554	\$ 8,651,491	\$ 0	\$ 8,651,491		
KeySpan Corporate Services LLC (5)	\$ 11,060,076	\$ 26,638,183	\$ (11,734,185)	\$ 477,043	\$ 13,125,727	\$ 39,566,844	\$ (205,644)	\$ 39,361,200		
KeySpan Utility Services LLC	\$ 412,958	\$ 2,400,981	\$ (1,068,370)	\$ 30,655	\$ 1,223,813	\$ 3,000,037	\$ 0	\$ 3,000,037		
KeySpan Engineering and Survey	\$ 3,996,003	\$ 7,438,919	\$ (2,897,064)	\$ 104,215	\$ 4,140,436	\$ 12,782,509	\$ 0	\$ 12,782,509		
KeySpan Energy Management Inc.	\$ 1,207	\$ 29,271	\$ (12,026)	\$ 289	\$ 14,910	\$ 33,651	\$ 0	\$ 33,651		
KeySpan Energy Services Inc.	\$ 0	\$ 22,268	\$ (8,167)	\$ 212	\$ 11,418	\$ 25,731	\$ 0	\$ 25,731		
KeySpan Energy Solutions Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Energy Supply LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Communications	\$ 0	\$ 8,397	\$ (2,876)	\$ 131	\$ 4,604	\$ 10,256	\$ 0	\$ 10,256		
KeySpan Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Plumbing & Heating Services Inc.	\$ 5,279	\$ 339,618	\$ (248,537)	\$ 4,018	\$ 156,356	\$ 256,734	\$ 0	\$ 256,734		
KeySpan Plumbing Solutions Inc.	\$ 0	\$ 3,079	\$ (26)	\$ 30	\$ (3)	\$ 3,080	\$ 0	\$ 3,080		
KeySpan Home Energy Services NE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Ravenswood Services Corp	\$ 0	\$ 266,681	\$ (7,324)	\$ 2,775	\$ 107,759	\$ 369,791	\$ 0	\$ 369,791		
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Seneca	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Boston Gas (6)	\$ 1,499,437	\$ 5,229,768	\$ (2,096,427)	\$ 63,308	\$ 460,802	\$ 5,156,888	\$ 0	\$ 5,156,888		
Colonial Gas (excluding Transgas)	\$ 176,812	\$ 878,878	\$ (60,424)	\$ 171,598	\$ 192,322	\$ 1,359,186	\$ 0	\$ 1,359,186		
Transgas	\$ 39,833	\$ 104,928	\$ (17)	\$ 39,071	\$ 10,244	\$ 194,059	\$ 0	\$ 194,059		
Algonquin	\$ 0	\$ 5,061	\$ (48)	\$ 54	\$ (6)	\$ 5,061	\$ 0	\$ 5,061		
EnergyNorth	\$ 3,917	\$ 52,006	\$ (2,472)	\$ 4,789	\$ 30,329	\$ 88,569	\$ (3,238,088)	\$ (3,149,519)		
Essex Gas	\$ 96,745	\$ 350,367	\$ (21,141)	\$ (10,934)	\$ 19,618	\$ 434,655	\$ 0	\$ 434,655		
Grand Total KeySpan	\$ 33,766,309	\$ 84,066,249	\$ (39,292,872)	\$ 1,427,662	\$ 40,792,989	\$ 120,760,337	\$ (3,443,732)	\$ 117,316,605		

NOTES:

- (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
- (2) Includes 21% of KSE for Long Island
- (3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
- (4) Includes 25% of KSE for Long Island
- (5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
- (6) Includes 100% of Headquarters (non-CSV)

National Grid USA - KeySpan Postretirement Life Insurance Plans
 ASC 715 Expense - Total Business Unit Allocations
 April 1, 2012 through March 31, 2013

5.10% Discount Rate

Grand Total Postretirement Life Insurance										
Business Unit	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss	Net Periodic Cost	ASC 715 One-time Charge	Total ASC 715 Expense		
KeySpan Energy Delivery New York ⁽¹⁾	\$ 218,443	\$ 1,352,422	\$ (775,321)	\$ (83,606)	\$ 805,854	\$ 1,517,792	\$ 0	\$ 1,517,792		
KeySpan Energy Delivery Long Island ⁽²⁾	\$ 173,520	\$ 900,493	\$ (1,093,715)	\$ (112,284)	\$ 523,881	\$ 391,895	\$ 0	\$ 391,895		
KeySpan Electric Services LLC ⁽³⁾	\$ 281,764	\$ 1,555,057	\$ (1,796,657)	\$ (246,520)	\$ 891,286	\$ 684,930	\$ 0	\$ 684,930		
KeySpan Energy Trading Services LLC	\$ 869	\$ 13,297	\$ (9,155)	\$ (4,452)	\$ 6,879	\$ 7,438	\$ 0	\$ 7,438		
KeySpan Generation LLC ⁽⁴⁾	\$ 106,367	\$ 619,471	\$ (676,156)	\$ (118,347)	\$ 349,503	\$ 280,838	\$ 0	\$ 280,838		
KeySpan Corporate Services LLC ⁽⁵⁾	\$ 467,761	\$ 2,991,702	\$ (2,293,596)	\$ (691,211)	\$ 1,437,330	\$ 1,911,986	\$ (10,689)	\$ 1,901,297		
KeySpan Utility Services LLC	\$ 19,211	\$ 410,101	\$ (205,686)	\$ (90,235)	\$ 191,473	\$ 324,864	\$ 0	\$ 324,864		
KeySpan Engineering and Survey	\$ 182,371	\$ 494,163	\$ (560,521)	\$ (81,897)	\$ 279,761	\$ 313,877	\$ 0	\$ 313,877		
KeySpan Energy Management Inc.	\$ 689	\$ 3,617	\$ (1,236)	\$ (494)	\$ 1,625	\$ 4,201	\$ 0	\$ 4,201		
KeySpan Energy Services Inc.	\$ 0	\$ 560	\$ 0	\$ (136)	\$ (60)	\$ 364	\$ 0	\$ 364		
KeySpan Energy Solutions Inc.	\$ 0	\$ 874	\$ (394)	\$ (552)	\$ 337	\$ 265	\$ 0	\$ 265		
KeySpan Energy Supply LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Communications	\$ 0	\$ 3,335	\$ (2,940)	\$ (1,060)	\$ 1,720	\$ 1,055	\$ 0	\$ 1,055		
KeySpan Services Inc.	\$ 0	\$ 764	\$ 0	\$ (185)	\$ (82)	\$ 497	\$ 0	\$ 497		
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Plumbing & Heating Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Plumbing Solutions Inc.	\$ 413	\$ 36,284	\$ (19,039)	\$ (3,736)	\$ 19,016	\$ 32,938	\$ 0	\$ 32,938		
KeySpan Home Energy Services NE	\$ 0	\$ 331	\$ 0	\$ (6)	\$ (517)	\$ (192)	\$ 0	\$ (192)		
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Ravenswood Services Corp	\$ 952	\$ 9,246	\$ (3,293)	\$ (5,285)	\$ 4,853	\$ 6,473	\$ 0	\$ 6,473		
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Seneca	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Boston Gas ⁽⁶⁾	\$ 6,009	\$ 89,070	\$ (95)	\$ (956)	\$ (134,109)	\$ (40,081)	\$ 0	\$ (40,081)		
Colonial Gas (excluding Transgas)	\$ 14,073	\$ 102,595	\$ (40,924)	\$ 19,502	\$ 67,922	\$ 163,168	\$ 0	\$ 163,168		
Transgas	\$ 4,193	\$ 4,598	\$ 0	\$ 1,076	\$ 4,386	\$ 14,253	\$ 0	\$ 14,253		
Algonquin	\$ 0	\$ 1,415	\$ 0	\$ (27)	\$ (2,201)	\$ (813)	\$ 0	\$ (813)		
EnergyNorth	\$ 347	\$ 16,716	\$ (12,110)	\$ 38	\$ 23,998	\$ 28,989	\$ (288,346)	\$ (259,357)		
Essex Gas	\$ 5,435	\$ 21,912	\$ (227)	\$ 1,684	\$ 12,969	\$ 41,773	\$ 0	\$ 41,773		
Grand Total KeySpan	\$ 1,482,417	\$ 8,628,023	\$ (7,491,065)	\$ (1,418,689)	\$ 4,485,824	\$ 5,686,510	\$ (299,035)	\$ 5,387,475		

NOTES:

- (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
- (2) Includes 21% of KSE for Long Island
- (3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
- (4) Includes 25% of KSE for Long Island
- (5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
- (6) Includes 100% of Headquarters (non-CSV)

National Grid USA - KeySpan Postretirement Health and Life Insurance Plans
ASC 715 Expense - Total Business Unit Allocations
April 1, 2012 through March 31, 2013

5.10% Discount Rate

Business Unit	Grand Total Postretirement Health and Life Insurance									
	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss	Net Periodic Cost	ASC 715 One-time Charge	Total ASC 715 Expense		
BUG	\$ 3,488,505	\$ 12,094,495	\$ (10,674,208)	\$ 48,541	\$ 5,354,705	\$ 10,312,038	\$ 0	\$ 10,312,038		
KeySpan Energy Delivery New York (1)	\$ 4,611,337	\$ 10,377,950	\$ (4,706,719)	\$ 16,107	\$ 5,927,409	\$ 16,226,084	\$ 0	\$ 16,226,084		
KeySpan Energy Delivery Long Island (2)	\$ 6,912,847	\$ 16,071,012	\$ (7,312,012)	\$ (44,895)	\$ 9,101,345	\$ 24,728,297	\$ 0	\$ 24,728,297		
KeySpan Electric Services LLC (3)	\$ 27,421	\$ 120,147	\$ (49,860)	\$ (2,824)	\$ 62,547	\$ 157,431	\$ 0	\$ 157,431		
KeySpan Energy Trading Services LLC	\$ 2,214,895	\$ 6,075,080	\$ (2,741,973)	\$ (41,730)	\$ 3,426,057	\$ 8,932,329	\$ 0	\$ 8,932,329		
KeySpan Generation LLC (4)	\$ 11,527,837	\$ 29,629,885	\$ (14,027,781)	\$ (214,168)	\$ 14,563,057	\$ 41,478,830	\$ (216,333)	\$ 41,262,497		
KeySpan Corporate Services LLC (5)	\$ 432,169	\$ 2,811,082	\$ (1,274,056)	\$ (59,580)	\$ 1,415,286	\$ 3,324,901	\$ 0	\$ 3,324,901		
KeySpan Utility Services LLC	\$ 4,178,374	\$ 7,933,082	\$ (3,457,585)	\$ 22,318	\$ 4,420,197	\$ 13,096,386	\$ 0	\$ 13,096,386		
KeySpan Engineering and Survey	\$ 1,896	\$ 32,888	\$ (13,262)	\$ (205)	\$ 16,535	\$ 37,852	\$ 0	\$ 37,852		
KeySpan Energy Management Inc.	\$ 0	\$ 22,828	\$ (8,167)	\$ 76	\$ 11,358	\$ 26,095	\$ 0	\$ 26,095		
KeySpan Energy Services Inc.	\$ 0	\$ 874	\$ (394)	\$ (552)	\$ 337	\$ 265	\$ 0	\$ 265		
KeySpan Energy Solutions Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Energy Supply LLC	\$ 0	\$ 11,732	\$ (5,816)	\$ (929)	\$ 6,324	\$ 11,311	\$ 0	\$ 11,311		
KeySpan Communications	\$ 0	\$ 764	\$ 0	\$ (185)	\$ (82)	\$ 497	\$ 0	\$ 497		
KeySpan Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Plumbing & Heating Services Inc.	\$ 5,692	\$ 375,902	\$ (267,576)	\$ 282	\$ 175,372	\$ 289,672	\$ 0	\$ 289,672		
KeySpan Plumbing Solutions Inc.	\$ 0	\$ 3,410	\$ (26)	\$ 24	\$ (520)	\$ 2,888	\$ 0	\$ 2,888		
KeySpan Home Energy Services NE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Corporate Services LLC (KS)	\$ 952	\$ 275,827	\$ (10,617)	\$ (2,510)	\$ 112,612	\$ 376,264	\$ 0	\$ 376,264		
KeySpan Ravenswood Services Corp	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Seneca	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Boston Gas (6)	\$ 1,505,446	\$ 5,318,838	\$ (2,096,522)	\$ 62,352	\$ 326,693	\$ 5,116,807	\$ 0	\$ 5,116,807		
Colonial Gas (excluding Transgas)	\$ 190,885	\$ 981,473	\$ (101,348)	\$ 191,100	\$ 260,244	\$ 1,522,354	\$ 0	\$ 1,522,354		
Transgas	\$ 44,026	\$ 109,526	\$ (17)	\$ 40,147	\$ 14,630	\$ 208,312	\$ 0	\$ 208,312		
Algonquin	\$ 0	\$ 6,476	\$ (48)	\$ 27	\$ (2,207)	\$ 4,248	\$ 0	\$ 4,248		
EnergyNorth	\$ 4,264	\$ 68,722	\$ (14,582)	\$ 4,827	\$ 54,327	\$ 117,558	\$ (3,526,434)	\$ (3,408,876)		
Essex Gas	\$ 102,180	\$ 372,279	\$ (21,368)	\$ (9,250)	\$ 32,587	\$ 476,428	\$ 0	\$ 476,428		
Grand Total KeySpan	\$ 35,248,726	\$ 92,694,272	\$ (46,763,937)	\$ 8,973	\$ 45,278,813	\$ 126,446,847	\$ (3,742,767)	\$ 122,704,080		

NOTES:

- (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
- (2) Includes 21% of KSE for Long Island
- (3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
- (4) Includes 25% of KSE for Long Island
- (5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
- (6) Includes 100% of Headquarters (non-CSV)

National Grid USA
KeySpan Postretirement Health and Life Insurance Plans
Fiscal Year 2013 IAS 19 Retiree Welfare Expense

	Total Health	Total Life	Grand Total Retiree Welfare
Reconciliation of Funded Status, 4/1/2012			
Defined Benefit Obligation	\$ (1,686,227,410)	\$ (175,793,835)	\$ (1,862,021,245)
Bid Value of Assets	501,960,593	102,714,588	604,675,181
Surplus/(Deficit)	\$ (1,184,266,817)	\$ (73,079,247)	\$ (1,257,346,064)
Unrecognized:			
Past Service Cost	2,008,188	(4,827,700)	(2,819,512)
(Asset)/Liability Recognised on Balance Sheet	\$ (1,182,258,629)	\$ (77,906,947)	\$ (1,260,165,576)
FY 2013 P&L Expense			
Operating Expense			
Service Cost	\$ 33,766,309	\$ 1,482,417	\$ 35,248,726
Exceptional Costs (STB's)	0	0	0
Past Service Costs - Ongoing	365,914	(908,271)	(542,357)
Past Service Costs - One Time	0	0	0
Curtailment Costs - Due to Sale of EnergyNorth	0	(15,923)	(15,923)
Settlement Costs - Due to Sale of EnergyNorth	(3,938,080)	(859,152)	(4,797,232)
Total Operating Expense	\$ 30,194,143	\$ (300,929)	\$ 29,893,214
Financing Expense			
Interest Cost	\$ 84,066,249	\$ 8,628,023	\$ 92,694,272
Expected Return on Assets	(39,291,050)	(7,490,674)	(46,781,724)
Total Financing Expense	\$ 44,775,199	\$ 1,137,349	\$ 45,912,548
Total P&L Expense	\$ 74,969,342	\$ 836,420	\$ 75,805,762
Expected Cash Contributions (Disclosure)	\$ 129,000,000	\$ 0	\$ 129,000,000
Expected Cash Contributions (Updated)	\$ 126,000,000	\$ 0	\$ 126,000,000
Expected Benefit Payments - Gross	\$ 70,495,439	\$ 10,396,370	\$ 80,891,809
Expected Benefit Payments - Net	\$ 66,997,359	\$ 10,396,370	\$ 77,393,729
Expected Benefit Payments from the Trust	\$ 65,314,624	\$ 8,465,171	\$ 73,779,795
Assumptions			
Discount Rate	5.10%	5.10%	
Initial Pre-65 Medical Trend Rate	8.00%	n/a	
Initial Post-65 Medical Trend Rate	7.50%	n/a	
Initial Prescription Drug Trend Rate	8.25%	n/a	
Ultimate Trend Rate	5.00%	n/a	

National Grid USA - KeySpan Postretirement Health Plans
IAS 19 Expense - Total Business Unit Allocations
April 1, 2012 through March 31, 2013

5.10% Discount Rate

Grand Total Postretirement Health Insurance										
Business Unit	Service Cost	Exceptional Costs (STB's)	Past Service Costs - Ongoing	Past Service Costs - One Time	Curtailment Costs	Settlement Costs	Interest Cost	Expected Return on Assets	Total P&L Expense	
KeySpan Energy Delivery New York ⁽¹⁾	\$ 3,270,062	\$ 0	\$ 23,492	\$ 0	\$ 0	\$ 0	\$ 10,742,073	\$ (9,898,328)	\$ 4,137,299	
KeySpan Energy Delivery Long Island ⁽²⁾	\$ 4,437,817	\$ 0	\$ 20,617	\$ 0	\$ 0	\$ 0	\$ 9,477,457	\$ (3,612,819)	\$ 10,323,072	
KeySpan Electric Services LLC ⁽³⁾	\$ 6,631,083	\$ 0	\$ 32,628	\$ 0	\$ 0	\$ 0	\$ 14,515,955	\$ (5,515,097)	\$ 15,664,569	
KeySpan Energy Trading Services LLC	\$ 26,552	\$ 0	\$ 276	\$ 0	\$ 0	\$ 0	\$ 106,850	\$ (40,704)	\$ 92,974	
KeySpan Generation LLC ⁽⁴⁾	\$ 2,108,528	\$ 0	\$ 12,440	\$ 0	\$ 0	\$ 0	\$ 5,455,609	\$ (2,065,723)	\$ 5,510,854	
KeySpan Corporate Services LLC ⁽⁵⁾	\$ 11,060,076	\$ 0	\$ 131,164	\$ 0	\$ 0	\$ (199,550)	\$ 26,638,183	\$ (11,733,774)	\$ 25,896,099	
KeySpan Utility Services LLC	\$ 412,958	\$ 0	\$ 5,160	\$ 0	\$ 0	\$ 0	\$ 2,400,981	\$ (1,068,345)	\$ 1,750,754	
KeySpan Engineering and Survey	\$ 3,996,003	\$ 0	\$ 17,157	\$ 0	\$ 0	\$ 0	\$ 7,438,919	\$ (2,896,944)	\$ 8,555,135	
KeySpan Energy Management Inc.	\$ 1,207	\$ 0	\$ 48	\$ 0	\$ 0	\$ 0	\$ 29,271	\$ (12,026)	\$ 18,500	
KeySpan Energy Services Inc.	\$ 0	\$ 0	\$ 35	\$ 0	\$ 0	\$ 0	\$ 22,268	\$ (8,167)	\$ 14,136	
KeySpan Energy Solutions Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Energy Supply LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Communications	\$ 0	\$ 0	\$ 22	\$ 0	\$ 0	\$ 0	\$ 8,397	\$ (2,876)	\$ 5,543	
KeySpan Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Plumbing & Heating Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Plumbing Solutions Inc.	\$ 5,279	\$ 0	\$ 700	\$ 0	\$ 0	\$ 0	\$ 339,618	\$ (248,525)	\$ 97,072	
KeySpan Home Energy Services NE	\$ 0	\$ 0	\$ 3	\$ 0	\$ 0	\$ 0	\$ 3,079	\$ (26)	\$ 3,056	
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Ravenswood Services Corp	\$ 0	\$ 0	\$ 433	\$ 0	\$ 0	\$ 0	\$ 266,581	\$ (7,323)	\$ 259,691	
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Seneca	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Boston Gas ⁽⁶⁾	\$ 1,499,437	\$ 0	\$ 7,507	\$ 0	\$ 0	\$ 0	\$ 5,229,768	\$ (2,096,279)	\$ 4,640,433	
Colonial Gas (excluding Transgas)	\$ 176,812	\$ 0	\$ 104,064	\$ 0	\$ 0	\$ 0	\$ 878,878	\$ (60,418)	\$ 1,099,336	
Transgas	\$ 39,833	\$ 0	\$ 24,343	\$ 0	\$ 0	\$ 0	\$ 104,928	\$ (17)	\$ 169,087	
Algonquin	\$ 0	\$ 0	\$ 5	\$ 0	\$ 0	\$ 0	\$ 5,061	\$ (48)	\$ 5,018	
EnergyNorth	\$ 3,917	\$ 0	\$ 2,966	\$ 0	\$ 0	\$ (3,738,530)	\$ 52,006	\$ (2,472)	\$ (3,682,113)	
Essex Gas	\$ 96,745	\$ 0	\$ (17,146)	\$ 0	\$ 0	\$ 0	\$ 350,367	\$ (21,139)	\$ 408,827	
Grand Total KeySpan	\$ 33,766,309	\$ 0	\$ 365,914	\$ 0	\$ 0	\$ (3,938,080)	\$ 84,066,249	\$ (39,291,050)	\$ 74,969,342	

NOTES:

- (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
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- (4) Includes 25% of KSE for Long Island
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- (6) Includes 100% of Headquarters (non-CSV)

Aon Hewitt

9/24/2012

National Grid USA - KeySpan Postretirement Life Insurance Plans
IAS 19 Expense - Total Business Unit Allocations
April 1, 2012 through March 31, 2013

5.10% Discount Rate

Grand Total Postretirement Life Insurance										
Business Unit	Service Cost	Exceptional Costs (STB's)	Past Service Costs	Past Service Costs - One Time	Curtailment Costs	Settlement Costs	Interest Cost	Expected Return on Assets	Total P&L Expense	
KeySpan Energy Delivery New York ⁽¹⁾	\$ 218,443	\$ 0	\$ (62,724)	\$ 0	\$ 0	\$ 0	\$ 1,352,422	\$ (775,279)	\$ 732,862	
KeySpan Energy Delivery Long Island ⁽²⁾	\$ 173,520	\$ 0	\$ (69,387)	\$ 0	\$ 0	\$ 0	\$ 900,493	\$ (1,093,651)	\$ (89,025)	
KeySpan Electric Services LLC ⁽³⁾	\$ 281,764	\$ 0	\$ (151,051)	\$ 0	\$ 0	\$ 0	\$ 1,555,057	\$ (1,796,557)	\$ (110,787)	
KeySpan Energy Trading Services LLC	\$ 869	\$ 0	\$ (2,736)	\$ 0	\$ 0	\$ 0	\$ 13,297	\$ (9,154)	\$ 2,276	
KeySpan Generation LLC ⁽⁴⁾	\$ 106,367	\$ 0	\$ (72,287)	\$ 0	\$ 0	\$ 0	\$ 619,471	\$ (676,120)	\$ (22,509)	
KeySpan Corporate Services LLC ⁽⁵⁾	\$ 467,761	\$ 0	\$ (441,452)	\$ 0	\$ (1,843)	\$ (61,928)	\$ 2,991,702	\$ (2,293,487)	\$ 660,753	
KeySpan Utility Services LLC	\$ 19,211	\$ 0	\$ (60,175)	\$ 0	\$ 0	\$ 0	\$ 410,101	\$ (205,680)	\$ 163,457	
KeySpan Engineering and Survey	\$ 182,371	\$ 0	\$ (50,005)	\$ 0	\$ 0	\$ 0	\$ 494,163	\$ (560,491)	\$ 66,038	
KeySpan Energy Management Inc.	\$ 689	\$ 0	\$ (366)	\$ 0	\$ 0	\$ 0	\$ 3,617	\$ (1,236)	\$ 2,704	
KeySpan Energy Services Inc.	\$ 0	\$ 0	\$ (111)	\$ 0	\$ 0	\$ 0	\$ 560	\$ 0	\$ 449	
KeySpan Energy Solutions Inc.	\$ 0	\$ 0	\$ (348)	\$ 0	\$ 0	\$ 0	\$ 874	\$ (394)	\$ 132	
KeySpan Energy Supply LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Communications	\$ 0	\$ 0	\$ (654)	\$ 0	\$ 0	\$ 0	\$ 3,335	\$ (2,940)	\$ (259)	
KeySpan Services Inc.	\$ 0	\$ 0	\$ (152)	\$ 0	\$ 0	\$ 0	\$ 764	\$ 0	\$ 612	
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Plumbing & Heating Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Plumbing Solutions Inc.	\$ 413	\$ 0	\$ (2,713)	\$ 0	\$ 0	\$ 0	\$ 36,284	\$ (19,039)	\$ 14,945	
KeySpan Home Energy Services NE	\$ 0	\$ 0	\$ (3)	\$ 0	\$ 0	\$ 0	\$ 331	\$ 0	\$ 328	
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
KeySpan Ravenswood Services Corp	\$ 952	\$ 0	\$ (2,347)	\$ 0	\$ 0	\$ 0	\$ 9,246	\$ (3,293)	\$ 4,558	
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Seneca	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Boston Gas ⁽⁶⁾	\$ 6,009	\$ 0	\$ (495)	\$ 0	\$ 0	\$ 0	\$ 89,070	\$ (95)	\$ 94,489	
Colonial Gas (excluding Transgas)	\$ 14,073	\$ 0	\$ 6,749	\$ 0	\$ 0	\$ 0	\$ 102,595	\$ (40,921)	\$ 82,496	
Transgas	\$ 4,193	\$ 0	\$ 433	\$ 0	\$ 0	\$ 0	\$ 4,598	\$ 0	\$ 9,224	
Algonquin	\$ 0	\$ 0	\$ (14)	\$ 0	\$ 0	\$ 0	\$ 1,415	\$ 0	\$ 1,401	
EnergyNorth	\$ 347	\$ 0	\$ 15	\$ 0	\$ (14,080)	\$ (797,224)	\$ 16,716	\$ (12,110)	\$ (806,336)	
Essex Gas	\$ 5,435	\$ 0	\$ 1,552	\$ 0	\$ 0	\$ 0	\$ 21,912	\$ (227)	\$ 28,672	
Grand Total KeySpan	\$ 1,482,417	\$ 0	\$ (908,271)	\$ 0	\$ (15,923)	\$ (859,152)	\$ 8,628,023	\$ (7,490,674)	\$ 836,420	

NOTES:

- (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
- (2) Includes 2.1% of KSE for Long Island
- (3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
- (4) Includes 25% of KSE for Long Island
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- (6) Includes 100% of Headquarters (non-CSV)

National Grid USA - KeySpan Postretirement Health and Life Insurance Plans
IAS 19 Expense - Total Business Unit Allocations
April 1, 2012 through March 31, 2013

5.10% Discount Rate

		Grand Total Postretirement Health and Life Insurance									
Business Unit	Service Cost	Exceptional Costs (STB's)	Past Service Costs - Ongoing	Past Service Costs - One Time	Curtailment Costs	Settlement Costs	Interest Cost	Expected Return on Assets	Total P&L Expense		
KeySpan Energy Delivery New York ⁽¹⁾	\$ 3,488,505	\$ 0	\$ (39,232)	\$ 0	\$ 0	\$ 0	\$ 12,094,495	\$ (10,673,607)	\$ 4,870,161		
KeySpan Energy Delivery Long Island ⁽²⁾	\$ 4,611,337	\$ 0	\$ (48,770)	\$ 0	\$ 0	\$ 0	\$ 10,377,950	\$ (4,706,470)	\$ 10,234,047		
KeySpan Electric Services LLC ⁽³⁾	\$ 6,912,847	\$ 0	\$ (118,423)	\$ 0	\$ 0	\$ 0	\$ 16,071,012	\$ (7,311,654)	\$ 15,553,782		
KeySpan Energy Trading Services LLC	\$ 27,421	\$ 0	\$ (2,460)	\$ 0	\$ 0	\$ 0	\$ 120,147	\$ (49,858)	\$ 95,250		
KeySpan Generation LLC ⁽⁴⁾	\$ 2,214,895	\$ 0	\$ (59,847)	\$ 0	\$ 0	\$ 0	\$ 6,075,080	\$ (2,741,843)	\$ 5,488,285		
KeySpan Corporate Services LLC ⁽⁶⁾	\$ 11,527,837	\$ 0	\$ (310,288)	\$ 0	\$ (1,843)	\$ (261,478)	\$ 29,629,885	\$ (14,027,261)	\$ 26,556,852		
KeySpan Utility Services LLC	\$ 432,169	\$ 0	\$ (55,015)	\$ 0	\$ 0	\$ 0	\$ 2,811,082	\$ (1,274,025)	\$ 1,914,211		
KeySpan Engineering and Survey	\$ 4,178,374	\$ 0	\$ (32,848)	\$ 0	\$ 0	\$ 0	\$ 7,933,082	\$ (3,457,435)	\$ 8,621,173		
KeySpan Energy Management Inc.	\$ 1,896	\$ 0	\$ (318)	\$ 0	\$ 0	\$ 0	\$ 32,888	\$ (13,262)	\$ 21,204		
KeySpan Energy Services Inc.	\$ 0	\$ 0	\$ (76)	\$ 0	\$ 0	\$ 0	\$ 22,828	\$ (8,167)	\$ 14,585		
KeySpan Energy Solutions Inc.	\$ 0	\$ 0	\$ (348)	\$ 0	\$ 0	\$ 0	\$ 874	\$ (394)	\$ 132		
KeySpan Energy Supply LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Communications	\$ 0	\$ 0	\$ (632)	\$ 0	\$ 0	\$ 0	\$ 11,732	\$ (5,816)	\$ 5,284		
KeySpan Services Inc.	\$ 0	\$ 0	\$ (152)	\$ 0	\$ 0	\$ 0	\$ 764	\$ 0	\$ 612		
KeySpan Plumbing & Heating Solutions LLC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Plumbing & Heating Services Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Plumbing Solutions Inc.	\$ 5,692	\$ 0	\$ (2,013)	\$ 0	\$ 0	\$ 0	\$ 375,902	\$ (267,564)	\$ 112,017		
KeySpan Home Energy Services NE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,410	\$ (26)	\$ 3,384		
KeySpan Corporate Services LLC (KSI)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
KeySpan Ravenswood Services Corp	\$ 952	\$ 0	\$ (1,914)	\$ 0	\$ 0	\$ 0	\$ 275,827	\$ (10,616)	\$ 264,249		
KeySpan Northeast Ventures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Seneca	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Boston Gas ⁽⁶⁾	\$ 1,505,446	\$ 0	\$ 7,012	\$ 0	\$ 0	\$ 0	\$ 5,318,838	\$ (2,096,374)	\$ 4,734,922		
Colonial Gas (excluding Transgas)	\$ 190,885	\$ 0	\$ 110,813	\$ 0	\$ 0	\$ 0	\$ 981,473	\$ (101,339)	\$ 1,181,832		
Transgas	\$ 44,026	\$ 0	\$ 24,776	\$ 0	\$ 0	\$ 0	\$ 109,526	\$ (17)	\$ 178,311		
Algonquin	\$ 0	\$ 0	\$ (9)	\$ 0	\$ 0	\$ 0	\$ 6,476	\$ (48)	\$ 6,419		
EnergyNorth	\$ 4,264	\$ 0	\$ 2,981	\$ 0	\$ (14,080)	\$ (4,535,754)	\$ 68,722	\$ (14,582)	\$ (4,488,449)		
Essex Gas	\$ 102,180	\$ 0	\$ (15,594)	\$ 0	\$ 0	\$ 0	\$ 372,279	\$ (21,366)	\$ 437,499		
Grand Total KeySpan	\$ 35,248,726	\$ 0	\$ (542,357)	\$ 0	\$ (15,923)	\$ (4,797,232)	\$ 92,694,272	\$ (46,781,724)	\$ 75,805,762		

NOTES:

- (1) Includes 2/3 of KeySpan Energy Corporation (KSE) for New York
- (2) Includes 21% of KSE for Long Island
- (3) Includes 100% of Transmission and Distribution (TND) and 54% of KSE for Long Island
- (4) Includes 25% of KSE for Long Island
- (5) Includes 1/3 of KSE for New York and 100% of Conversion (CON) for Long Island
- (6) Includes 100% of Headquarters (non-CSV)

Aon Hewitt

9/24/2012



September 20, 2012

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

Dear Mari,

Subject: Preliminary Niagara Mohawk Retiree Welfare ASC 715 and IAS 19 Expense Results—
April 1, 2012 through March 31, 2013

We have completed the preliminary April 1, 2012 through March 31, 2013 ASC 715 and IAS 19 valuation results for the Niagara Mohawk retiree welfare plans. Our results are based on the following:

- 5.10 percent discount rate assumption
- Initial pre-65 medical trend assumption of 8.0 percent decreasing 0.50 percent a year to an ultimate trend of 5.0 percent
- Initial post-65 medical trend assumption of 7.5 percent decreasing 0.50 percent a year to an ultimate trend of 5.0 percent
- Initial prescription drug trend assumption of 8.25 percent decreasing 0.50 percent a year to an ultimate trend of 5.0 percent
- 7.50 percent expected long-term rate of return on union assets
- 7.25 percent expected long-term rate of return on nonunion assets
- Generational mortality for all employees
- The April 1, 2012 market value of assets for ASC 715 purposes
- The April 1, 2012 bid value of assets for IAS 19 purposes
- Company codes as provided by National Grid
- Expected fiscal year 2013 contributions of \$53.5 million for the nonunion plan and \$123.5 million for the union plan.

In addition, we have reflected the savings associated with the adoption of an Employer Group Waiver Plan (EGWP) plus Wrap, effective to 2013.

US GAAP

Total ASC 715 expense for fiscal year 2013 is \$76.7 million. Below is the company allocation of ASC 715 expense.

	2012/2013	
	ASC 715 Expense	
Niagara Mohawk	\$ 72.2	million
NGUSCO	4.5	million
Total	\$ 76.7	million

Ms. Mari-Louise Messuri
Page 2
September 20, 2012



IFRS

Total IAS 19 expense for fiscal year 2013 is \$34.9 million. The company expense allocation is as follows:

	2012/2013	
	IAS 19 Expense	
Niagara Mohawk	\$ 32.2	million
NGUSCO	<u>2.7</u>	<u>million</u>
Total	\$ 34.9	million

ASC 715 and IAS 19 expense are about \$8.5 million and \$3.6 million lower, respectively, than our prior estimates. This is due to favorable medical claims experience and demographic changes during 2011.

In preparing these valuations, we have relied upon participant data as of January 1, 2012 and plan design and asset information supplied by National Grid as of April 1, 2012. 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

4844L1002

cc: Mr. James Allen, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Ms. Francine Kollydas, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Eileen Leahy, 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. Bradley White, National Grid USA
Mr. Jon Brophy, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

**Niagara Mohawk
Retiree Welfare Plans
ASC 715 Expense - April 1, 2012 through March 31, 2013**

	Niagara Mohawk Nonunion	Service Company Nonunion	Total Nonunion Plan	Union Plan	Total Retiree Welfare
Reconciliation of Funded Status, 4/1/2012					
Accum. Postret. Benefit Obligation	\$ (404,734,430)	\$ (61,644,142)	\$ (466,378,572)	\$ (976,013,181)	\$ (1,442,391,753)
Fair Value of Assets *	185,903,572	28,314,533	214,218,105	616,972,731	831,190,836
Funded Status	\$ (218,830,858)	\$ (33,329,609)	\$ (252,160,467)	\$ (359,040,450)	\$ (611,200,917)
Unrecognized:					
• Net Transition Obligation			\$ 0	\$ 0	\$ 0
• Prior Service Cost			(5,622,110)	42,443,940	36,821,830
• Net (Gain) or Loss			15,305,726	77,746,492	93,052,218
(Accrued) / Prepaid Cost			\$ (242,476,851)	\$ (238,850,018)	\$ (481,326,869)
Net Periodic Cost					
Service Cost	\$ 2,166,653	\$ 2,251,489	\$ 4,418,142	\$ 14,509,765	\$ 18,927,907
Interest Cost *	20,108,688	3,062,707	23,171,395	48,718,499	71,889,894
Expected Return on Assets *	(14,222,519)	(2,166,198)	(16,388,717)	(49,106,646)	(65,495,363)
Amortization of:					
• Net Transition Obligation	0	0	0	0	0
• Prior Service Cost	(539,546)	(371,832)	(911,378)	13,220,429	12,309,051
• Net (Gain) or Loss *	11,303,318	1,721,582	13,024,900	26,062,821	39,087,721
ASC 715 106 Expense	\$ 18,816,594	\$ 4,497,748	\$ 23,314,342	\$ 53,404,868	\$ 76,719,210
Estimated One-time Expense	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total RW Expense	\$ 18,816,594	\$ 4,497,748	\$ 23,314,342	\$ 53,404,868	\$ 76,719,210

* Service Company portion allocated on APBO

Expected Benefit Payments				
Gross		\$ 25,467,000	\$ 44,352,000	\$ 69,819,000
Net		\$ 24,075,000	\$ 41,497,000	\$ 65,572,000
Expected Contributions		\$ 53,500,000	\$ 123,500,000	\$ 177,000,000
Market Related Value of Assets		\$ 214,218,105	\$ 616,972,731	\$ 831,190,836

Assumptions:

Discount Rate	5.10%	5.10%
Expected Return on Assets	7.25%	7.50%
Initial Trend - Post 65	7.50%	7.50%
Initial Trend - Pre 65	8.00%	8.00%
Initial Prescription Drug Trend	8.25%	8.25%
Ultimate Trend	5.00%	5.00%
Salary Scale	3.50%	3.50%
Mortality Table	2008 IRS GEN	2008 IRS GEN

Division 1-4

Request:

Referring to WRR-1, Page 3, Item 8(a), please explain why the capitalized amount is calculated as the capitalization ratio (1-O&M ratio) times the pension O&M expense, rather than the capitalization ratio times the total pension cost.

Response:

This response refers to Schedule WRR-1-S, which the Company is providing in its response to Data Request Division 1-1. Item 8(a), as well as item 9(a), of Page 3 should have reflected capitalized amounts per the Company's books of account and have been corrected accordingly in Schedule WRR-1-S. In addition, Page 3 of this schedule has been revised to include pension costs charged to affiliates as a capitalized cost which was inadvertently omitted from the Company's August 1 filing. Pension costs charged to affiliates are reflected on Line 10 of the revised Page 3.

The capitalized amounts on Schedule WRR-1-S, Page 3, Items 8(a), 9(a) and 10(a) are actual capitalized pension costs for the twelve months ended October 31, 2012 and are the basis for the quarterly capitalized amounts shown on Lines 8, 9, and 10 in Columns (c) through (f). The capitalized amounts on Schedule WRR-1-S, Page 3, Items 8(b) and 9(b) represent estimated capitalized pension costs based on the Company's FY 2013 actuary reports reflecting the breakdown between capital and O&M expenses using the percentages established in the Company's recently completed distribution rate case in Docket No. 4323. New base rates from Docket No. 4323 became effective February 1, 2013. Consequently, items 8(g), 9(g) and 10(g) are the estimated capitalized amounts for the quarter ended March 31, 2013 and are based on one-twelfth of the corresponding line items in Column (a), and two-twelfths of the corresponding line items in Column (b).

The revisions to Page 3 described above for pensions were also applied to the same line items on Page 4 of Schedule WRR-1-S for PBOPs.

These revisions have resulted in increased carrying charges owed to customers of \$99,095 and \$18,387 for pensions and PBOPs, respectively, from the amounts reflected in the Company's August 1 filing.

**Niagara Mohawk
Retiree Welfare Plans
IAS 19 Expense - April 1, 2012 through March 31, 2013**

	Niagara Mohawk Nonunion	Service Company Nonunion	Total Nonunion Plan	Union Plan	Total Retiree Welfare
Reconciliation of Funded Status, 4/1/2012					
Accum. Postret. Benefit Obligation	\$ (404,734,430)	\$ (61,644,142)	\$ (466,378,572)	\$ (976,013,181)	\$ (1,442,391,753)
Assets at Bid Value *	185,903,572	28,314,533	214,218,105	616,933,149	831,151,254
Funded Status	\$ (218,830,858)	\$ (33,329,609)	\$ (252,160,467)	\$ (359,080,032)	\$ (611,240,499)
Prior Service Cost			(6,755,089)	20,522,773	13,767,684
(Accrued) / Prepaid Cost			\$ (258,915,556)	\$ (338,557,259)	\$ (597,472,815)
P&L Expense					
Operating Expense					
Service Cost	\$ 2,166,653	\$ 2,251,489	\$ 4,418,142	\$ 14,509,765	\$ 18,927,907
Exceptional Costs (STBs)	0	0	0	0	0
Prior Service Costs - One-time	0	0	0	0	0
Prior Service Costs	(541,284)	(476,551)	(1,017,835)	10,601,534	9,583,699
Curtailment/Settlement Costs	0	0	0	0	0
Total Operating Expense	\$ 1,625,369	\$ 1,774,938	\$ 3,400,307	\$ 25,111,299	\$ 28,511,606
Financing Expense					
Interest Cost *	\$ 20,108,688	\$ 3,062,707	\$ 23,171,395	\$ 48,718,499	\$ 71,889,893
Expected Return on Assets *	(14,222,519)	(2,166,198)	(16,388,717)	(49,103,677)	(65,492,394)
Total Financing Expense	\$ 5,886,169	\$ 896,509	\$ 6,782,678	\$ (385,178)	\$ 6,397,499
Total P&L Expense	\$ 7,511,538	\$ 2,671,447	\$ 10,182,985	\$ 24,726,121	\$ 34,909,105

* Service Company portion allocated on APBO

Expected Benefit Payments				
Gross		\$ 25,467,000	\$ 44,352,000	\$ 69,819,000
Net		\$ 24,075,000	\$ 41,497,000	\$ 65,572,000
Expected Contributions				
		\$ 53,500,000	\$ 123,500,000	\$ 177,000,000

Assumptions:

Discount Rate	5.10%	5.10%
Expected Return on Assets	7.25%	7.50%
Initial Trend - Post 65	7.50%	7.50%
Initial Trend - Pre 65	8.00%	8.00%
Initial Prescription Drug Trend	8.25%	8.25%
Ultimate Trend	5.00%	5.00%
Salary Scale	3.50%	3.50%
Mortality Table	2008 IRS GEN	2008 IRS GEN

Division 1-4

Request:

Referring to WRR-1, Page 3, Item 8(a), please explain why the capitalized amount is calculated as the capitalization ratio (1-O&M ratio) times the pension O&M expense, rather than the capitalization ratio times the total pension cost.

Response:

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The revisions to Page 3 described above for pensions were also applied to the same line items on Page 4 of Schedule WRR-1-S for PBOPs.

These revisions have resulted in increased carrying charges owed to customers of \$99,095 and \$18,387 for pensions and PBOPs, respectively, from the amounts reflected in the Company's August 1 filing.

Division 1-5

Request:

Referring to WRR-1, Page 3, please explain why the capitalized amounts on Lines 8 and 9, Columns (c) – (g) are based on the rate allowances rather than on the Company's books of account.

Response:

Please see the Company's response to Data Request Division 1-4.

Division 1-6

Request:

Referring to WRR-1, Page 3, please provide documentation supporting the pension contributions on Line 14.

Response:

Please see Attachment DIV 1-6.

Narragansett Electric - Gas Operations
Pension Funding
April 2012 - June 2013

	<u>Date</u>	<u>Vendor</u>	<u>Amount</u>
1			
2	April 13, 2012	National Grid FAPP	2,317,000
3	June 29, 2012	National Grid FAPP	291,000
4	Quarter Ended June 2012		<u>2,608,000</u>
5			
6	July 13, 2012	National Grid FAPP	2,317,000
7	Quarter Ended September 2012		<u>2,317,000</u>
8			
9	October 12, 2012	National Grid FAPP	2,317,000
10	December 10, 2012	National Grid FAPP	1,422,000
11	Quarter Ended December 2012		<u>3,739,000</u>
12			
13	January 14, 2013	National Grid FAPP	895,000
14	Quarter Ended March 2013		<u>895,000</u>
15			
16	May 28, 2013	National Grid FAPP	2,004,250
17	Quarter Ended June 2013		<u>2,004,250</u>

nationalgrid

PAYMENT REQUEST

Date: _____

Due Date: 04/13/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank _____ Routing # _____	Electronic Transfer # _____ Originating Routing # <u>011000138</u> Acct # <u>4802292322</u> Recipient Routing # <u>011001234</u> Acct # <u>108111</u>
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N OR Mail check to internal location: _____	Acct # Accounts Payable APR 11 2012 Received	Reference Information for beneficiary FCC Account # <u>NGUF0001002</u> Contact: <u>CJ Abati</u>
Location of Service (Required information for all requests): City: _____ State: _____ Zip: _____		Wired by: _____ Date: _____ Value date: _____ Authorized by: _____

VENDOR INFORMATION

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name): National Grid USA FAPP

Address: One MetroTech Center, Brooklyn NY, 11201

In Payment of (Reason for check): April 13, 2012 Contribution

Vendor No: 256199 Federal Tax No or SS #: _____

Paying Company: Narragansett Gas Company 00048

Invoice # 6 Amount \$2,317,000.00

Peoplesoft Accounting

Business	Activity	Work Order	Expense	Orig	Charge	Bill Pool	Segment	Orig	Amount
00048	253027							00048	\$2,317,000.00

Oracle Accounting

Req. Company	Req. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approver's Name (Print): Timothy Kleman Signature: _____ Peoplesoft/Keyspan User ID (Emp. #): 45250

Preparer's Name (Print): Raymond Huang Signature: _____ Phone Number: (718) 403-2524

NON-PURCHASE ORDER CATEGORY (Requestor check one)

<input type="checkbox"/> 01 Advertising	<input type="checkbox"/> 09 Conferences	<input type="checkbox"/> 17 Fuel/Utility Programs	<input type="checkbox"/> 35 Out-of-State Travel
<input type="checkbox"/> 02 Security Costs	<input type="checkbox"/> 10 Freight	<input type="checkbox"/> 18 Fuel/Utility Programs	<input type="checkbox"/> 36 Parking
<input type="checkbox"/> 03 Bank/Finance/Rising Agency	<input type="checkbox"/> 11 Fuel/Exp	<input type="checkbox"/> 19 Fuel/Utility Programs	<input type="checkbox"/> 37 Payments for benefit of IPFA
<input type="checkbox"/> 04 Catering	<input type="checkbox"/> 12 Fuel/Exp	<input type="checkbox"/> 20 Fuel/Utility Programs	<input type="checkbox"/> 38 Payments for benefit of IPFA
<input type="checkbox"/> 05 Charitable/Spontaneous	<input type="checkbox"/> 13 Fuel/Exp	<input type="checkbox"/> 21 Fuel/Utility Programs	<input type="checkbox"/> 39 Real Estate/Rentals/Leases
<input type="checkbox"/> 06 Charitable Safety Shows	<input type="checkbox"/> 14 Fuel/Exp	<input type="checkbox"/> 22 Fuel/Utility Programs	<input type="checkbox"/> 40 Rental Programs
<input type="checkbox"/> 07 Computers	<input type="checkbox"/> 15 Fuel/Exp	<input type="checkbox"/> 23 Fuel/Utility Programs	<input type="checkbox"/> 41 Relocation/Reimburse
<input type="checkbox"/> 08 Travel/Per Diem	<input type="checkbox"/> 16 Fuel/Exp	<input type="checkbox"/> 24 Fuel/Utility Programs	<input type="checkbox"/> 42 R&D Expense
			<input type="checkbox"/> 43 Subscription
			<input type="checkbox"/> 44 Supplies/CM/OT/OTs
			<input type="checkbox"/> 45 Tax/Finance/Accounting
			<input type="checkbox"/> 46 Training/Professional Services
			<input type="checkbox"/> 47 Utility/Regulatory/Other
			<input type="checkbox"/> 48 Other (Requestor must be approved by AP)
			<input type="checkbox"/> 49 Payroll
			<input type="checkbox"/> 50 Services

*Sales tax paid for these services/materials _____ Forward to: Accounts Payable, C1, Syracuse for Processing

nationalgrid

PAYMENT REQUEST

Date: 06/26/12

Due Date: 06/29/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank	Electronic Transfer #
	Routing #	Originating Routing # <u>011000138</u>
	Accounts Payable	Acct # <u>4602292322</u>
	Acct #	Recipient Routing # <u>011001234</u>
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N OR Mail check to Internal location:	JUN 26 2012 Received	Acct # <u>108111</u>
		Reference information for beneficiary FCC Account # <u>NGUF0001002</u>
		Contact: <u>CJ Abati</u>

Location of Service (Required information for all requests):

City: _____

State: _____ Zip: 11201

Wired by: _____

Date: _____

Value date: _____

Authorized by: _____

VENDOR INFORMATION

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name) National Grid USA FAPP Vendor No. 256199 Federal Tax No. or SS # _____

Address One MetroTech Center, Brooklyn NY, 11201 Paying Company New England Gas Company

In Payment of: (Reason for check) June 29, 2012 Contribution Invoice # FAPP Amount \$291,000.00

Peoplesoft Accounting

Business	Activity	Work Order	Expense	Orig	Charge	Bill Pool	Segment	Orig	Amount
00048	253027							00048	\$291,000.00

Oracle Accounting

Rec. Company	Rec. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approver's Name (Print) Chris DiGilio Signature Chris DiGilio Peoplesoft/Keyspan User ID (Emp. #) CDIGILIO

Preparer's Name (Print) Raymond Huang Signature Raymond Huang Phone Number (718) 403-2524

NON-PURCHASE ORDER CATEGORY (Requestor check one)

<input type="checkbox"/> 01 Advertising	<input type="checkbox"/> 09 Easements	<input type="checkbox"/> 17 Incentive/Marketing Program	<input type="checkbox"/> 25 Outside Services (not consulting)	<input type="checkbox"/> 33 Subscription
<input type="checkbox"/> 02 Awards/Gifts	<input type="checkbox"/> 10 Flagging	<input type="checkbox"/> 18 Inspector/Insurance	<input type="checkbox"/> 26 Parking	<input type="checkbox"/> 34 Summons/DIV/Tolls
<input type="checkbox"/> 03 Bank/Escrow/Rating Agency	<input type="checkbox"/> 11 Fleet Fuel	<input type="checkbox"/> 19 Legal Professional Services	<input type="checkbox"/> 27 Payments on behalf of LIPA	<input type="checkbox"/> 35 Tax Payments/Assessments
<input type="checkbox"/> 04 Catering	<input type="checkbox"/> 12 Fleet Leasing	<input type="checkbox"/> 20 Legal/Settlement/Claim	<input type="checkbox"/> 28 Police/Charities/Marshals	<input type="checkbox"/> 36 Training/Registration/Seminar
<input type="checkbox"/> 05 Charitable/Sponsorship	<input type="checkbox"/> 13 Freight/Fed ex/UPS/Postage	<input type="checkbox"/> 21 Marketer Bill	<input type="checkbox"/> 29 Real Estate Rentals/Leases	<input type="checkbox"/> 37 Utility/Telephone/Water/Adj
<input type="checkbox"/> 06 Clothing/Safety Shoes	<input type="checkbox"/> 14 Government/Municipality	<input type="checkbox"/> 22 Materials/Equipment Rental	<input type="checkbox"/> 30 Rebate Program	<input type="checkbox"/> 38 Other-Exception must be approved by AP
<input type="checkbox"/> 07 Consultants	<input type="checkbox"/> 15 Hotels/Lodging	<input type="checkbox"/> 23 Messenger/Courier/LIMO	<input type="checkbox"/> 31 Refund/Adjust/Reimburse	<input type="checkbox"/> 39 Permits
<input type="checkbox"/> 08 Dues/Fees/Permits	<input type="checkbox"/> 16 HR/Medical/Workman Comp	<input type="checkbox"/> 24 Natural Gas/Energy Purchases	<input type="checkbox"/> 32 R&D Initiative	<input type="checkbox"/> 40 Satisfaction

*Sales tax paid for these services/materials

Forward to: Accounts Payable, C1, Syracuse for Processing

nationalgrid

PAYMENT REQUEST

Date: 07/09/12

Due Date: 07/13/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank _____ Routing # _____ Acct # _____	Electronic Transfer # _____ Originating Routing # <u>011000138</u> Acct # <u>4602292322</u> Recipient Routing # <u>011001234</u> Acct # <u>108111</u>
Separate check <input type="checkbox"/> Y <input checked="" type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input checked="" type="checkbox"/> N OR Mail check to internal location:	Accounts Payable JUL 11 2012 Received	Reference information for beneficiary: FCC Account # <u>NGUF0001002</u> Contact: <u>CJ Abati</u>
Location of Service (Required information for all requests): City: _____ State: _____ Zip: <u>11201</u>		Wired by: _____ Date: _____ Value date: _____ Authorized by: _____

VENDOR INFORMATION

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name) <u>National Grid USA FAPP</u>	Vendor No. <u>256199</u>	Federal Tax No. or SS #
Address <u>One MetroTech Center, Brooklyn NY, 11201</u>	Paying Company <u>New England Gas Company</u>	
In Payment of: (Reason for check) <u>July 13, 2012 Contribution</u>	Invoice # <u>E-07/13/12</u>	Amount <u>\$2,317,000.00</u>

Peoplesoft Accounting

Business	Activity	Work Order	Expense	Orig	Charge	Bill Pool	Segment	Orig	Amount
00048	253027							00048	\$2,317,000.00

Oracle Accounting

Rec. Company	Rec. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approver's Name (Print) Chris DiGilio	Signature <i>Chris DiGilio</i>	Peoplesoft/Keyspan User ID (Emp. #) CDIGILO
Preparer's Name (Print) Matthew Galeano	Signature <i>Matthew Galeano</i>	Phone Number (718) 403-2123

NON-PURCHASE ORDER CATEGORY (Requestor check one)

<input type="checkbox"/> 01 Advertising	<input type="checkbox"/> 09 Estarments	<input type="checkbox"/> 17 Incentive/Marketing Program	<input type="checkbox"/> 25 Outside Services (not consulting)	<input type="checkbox"/> 33 Subscription
<input type="checkbox"/> 02 Awards/Gifts	<input type="checkbox"/> 10 Flagging	<input type="checkbox"/> 18 Inspection/Insurance	<input type="checkbox"/> 26 Parking	<input type="checkbox"/> 34 Summons/DMV/Tolls
<input type="checkbox"/> 03 Back/Escrow/Rating Agency	<input type="checkbox"/> 11 Fleet Fuel*	<input type="checkbox"/> 19 Legal/Professional Services	<input type="checkbox"/> 27 Payments on behalf of LPA	<input type="checkbox"/> 35 Tax Payments/Assessments
<input type="checkbox"/> 04 Catering*	<input type="checkbox"/> 12 Fleet Leasing*	<input type="checkbox"/> 20 Legal/Settlement/Claim	<input type="checkbox"/> 28 Police/Sheriffs/Marshals	<input type="checkbox"/> 36 Training/Registration/Generator
<input type="checkbox"/> 05 Charitable/Sponsor/Tip	<input type="checkbox"/> 13 Freight/Fed exp/UPS/Postage	<input type="checkbox"/> 21 Marketing Bill	<input type="checkbox"/> 29 Real Estate Rentals/Leases	<input type="checkbox"/> 37 Utility/Telephone/Water/Adj*
<input type="checkbox"/> 06 Clothing/Safety/ Shoes	<input type="checkbox"/> 14 Government/Municipality	<input type="checkbox"/> 22 Materials/Equipment Rental	<input type="checkbox"/> 30 Rebate Program	<input type="checkbox"/> 38 Other-Exception must be approved by AP
<input type="checkbox"/> 07 Consultants	<input type="checkbox"/> 15 Hotels/Lodging*	<input type="checkbox"/> 23 Messenger/Courier/LIMO	<input type="checkbox"/> 31 Rework/Adjust./Reimburse	<input type="checkbox"/> 39 Permits
<input type="checkbox"/> 08 Dues/Fees/Permits	<input type="checkbox"/> 16 HR/Medical/Workman Comp	<input type="checkbox"/> 24 Natural Gas/Energy Purchases	<input type="checkbox"/> 32 R&D Initiative	<input type="checkbox"/> 40 Satisfaction*

*Sales tax paid for these services/materials

Forward to: Accounts Payable, C1, Syracuse for Processing

nationalgrid

PAYMENT REQUEST

Date: 10/05/12

Due Date: 10/12/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank _____ Routing # _____	Electronic Transfer # _____ Originating Routing # <u>011000138</u> Acct # <u>4602282322</u> Recipient Routing # <u>011001234</u> Acct # <u>108111</u>
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N OR Mail check to internal location:	Acct # _____ Accounts Payable OCT 08 2012 Received	Reference Information for beneficiary FCC Account # NGUF0001002 Contact: CJ Abati

Location of Service (Required information for all requests):
City: _____
State: _____ Zip: _____

Wired by: _____
Date: _____
Value date: _____
Authorized by: _____

VENDOR INFORMATION

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name): National Grid USA FAPP Vendor No. 256199 Federal Tax No. or SS # _____
Address: One MetroTech Center, Brooklyn NY, 11201 Paying Company: New England Gas Company
In Payment of: (Reason for check) October 12, 2012 Contribution Invoice # E- 10/12/12 Amount \$2,317,000.00

Peoplesoft Accounting

Business	Activity	Work Order	Expense	Orig	Charge	Bill Pool	Segment	Orig	Amount
00048	253027							00048	\$2,317,000.00

Oracle Accounting

Rec. Company	Rec. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approver's Name (Print): Chris DiGilio Signature: Chris DiGilio Peoplesoft/Keyspan User ID (Emp #): CDIGILIO
Preparer's Name (Print): Raymond Huang Signature: Raymond Huang Phone Number: (718) 403-2524

NON-PURCHASE ORDER CATEGORY (Requestor check one)

- | | | | | |
|---|--|--|---|--|
| <input type="checkbox"/> 01 Advertising | <input type="checkbox"/> 09 Assessments | <input type="checkbox"/> 17 Incentive/Marketing Program | <input type="checkbox"/> 25 Outside Services (not consulting) | <input type="checkbox"/> 33 Subscription |
| <input type="checkbox"/> 02 Awards/Gifts | <input type="checkbox"/> 10 Flagging | <input type="checkbox"/> 18 Inspection/Insurance | <input type="checkbox"/> 26 Parking | <input type="checkbox"/> 34 Summons/DMW/Tolls |
| <input type="checkbox"/> 03 Bank/Escrow/Rating Agency | <input type="checkbox"/> 11 Fleet Fuel* | <input type="checkbox"/> 19 Legal/Professional Services | <input type="checkbox"/> 27 Payments on behalf of LIPA | <input type="checkbox"/> 35 Tax Payments/Assessments |
| <input type="checkbox"/> 04 Catering* | <input type="checkbox"/> 12 Fleet Leasing* | <input type="checkbox"/> 20 Legal/Settlement/Claim | <input type="checkbox"/> 28 Police/Sheriffs/Marshals | <input type="checkbox"/> 36 Training/Registration/Seminar |
| <input type="checkbox"/> 05 Charitable/Sponsorship | <input type="checkbox"/> 13 Freight/Fed ex/UPS/Postage | <input type="checkbox"/> 21 Marketer Bill | <input type="checkbox"/> 29 Real Estate Rentals/Leases | <input type="checkbox"/> 37 Utility/Telephone/Water/Adj* |
| <input type="checkbox"/> 06 Clothing/Safety Shoes | <input type="checkbox"/> 14 Government/Municipality | <input type="checkbox"/> 22 Materials/Equipment Rental | <input type="checkbox"/> 30 Rebate Program | <input type="checkbox"/> 38 Other-Exception must be approved by AP |
| <input type="checkbox"/> 07 Consultants | <input type="checkbox"/> 15 Hotels/Lodging* | <input type="checkbox"/> 23 Messenger/Courier/LIMO | <input type="checkbox"/> 31 Refund/Adjust/Reimburse | <input type="checkbox"/> 39 Perms |
| <input type="checkbox"/> 08 Dues/Fees/Permits | <input type="checkbox"/> 16 HR/Medical/Workman Comp | <input type="checkbox"/> 24 Natural Gas/Energy Purchases | <input type="checkbox"/> 32 R&D Initiative | <input type="checkbox"/> 40 Satisfaction* |

*Sales tax paid for these services/materials Forward to: Accounts Payable, C1, Syracuse for Processing

nationalgrid		RUSH		PAYMENT REQUEST	
Date: <u>1/7/13</u>				Due Date: <u>1/14/13</u>	
Check One Method of Payment					
<input type="checkbox"/> CHECK		<input type="checkbox"/> ACH		<input checked="" type="checkbox"/> WIRE	
Check Stub Message: (max. limit of 50 Characters)		Bank Name:		Bank Name: Mellon Trust of New England, N.A	
		Routing #:		Routing #: 011001234	
(Check One): Yes: No:		Account #:		Account #: 0000108111	
Separate Check <input type="checkbox"/>		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> ACCOUNTS PAYABLE JAN 14 2013 RECEIVED </div>		Reference Information for Beneficiary FCC Account # NGUF0001002 Contact: CJ Abati	
Mail Check to Payee <input type="checkbox"/>					
OR Mail Check to Internal Location: <input type="checkbox"/>					
Location of Service (Required Information):					
City: <u>1 Metrotech Center, Brooklyn</u>		Wired By: _____		Authorized By: _____	
State: <u>NY</u> Zip Code: <u>11201</u>		Value Date: _____		ET #: _____	
Vendor Information					
Payable To: National Grid USA FAPP				Vendor #: _____	
Address: One MetroTech Center, Brooklyn NY, 11201				Invoice #: E-01/14/13	
Reason for Payment: January 14, 2013 Contribution				Paying Company: 5360 Amount: \$895,000	
NON-PURCHASE ORDER CATEGORY					
G/L Account C2530270	Profit Center RIE1000	WBS	Order	Operation	Amount \$895,000
Approver's Name - Please Print Lorraine M. Lynch		Signature <i>Lorraine M. Lynch</i>		Employee ID # 71009803	
Preparer's Name - Please Print Matthew Galeano		Signature <i>Matthew Galeano</i>		Phone Number 718-403-2123	
NON-PURCHASE ORDER CATEGORY					
01 Advertising	09 Easements	17 Incentive/Marketing Program	26 Outside Services	33 Subscription	Please Choose One
02 Awards/Gifts	10 Piling	18 Inspection/Insurance	27 Payments on Behalf of LPA	34 Settlement/DMM/Tolls	
03 Financial Payment	11 Plant Fuel*	19 Legal Professional Services	28 Public/Share/Market	35 Tax Payments/Assessments	
04 Charitable/ Sponsorship	12 Plant Leasing*	20 Legal/Settlement/Claim	29 Real Estate Rentals/Leases	36 Training/Registration/Semin.	
05 Clothing/ Safety Shoes	13 Freight/Postage	21 Merchant BR	30 Rabate Program	37 Utility/Telephone/Water/Ad	
06 Other	14 Government/Municipality	22 Other	31 Refund/Adjust/Reimburse	38 Other - must be approved AP	
07 Hotel/ Lodging	15 Hotel/ Lodging*	23 Transportation Service	32 R&B In-House		
08 Tools/Parts/Permits	16 HV/Mod/Workman Camp	24 Natural Gas/Energy Purch.			
*Sales tax paid for these services/materials			Forward to: Accounts Payable Administrator for Processing		

Division 1-7

Request:

Referring to WRR-1, Page 3, Line 16 please explain why the Service Company Allocated Cost is treated as a Company contribution.

Response:

The Company makes cash payments to the Service Company for costs billed to it by the Service Company including pension and PBOP costs. The Service Company in turn makes contributions to the pension and PBOP plans.

Division 1-8

Request:

Referring to WRR-1, Page 4, Item 8(a), please explain why the capitalized amount is calculated as the capitalization ratio (1-O&M ratio) times the OPEB O&M expense, rather than the capitalization ratio times the total OPEB cost.

Response:

Schedule WRR-1, Page 4 for PBOPs was revised in the same manner as was described and noted in the Company's response to Data Request Division 1-4. The Company is providing revised amounts in Schedule WRR-1S, provided as the attachment to Data Request Division 1-1.

Division 1-9

Request:

Referring to WRR-1, Page 4, Item 8(b), please verify that the correct amount is \$1,375,543, rather than the negative amount shown.

Response:

The amount at WRR-1S, Page 4, Item 8(b) has been revised to \$1,752,799, which is calculated as Actuarial PBOP Total Cost on Line 1(a) of Page 6 of WRR-1S, less Total Estimated PBOP Expense on Line 4(a) of Page 6 (\$3,827,908 minus \$2,075,109).

Division 1-10

Request:

Referring to WRR-1, Page 4, please explain why the capitalized amounts on Line 8, Columns (c) – (g) are based on the rate allowances rather than on the Company's books of account.

Response:

Please see the Company's response to Data Request Division 1-8.

Division 1-11

Request:

Referring to WRR-1, Page 4, please provide documentation supporting the OPEB contributions on Line 14.

Response:

Please see Attachment DIV 1-11.

Narragansett Electric - Gas Operations
PBOP Funding
April 2012 - June 2013

	<u>Date</u>	<u>Vendor</u>	<u>Amount</u>
1			
2	April 27, 2012	Retiree Welfare Plan Non Union VEBA	392,750
3	April 27, 2012	Retiree Welfare Plan Union VEBA	306,500
4	June 29, 2012	Retiree Welfare Plan Union VEBA	534,000
5	various	Other Misc Payments	3,895
6	Quarter Ended June 2012		<u>1,237,145</u>
7			
8	July 27, 2012	Retiree Welfare Plan Union VEBA	306,500
9	July 27, 2012	Retiree Welfare Plan Non Union VEBA	392,750
10	various	Other Misc Payments	4,455
11	Quarter Ended September 2012		<u>703,705</u>
12			
13	October 29, 2012	Retiree Welfare Plan Union VEBA	306,500
14	October 29, 2012	Retiree Welfare Plan Non Union VEBA	392,750
15	various	Other Misc Payments	1,730
16	Quarter Ended December 2012		<u>700,980</u>
17			
18	January 30, 2013	Retiree Welfare Plan Non Union VEBA	392,750
19	January 30, 2013	Retiree Welfare Plan Union VEBA	306,500
20	various	Other Misc Payments	2,469
21	Quarter Ended March 2013		<u>701,719</u>
22			
23	May 28, 2013	Retiree Welfare Plan Non Union VEBA	621,500
24	various	Other Misc Payments	209
25	Quarter Ended June 2013		<u>621,709</u>

nationalgrid

PAYMENT REQUEST

Date: 04/27/12

Due Date: 04/27/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank: _____	Electronic Transfer # _____
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N OR Mail check to internal location:	Routing # _____ Accounts Payable Acct # _____ APR 26 2012 Received	Originating Routing # 011000138 Acct # 4802292322 Recipient Routing # 011001234 Acct # 108111 Reference information for beneficiary RCG Account # NGVF5110002 Contact: CJ Abell

Location of Service (Required information for all requests):
City: _____
State: _____ Zip: _____

Wired by: _____
Date: _____
Value date: _____
Authorized by: _____

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name): National Grid USA Retiree Welfare Plan Non Union VEBA Vendor No. _____ Federal Tax No. or SS # _____

Address: One Metro Tech Center, Brooklyn NY, 11201 Paying Company: New England Gas Company

In Payment of: (Reason for check) April 27, 2012 Contribution Invoice #: April 27, 2012 - 1 Amount: \$392,750.00

Business	Activity	Work Order	Expense	Order	Change	Bill Code	Payment	Order	Amount
00048	253108							00048	\$392,750.00

Rec. Company	Rec. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Prepared by: Chris DiGilio Signature: Chris DiGilio CDIGILIO

Reviewed by: Raymond Huang Signature: Raymond Huang (718) 403-2524

NON-PURCHASE ORDER CATEGORY (Requestor check one)

<input type="checkbox"/> 01 Advertising	<input type="checkbox"/> 09 Erections	<input type="checkbox"/> 17 Incentive/Marketing Program	<input type="checkbox"/> 25 Outside Services (not consulting)	<input type="checkbox"/> 32 Subscription
<input type="checkbox"/> 02 Aerial/Gits	<input type="checkbox"/> 10 Paving	<input type="checkbox"/> 18 Inspection/Insurances	<input type="checkbox"/> 26 Parking	<input type="checkbox"/> 34 Summons/DMV/Tolls
<input type="checkbox"/> 03 Bank/Escrow/Title Agency	<input type="checkbox"/> 11 Rest Fuel	<input type="checkbox"/> 19 Legal/Professional Services	<input type="checkbox"/> 27 Payments on behalf of LPA	<input type="checkbox"/> 35 Tax Payments/Assessments
<input type="checkbox"/> 04 Catering	<input type="checkbox"/> 12 Rest/Leasing	<input type="checkbox"/> 20 Legal/Retirement/Claims	<input type="checkbox"/> 28 Police/Security/Utilities	<input type="checkbox"/> 36 Training/Registration/Exam/Ret
<input type="checkbox"/> 05 Charitable/Spokeness	<input type="checkbox"/> 13 Freight/Fuel ex/UPS/Postage	<input type="checkbox"/> 21 Maritime Bill	<input type="checkbox"/> 29 Real Estate Rentals/Leases	<input type="checkbox"/> 37 Utility/Telephone/Water/Asq
<input type="checkbox"/> 06 Clothing/Safety Shoes	<input type="checkbox"/> 14 Screenmen/Janitorial	<input type="checkbox"/> 22 Materials/Equipment Rental	<input type="checkbox"/> 30 Rebate Program	<input type="checkbox"/> 38 Other-Exception must be approved by AP
<input type="checkbox"/> 07 Concessions	<input type="checkbox"/> 15 Hotels/Lodging	<input type="checkbox"/> 23 Management/Consult/LBO	<input type="checkbox"/> 31 Recognition/Awards/Perks	<input type="checkbox"/> 39 Permits
<input type="checkbox"/> 08 Donations/Permits	<input type="checkbox"/> 16 HVAC/Boiler/Workman Camp	<input type="checkbox"/> 24 Natural Gas/Energy Purchases	<input type="checkbox"/> 32 R&D Initiatives	<input type="checkbox"/> 40 Satisfaction

*Sales tax paid for three services/materials Forward to: Accounts Payable, C1, Syracuse for Processing

nationalgrid

PAYMENT REQUEST

Date: 04/27/12

Due Date: 04/27/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank: Accounts Payable Routing #	Electronic Transfer #
	Acct # <u>APR 26 2012</u>	Originating Routing # <u>011000138</u>
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N	Received	Acct # <u>4802292322</u>
Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N		Recipient Routing # <u>011001234</u>
OR		Acct # <u>108111</u>
Mail check to internal location:		Reference information for beneficiary: FCC Account # <u>NGTF4110002</u>
		Contact: <u>CJ Abati</u>

Location of Service (Required information for all requests):

City: _____

State: _____ Zip: _____

Wired by: _____

Date: _____

Value date: _____

Authorized by: _____

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name): National Grid USA Retiree Welfare Plan Union VEBA

Vendor No. _____ Federal Tax No. or SS # _____

Address: One MetroTech Center, Brooklyn NY, 11201

Paying Company: New England Gas Company

In Payment of: (Reason for check) April 27, 2012 Contribution

Invoice # April 27, 2012 - C Amount \$306,500.00

Peoplesoft Accounting

Business	Activity	Work Order	Expense	Orig	Charge	Bill Pool	Segment	Orig	Amount
00048	253108							00048	\$306,500.00

Oracle Accounting

Rec. Company	Rel. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approved by (Name): Chris DiGilio *Chris DiGilio*

Approved by (Signature): _____

Approved by (Name): Raymond Huang *Raymond Huang*

Approved by (Signature): _____

Approved by (Name): CDIGILIO

Approved by (Signature): _____

Approved by (Name): (718) 403-2524

NON-PURCHASE ORDER CATEGORY (Requester check one)

<input type="checkbox"/> 01 Advertising	<input type="checkbox"/> 09 Equipment	<input type="checkbox"/> 17 Incentive/Marketing Program	<input type="checkbox"/> 25 Outside Services (not consulting)	<input type="checkbox"/> 33 Subscriptions
<input type="checkbox"/> 02 Audits/GBS	<input type="checkbox"/> 10 Flagging	<input type="checkbox"/> 18 Inspection/Photography	<input type="checkbox"/> 26 Parking	<input type="checkbox"/> 34 Summons/DWY/Info
<input type="checkbox"/> 03 Bank/Custom/Trading Agency	<input type="checkbox"/> 11 Fleet Pool*	<input type="checkbox"/> 19 Legal/Professional Services	<input type="checkbox"/> 27 Payments on behalf of L/PK	<input type="checkbox"/> 35 Tax Payments/Reimbursements
<input type="checkbox"/> 04 Charing*	<input type="checkbox"/> 12 Fleet Leasing*	<input type="checkbox"/> 20 Legal/Settlement/Claims	<input type="checkbox"/> 28 Police/Security/Merchandise	<input type="checkbox"/> 36 Training/Registration/Gem/Info
<input type="checkbox"/> 05 Charitable/Sponsorship	<input type="checkbox"/> 13 Freight/Fed accts/Packages	<input type="checkbox"/> 21 Marketing/PR	<input type="checkbox"/> 29 Real Estate Rentals/Leases	<input type="checkbox"/> 37 Utility/Regulation/Water/Info
<input type="checkbox"/> 06 Clothing/Safety Shoes	<input type="checkbox"/> 14 Government/Municipality	<input type="checkbox"/> 22 Materials/Equipment Rental	<input type="checkbox"/> 30 Retiree Program	<input type="checkbox"/> 38 Other-Exception must be approved by AP
<input type="checkbox"/> 07 Consultants	<input type="checkbox"/> 15 Hotels/Lodging*	<input type="checkbox"/> 23 Messengers/Courier/IMD	<input type="checkbox"/> 31 Retiree/Adjust/Reimburse	<input type="checkbox"/> 39 Payroll
<input type="checkbox"/> 08 Dues/Fees/Permits	<input type="checkbox"/> 16 HR/Medical/Workman Comp	<input type="checkbox"/> 24 Retiree Bus/Energy Purchases	<input type="checkbox"/> 32 R&D Initiative	<input type="checkbox"/> 40 Satisfaction

*Sales tax paid for these services/materials

Forward to: Accounts Payable, C1, Syracuse for Processing

nationalgrid

PAYMENT REQUEST

Date: 06/26/12

Due Date: 06/29/12

Check one method of payment:

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank _____ Routing # _____	Electronic Transfer # _____ Originating Routing # <u>011000138</u> Acct # <u>4602292322</u> Recipient Routing # <u>011001234</u> Acct # <u>108111</u>
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N OR Mail check to internal location:	Accounts Payable JUN 26 2012 Received	Reference information for beneficiary FCC Account # <u>NGTF4110002</u> Contact: <u>CJ Abati</u>
Location of Service (Required information for all requests): City: _____ State: _____ Zip: <u>11201</u>		Wired by: _____ Date: _____ Value date: _____ Authorized by: _____

VENDOR INFORMATION

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name): <u>National Grid USA Retiree Welfare Plan Union VEBA</u>	Vendor No. <u>256200</u>	Federal Tax No. or SS # _____
Address: <u>One MetroTech Center, Brooklyn NY, 11201</u>	Paying Company <u>New England Gas Company</u>	
In Payment of: (Reason for check) <u>June 29, 2012 Contribution</u>	Invoice # <u>-VEBA</u>	Amount <u>\$534,000.00</u>

Peoplesoft Accounting

Business	Activity	Work Order	Expense	Ords	Charge	Bill Pool	Segment	Ords	Amount
00048	253106							00048	\$534,000.00

Oracle Accounting

Rsc. Company	Rec. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approver's Name (Print) Chris DiGillo	Signature <i>Chris DiGillo</i>	Peoplesoft/Keyspan User ID (Emp. #) CDIGILIO
Preparer's Name (Print) Raymond Huang	Signature <i>Raymond Huang</i>	Phone Number (718) 403-2524

NON-PURCHASE ORDER CATEGORY (Requestor check one)

<input type="checkbox"/> 01 Advertising	<input type="checkbox"/> 09 Easements	<input type="checkbox"/> 17 Incentive/Marketing Program	<input type="checkbox"/> 25 Outside Services (not consulting)
<input type="checkbox"/> 02 Awards/Gifts	<input type="checkbox"/> 10 Flaying	<input type="checkbox"/> 18 Inspection/Insurance	<input type="checkbox"/> 26 Parking
<input type="checkbox"/> 03 Bank/Escrow/Rating Agency	<input type="checkbox"/> 11 Fleet Fuel*	<input type="checkbox"/> 19 Legal/Professional Services	<input type="checkbox"/> 27 Payments on behalf of LIPA
<input type="checkbox"/> 04 Catering	<input type="checkbox"/> 12 Fleet Leasing*	<input type="checkbox"/> 20 Legal/Settlement/Ctadm	<input type="checkbox"/> 28 Police/Sheriff/Marshals
<input type="checkbox"/> 05 Charitable/Sponsorship	<input type="checkbox"/> 13 Freight/Fed ex/UPS/Postage	<input type="checkbox"/> 21 Marketer Bill	<input type="checkbox"/> 29 Real Estate Rentals/Leases
<input type="checkbox"/> 06 Clothing/Safety Shoes	<input type="checkbox"/> 14 Government/Municipality	<input type="checkbox"/> 22 Materials/Equipment Rental	<input type="checkbox"/> 30 Rebate Program
<input type="checkbox"/> 07 Consultants	<input type="checkbox"/> 15 Hotels/Lodging*	<input type="checkbox"/> 23 Messenger/Courier/LIMO	<input type="checkbox"/> 31 Rehand/Adjust/Reimburse
<input type="checkbox"/> 08 Dues/Fees/Permits	<input type="checkbox"/> 16 HR/Medical/Workman Comp	<input type="checkbox"/> 24 Natural Gas/Energy Purchases	<input type="checkbox"/> 32 R&D Initiative
			<input type="checkbox"/> 33 Subscription
			<input type="checkbox"/> 34 Summons/DMW/Tolts
			<input type="checkbox"/> 35 Tax Payments/Assessments
			<input type="checkbox"/> 36 Training/Registration/Seminar
			<input type="checkbox"/> 37 Utility/Telephone/Water/Adj*
			<input type="checkbox"/> 38 Other-Exception must be approved by AP
			<input type="checkbox"/> 39 Permits
			<input type="checkbox"/> 40 Satisfaction*

*Sales tax paid for these services/materials

Forward to: Accounts Payable, C1, Syracuse for Processing



PAYMENT REQUEST

Date: 07/09/12

Due Date: 07/27/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank _____ Routing # _____	Electronic Transfer # _____ Originating Routing # <u>011000138</u> Acct # <u>4602292322</u> Recipient Routing # <u>011001234</u> Acct # <u>108111</u>
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N OR Mail check to Internal location:	Accounts Payable JUL 20 2012 Received	Reference Information for beneficiary: FCC Account # <u>NGTF4110002</u> Contact: <u>CJ Abali</u>
Location of Service (Required information for all requests): City: <u>One MetroTech Center Brooklyn Heights</u> State: <u>New York</u> Zip: <u>11201</u>		Wired by: _____ Date: _____ Value date: _____ Authorized by: _____

VENDOR INFORMATION

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one): Peoplesoft Oracle

Payable to (Name): <u>National Grid USA Retiree Welfare Plan Union VEBA</u>	Vendor No. <u>256200</u>	Federal Tax No. or SS #
Address: <u>One MetroTech Center, Brooklyn NY, 11201</u>	Paying Company: <u>New England Gas Company</u>	
In Payment of: (Reason for check) <u>July 27, 2012 Contribution</u>	Invoice # <u>D - 07/27/12</u>	Amount \$306,500.00

Peoplesoft Accounting

Business	Activity	Work Order	Expense	Orig	Charge	Bill Pool	Segment	Orig	Amount
00048	253108							00048	\$306,500.00

Oracle Accounting

Rec. Company	Rec. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approver's Name (Print): Timothy Kieran	Signature: 	Peoplesoft/Oracle User ID (Emp #): <u>45250</u>
Preparer's Name (Print): Matthew Galeano	Signature: 	Phone Number: <u>(718) 403-2123</u>

NON-PURCHASE ORDER CATEGORY (Requestor check one)

<input type="checkbox"/> 01 Advertising	<input type="checkbox"/> 09 Essments	<input type="checkbox"/> 17 Incentive/Marketing Program	<input type="checkbox"/> 25 Outside Services (not consulting)	<input type="checkbox"/> 33 Subscription
<input type="checkbox"/> 02 Awards/Gifts	<input type="checkbox"/> 10 Flagging	<input type="checkbox"/> 18 Inspection/Insurance	<input type="checkbox"/> 26 Parking	<input type="checkbox"/> 34 Summons/DWI/Tolls
<input type="checkbox"/> 03 Bank/Escrow/Rolling Agency	<input type="checkbox"/> 11 Fleet Fuel*	<input type="checkbox"/> 19 Legal Professional Services	<input type="checkbox"/> 27 Payments on behalf of LIPA	<input type="checkbox"/> 35 Tax Payments/Assessments
<input type="checkbox"/> 04 Catering*	<input type="checkbox"/> 12 Fleet Leasing*	<input type="checkbox"/> 20 Legal/Settlement/Claim	<input type="checkbox"/> 28 Police/Sheriffs/Marshals	<input type="checkbox"/> 36 Training/Registration/Seminar
<input type="checkbox"/> 05 Charitable/Sponsorship	<input type="checkbox"/> 13 Freight/Fed ex/UPS/Postage	<input type="checkbox"/> 21 Marketing Bill	<input type="checkbox"/> 29 Real Estate Rentals/Leases	<input type="checkbox"/> 37 Utility/Telephone/Water/AG*
<input type="checkbox"/> 06 Clothing/Safety Shoes	<input type="checkbox"/> 14 Government/Municipality	<input type="checkbox"/> 22 Materials/Equipment Rental	<input type="checkbox"/> 30 Rebate Program	<input type="checkbox"/> 38 Other-Exception must be approved by AP
<input type="checkbox"/> 07 Consultants	<input type="checkbox"/> 15 Hotels/Lodging*	<input type="checkbox"/> 23 Messenger/Courier/L.M.O	<input type="checkbox"/> 31 Refund/Adjust/Reimburse	<input type="checkbox"/> 39 Permits
<input type="checkbox"/> 08 Dues/Fees/Permits	<input type="checkbox"/> 16 HR/Medical/Workman Comp	<input type="checkbox"/> 24 Natural Gas/Energy Purchases	<input type="checkbox"/> 32 R&D Initiative	<input type="checkbox"/> 40 Satisfaction*

*Sales tax paid for these services/materials

Forward to: Accounts Payable, C1, Syracuse for Processing



PAYMENT REQUEST

Date: 07/09/12

Due Date: 07/27/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank _____ Routing # _____ Acct # _____	Electronic Transfer # _____ Originating Routing # <u>011000138</u> Acct # <u>4802292322</u> Recipient Routing # <u>011001234</u> Acct # <u>108111</u> Reference Information for beneficiary FCC Account # <u>NGVF5110002</u> Contact: <u>CJ Abeti</u>
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N OR Mail check to internal location:	Accounts Payable JUL 20 2012 Received	

Location of Service (Required information for all requests):
City: One Metrotech Center Brooklyn Heights
State: New York Zip: 11201

Wired by: _____
Date: _____
Value date: _____
Authorized by: _____

VENDOR INFORMATION

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name) <u>National Grid USA Retiree Welfare Plan Non Union VEBA</u>	Vendor No. <u>256863</u>	Federal Tax No. or SS #
Address <u>One MetroTech Center, Brooklyn NY, 11201</u>	Paying Company <u>New England Gas Company</u>	
In Payment of (Reason for check) <u>July 27, 2012 Contribution</u>	Invoice # <u>D - 07/27/12</u>	Amount <u>\$392,750.00</u>

Peoplesoft Accounting

Business	Activity	Work Order	Expense	Orig	Charge	Bill Pool	Segment	Orig	Amount
00048	253108							00048	\$392,750.00

Oracle Accounting

Rec. Company	Rec. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approver's Name (Print) <u>Timothy Kierman</u>	Signature 	Peoplesoft Keychain User ID (Step #1) <u>45250</u>
Preparer's Name (Print) <u>Matthew Galeano</u>	Signature 	Phone Number <u>(718) 403-2123</u>

NON-PURCHASE ORDER CATEGORY (Requestor check one)

<input type="checkbox"/> 01 Advertising	<input type="checkbox"/> 08 Easements	<input type="checkbox"/> 17 Incentive/Marketing Program	<input type="checkbox"/> 25 Outside Services (not consulting)	<input type="checkbox"/> 33 Subscription
<input type="checkbox"/> 02 Awards/Gifts	<input type="checkbox"/> 09 Logging	<input type="checkbox"/> 18 Inspection/Insurance	<input type="checkbox"/> 26 Parking	<input type="checkbox"/> 34 Summons/Civil/Tolls
<input type="checkbox"/> 03 Bank/Escrow/Rating Agency	<input type="checkbox"/> 10 Real Fuel*	<input type="checkbox"/> 19 Legal/Professional Services	<input type="checkbox"/> 27 Payments on behalf of LIPA	<input type="checkbox"/> 35 Tax Payments/Assessments
<input type="checkbox"/> 04 Catering	<input type="checkbox"/> 11 Fleet Leasing*	<input type="checkbox"/> 20 Legal/Settlement/Claim	<input type="checkbox"/> 28 Police/Sheriffs/Marshals	<input type="checkbox"/> 36 Training/Registration/Seminar
<input type="checkbox"/> 05 Charitable/Sponsorship	<input type="checkbox"/> 12 Freight/Fed ex/UPS/Postage	<input type="checkbox"/> 21 Meter/Bill	<input type="checkbox"/> 29 Real Estate Rentals/Leases	<input type="checkbox"/> 37 Utility/Telephone/Water/Adj*
<input type="checkbox"/> 06 Clothing/Safety Shoes	<input type="checkbox"/> 13 Government/Municipality	<input type="checkbox"/> 22 Materials/Equipment Rental	<input type="checkbox"/> 30 Rebate Program	<input type="checkbox"/> 38 Other-Exception must be approved by AP
<input type="checkbox"/> 07 Consultants	<input type="checkbox"/> 14 Hotels/Lodging*	<input type="checkbox"/> 23 Messenger/Courier/LIMO	<input type="checkbox"/> 31 Retired/Adjust/Reimburse	<input type="checkbox"/> 39 Permits
<input type="checkbox"/> 08 Dues/Fees/Permits	<input type="checkbox"/> 15 HR/Medical/Workman Comp	<input type="checkbox"/> 24 Natural Gas/Energy Purchases	<input type="checkbox"/> 32 R&D Initiative	<input type="checkbox"/> 40 Satisfaction*

*Sales tax paid for these services/materials

Forward to: Accounts Payable, C1, Syracuse for Processing

nationalgrid

PAYMENT REQUEST

Date: 10/22/12

Due Date: 10/29/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank _____	Electronic Transfer # _____
	Routing # _____	Originating Routing # <u>011000138</u>
	Accounts Payable	Acct # <u>4602282322</u>
	OCT 23 2012	Recipient Routing # <u>011001234</u>
	Received	Acct # <u>108111</u>
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N OR Mail check to internal location:		Reference Information for beneficiary FCC Account # <u>NGTF4110002</u>
		Contact: <u>CJ Abati</u>

Location of Service (Required information for all requests):

City: One MetroTech Center Brooklyn Heights

State: New York Zip: 11201

Wired by: _____
Date: _____
Value date: _____
Authorized by: _____

VENDOR INFORMATION

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name): National Grid USA Retiree Welfare Plan Union VEBA Vendor No. 256800 Federal Tax No. or SS # _____

Address: One MetroTech Center, Brooklyn NY, 11201 Paying Company: New England Gas Company

In Payment of: (Reason for check) October 29, 2012 Contribution Invoice # D - 10/29/12 Amount: \$306,500.00

Peoplesoft Accounting

Business	Activity*	Work Order	Expense	Orig	Charge	Bill Pool	Segment	Orig	Amount
00048	253106							00048	\$306,500.00

Oracle Accounting

Rec. Company	Rec. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approver's Name (Print): Christopher DIGILIO Signature: [Signature] Peoplesoft Key (optional User ID) (Emp. #): CDIGILIO

Preparer's Name (Print): Matthew Galeano Signature: [Signature] Phone Number: (718) 403-2123

NON-PURCHASE ORDER CATEGORY (Requestor check one)

- | | | | | |
|---|--|--|---|--|
| <input type="checkbox"/> 01 Advertising | <input type="checkbox"/> 09 Essements | <input type="checkbox"/> 17 Inactive/Marketing Program | <input type="checkbox"/> 25 Outside Services (not consulting) | <input type="checkbox"/> 33 Subscription |
| <input type="checkbox"/> 02 Awards/Gifts | <input type="checkbox"/> 10 Flagging | <input type="checkbox"/> 18 Inspection/Insurance | <input type="checkbox"/> 26 Parting | <input type="checkbox"/> 34 Summons/DMV/Tolls |
| <input type="checkbox"/> 03 Bank/Escrow/Rating Agency | <input type="checkbox"/> 11 Fleet Fuel* | <input type="checkbox"/> 19 Legal Professional Services | <input type="checkbox"/> 27 Payments on behalf of LIPA | <input type="checkbox"/> 35 Tax Payments/Assessments |
| <input type="checkbox"/> 04 Catering* | <input type="checkbox"/> 12 Fleet Leasing* | <input type="checkbox"/> 20 Legal/Settlement/Claim | <input type="checkbox"/> 28 Police/Sheriff/Marshals | <input type="checkbox"/> 36 Training/Registration/Seminars |
| <input type="checkbox"/> 05 Charitable/Sponsorship | <input type="checkbox"/> 13 Freight/Fed ex/UPS/Postage | <input type="checkbox"/> 21 Marketer B/B | <input type="checkbox"/> 29 Real Estate Rentals/Leases | <input type="checkbox"/> 37 Utility/Telephone/Water/Adj* |
| <input type="checkbox"/> 06 Clothing/Safety Shoes | <input type="checkbox"/> 14 Government/Municipality | <input type="checkbox"/> 22 Materials/Equipment Rental | <input type="checkbox"/> 30 Rebate Program | <input type="checkbox"/> 38 Other-Exception must be approved by AP |
| <input type="checkbox"/> 07 Consultants | <input type="checkbox"/> 15 Hotels/Lodging* | <input type="checkbox"/> 23 Messenger/Courier/Li&D | <input type="checkbox"/> 31 Retard/Adjus/Reimburse | <input type="checkbox"/> 39 Permits |
| <input type="checkbox"/> 08 Dues/Fees/Permits | <input type="checkbox"/> 16 HR/Medical/Workman Comp | <input type="checkbox"/> 24 Natural Gas/Energy Purchases | <input type="checkbox"/> 32 R&D Initiative | <input type="checkbox"/> 40 Satisfaction* |

*Sales tax paid for these services/materials

Forward to: Accounts Payable, C1, Syracuse for Processing

nationalgrid

PAYMENT REQUEST

Date: 10/22/12

Due Date: 10/29/12

Check one method of payment.

<input type="checkbox"/> CHECK	<input type="checkbox"/> ACH	<input checked="" type="checkbox"/> WIRE
Check Stub Message: (maximum limit of 70 characters)	Bank _____ Routing # _____	Electronic Transfer # _____ Originating Routing # <u>011000138</u> Acct # <u>4602292322</u> Recipient Routing # <u>011001234</u> Acct # <u>108111</u>
Separate check <input type="checkbox"/> Y <input type="checkbox"/> N Mail check to Payee <input type="checkbox"/> Y <input type="checkbox"/> N OR Mail check to internal location:	Accounts Payable OCT 23 2012 Received	Reference information for beneficiary FCC Account # <u>NGVF5110002</u> Contact: <u>CJ Abell</u>

Location of Service (Required information for all requests):
City: One MetroTech Center Brooklyn Heights
State: New York Zip: 11201

Wired by: _____
Date: _____
Value date: _____
Authorized by: _____

VENDOR INFORMATION

PLEASE ISSUE PAYMENT AS FOLLOWS (Check one) Peoplesoft Oracle

Payable to (Name): National Grid USA Retiree Welfare Plan Non Union VEBA
Vendor No. 256803 Federal Tax No. or SS # _____
Address: One MetroTech Center, Brooklyn NY, 11201
Paying Company: New England Gas Company
In Payment of: (Reason for check) October 29, 2012 Contribution
Invoice # D - 10/29/12 Amount \$392,750.00

Peoplesoft Accounting

Business	Activity*	Work Order	Expense	Orig	Charge	Bill Pool	Segment	Orig	Amount
00048	253106							00048	\$392,750.00

Oracle Accounting

Rec. Company	Rec. Cost Center	Activity	Cost Type	GL Acct	Project	Prov. Cost Center	Prov. Company	Amount

Approved Name (Print): Christopher DiGillo Signature: Christopher DiGillo Peoplesoft Key (or Oracle Emp. #): CDIGILIO

Prepared Name (Print): Matthew Galeano Signature: Matthew Galeano Phone Number: (718) 403-2123

NON-PURCHASE ORDER CATEGORY (Requestor check one)

<input type="checkbox"/> 01 Advertising	<input type="checkbox"/> 09 Estimating	<input type="checkbox"/> 17 Incentive/Marketing Program	<input type="checkbox"/> 25 Outside Services (not consulting)
<input type="checkbox"/> 02 Awards/Bids	<input type="checkbox"/> 10 Rigging	<input type="checkbox"/> 18 Inspection/Insurance	<input type="checkbox"/> 26 Parking
<input type="checkbox"/> 03 Bank/Crowd/Rating Agency	<input type="checkbox"/> 11 Fuel Fuel*	<input type="checkbox"/> 19 Legal/Professional Services	<input type="checkbox"/> 27 Payments on behalf of LIPA
<input type="checkbox"/> 04 Catering*	<input type="checkbox"/> 12 Fuel Leasing*	<input type="checkbox"/> 20 Legal/Settlement/Claim	<input type="checkbox"/> 28 Police/Security/Materials
<input type="checkbox"/> 05 Charitable/Sponsorship	<input type="checkbox"/> 13 Freight/Fuel ex/UPS/Postage	<input type="checkbox"/> 21 Marketing Bill	<input type="checkbox"/> 29 Real Estate Purchase/Lesses
<input type="checkbox"/> 06 Clothing/Safety Shoes	<input type="checkbox"/> 14 Government/Municipality	<input type="checkbox"/> 22 Materials/Equipment Rental	<input type="checkbox"/> 30 Rebate Program
<input type="checkbox"/> 07 Consultants	<input type="checkbox"/> 15 Hotels/Lodging*	<input type="checkbox"/> 23 Messenger/Courier/LMO	<input type="checkbox"/> 31 Refund/Adjust/Reimburse
<input type="checkbox"/> 08 Dues/Fees/Permits	<input type="checkbox"/> 16 HR/Medical/Workman Comp	<input type="checkbox"/> 24 Natural Gas/Energy Purchases	<input type="checkbox"/> 32 R&D Initiative
			<input type="checkbox"/> 33 Subscription
			<input type="checkbox"/> 34 Summons/DNR/Tolls
			<input type="checkbox"/> 35 Tax Payments/Assessments
			<input type="checkbox"/> 36 Training/Electronics/Software
			<input type="checkbox"/> 37 Utility/Telephone/Water/Ref
			<input type="checkbox"/> 38 Other-Exception must be approved by AP
			<input type="checkbox"/> 39 Permits
			<input type="checkbox"/> 40 Satisfaction*

*Sales tax paid for these services/materials

Forward to: Accounts Payable, C1, Syracuse for Processing

Division 1-12

Request:

Referring to WRR-1, Page 4, Line 16, please explain why the Service Company Allocated Cost is treated as a Company contribution.

Response:

The Company makes cash payments to the Service Company for costs billed to it by the Service Company including pension and PBOP costs. The Service Company in turn makes contributions to the pension and PBOP plans.

Division 1-13

Request:

Please provide actuarial reports supporting the pension costs on WRR-1, Page 5.

Response:

Please see the Company's response to Data Request Division 1-2 and Attachment DIV 1-2-B for all actuarial reports.

Division 1-14

Request:

Please provide actuarial reports supporting the PBOP costs on WRR-1, Page 6.

Response:

Please see the Company's response to Data Request Division 1-3, Attachment DIV 1-3-B for all actuarial reports.