

September 26, 2011

VIA HAND DELIVERY & ELECTRONIC MAIL

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

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

Dear Ms. Massaro:

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

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

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

Very truly yours,

Thomas R Teehan

The Tuckon

Enclosure

cc: Docket 4269 Service List

Leo Wold, Esq. Steve Scialabba

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

Division 3-1

Request:

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

Response:

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

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

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

Division 3-1 (continued)

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

Division 3-2

Request:

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

Response:

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

Division 3-3

Request:

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

Response:

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

Division 3-4

Request:

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

Response:

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

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

Division 3-5

Request:

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

Response:

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

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

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

The Narragansett Electric Company
d/b/a National Grid
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National Grid - RI Gas Accelerated Infrastructure Replacement Program Computation of Revenue Requirement

			Revised October 1,2009			
Line			Through	Fiscal Year	Fiscal Year	Fiscal Year
No.			March 31, 2010	2011	2012	2013
	D.C. IT. C.I. I.C.		(a)	(b)	(c)	(d)
1	Deferred Tax Calculation:		£0.107.025	620.266.615	60	60
2	ARP Program Actual Spend Base Spending Level		\$9,197,025 6,650,000	\$28,266,615 13,300,000	\$0 0	\$0 0
4	Incremental Amount	_	2,547,025	14,966,615	0	0
5	Cumulative ARP Incremental Spend		\$2,547,025	\$17,513,640	\$17,513,640	\$17,513,640
6	Cumulative filet incremental spend		\$2,547,025	\$17,515,040	\$17,515,040	\$17,515,040
7	Annual Retirements		\$755,706	\$1,685,062	\$0	\$0
8	Cumulative Retirements		\$755,706	\$2,440,768	\$2,440,768	\$2,440,768
9						
10	Book Depreciation Rate	1/	1.88%	1.88%	1.88%	1.88%
11	Capital Repairs Tax Deduction	2/	60.74%	53.11%		
12						
13	Vintage Year Tax Depreciation:	3/	2,072,092	13,114,684	232,686	209,418
14		_				
15	Annual Tax Depreciation		2,072,092	13,114,684	232,686	209,418
16	Cumulative Tax Depreciation		2,072,092	15,186,776	15,419,462	15,628,880
17						
18	Book Depreciation		8,398	158,123	\$282,655	\$282,655
19	Cumulative Book Depreciation		8,398	166,521	449,176	731,830
20 21	Consolation Deals / Tour Times		2.062.604	15 020 255	14.070.207	14 007 050
22	Cumulative Book / Tax Timer Effective Tax Rate		2,063,694 35.00%	15,020,255	14,970,287 35.00%	14,897,050 35.00%
23	Deferred Tax Reserve	_	\$722,293	35.00% \$5,257,089	\$5,239,600	
24	Deferred Tax Reserve	_	\$122,293	\$3,237,009	\$5,239,000	\$5,213,967
25	Rate Base Calculation:					
26	Cumulative ARP Incremental Spend		\$2,547,025	\$17,513,640	\$17,513,640	\$17,513,640
27	Accum Depreciation		(8,398)	(166,521)	(449,176)	(731,830)
28	Deferred Tax Reserve		(722,293)	(5,257,089)	(5,239,600)	(5,213,967)
29	Year End Rate Base	_	\$1,816,334	\$12,090,029	\$11,824,864	\$11,567,842
30		=	**,0**0,0**	**=,****,**=*	***,***	411,001,012
31	Revenue Requirement Calculation:					
32	Year End Rate Base		\$1,816,334	\$12,090,029	\$11,824,864	\$11,567,842
33	Pre-Tax ROR	4/	11.41%	11.41%	11.41%	11.41%
34	Return and Taxes	· –	207,244	1,379,472	1,349,217	1,319,891
35	Book Depreciation		33,592	282,655	282,655	282,655
36	Property Taxes 5/	3.08%	82,550	534,291	525,585	516,880
37	Annual Revenue Requirement	_	\$323,386	\$2,196,418	\$2,157,457	\$2,119,425
38		_				
	As filed		\$304,692	\$2,108,624		
	Variance	=	\$18,694	\$87,794	106,488	The estimate of 100k
	Column (a) Refer to Page 2	_				
	1/ Composite mains and services depr.rate	per Docket	No. 3943.			
	and services deprinte	r benet	Plant	Depr. Accrual	Rate	
	Mains - Steel and other		103,509,822	1,697,561		
	Mains - Plastic		99,167,915	1,973,442		
	Mains - Cast Iron		8,280,995	131,668		
	Services - All sizes		146,392,432	2,898,570		
		_	357,351,164	6,701,241	1.88%	
		=				
	2/ Currently deductible for tax purposes					
		ne 30 and 31	,			
	2/ Currently deductible for tax purposes 3/ Refer to Attachment DIV 3-5 Page 3 Li 4/ See Docket No 3943 page 16 17 & 23	ne 30 and 32	2			

- 4/ See Docket No.3943, page 16,17 & 23 5/ Property Tax Calculation:

	CY2009	CY2010	Average
Plant in Service	591,484,436	655,078,494	623,281,465
Accumulated Depreciation	(295,189,100)	(309,170,951)	(302,180,026)
Net Plant in service	296,295,336	345,907,542	321,101,439

Property Tax Expense CY 2010 Property Tax Rate

9,878,147
3.08%

Imputed Capital Structure: 4/				Pre-tax	
	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	40.63%	7.99%	3.25%		3.25%
Short Term Debt	11.66%	3.91%	0.45%		0.45%
Common Equity	47.71%	10.50%	5.01%	2.70%	7.71%
	100.00%	_	8.71%	2.70%	11.41%

The Narragansett Electric Company d/b/a National Grid Docket No. 4269 Docket No. 4209
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> Pre-tax Return 3.25% 0.45% 7.71% 11.41%

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

			As filed in Docket No.4196 October 1,2009	Revised October 1,2009		
Line			Through	Through		
No.			March 31, 2010	March 31, 2010		
			(a)	(b)		
1	Deferred Tax Calculation:					
2	ARP Progam Targeted Spend		\$9,197,025	\$9,197,025		
3	Base Spending Level	_	6,650,000	6,650,000		
4	Incremental Amount		2,547,025	2,547,025		
5	Cumulative ARP Incremental Spend		\$2,547,025	\$2,547,025		
6 7	Annual Retirements		\$755,706	\$755,706		
8	Cumulative Retirements		\$755,706	\$755,706		
9			,	4,44,,44		
10	Book Depreciation Rate	1/	1.88%	1.88%		
11	Capital Repairs Tax Deduction	2/	100.00%	60.74%		
12						
13	Vintage Year Tax Depreciation:		2,547,025	\$2,072,092		
14						
15	Annual Tax Depreciation	3/	2,547,025	\$2,072,092		
16 17	Cumulative Tax Depreciation		2,547,025	\$2,072,092		
18	Book Depreciation		8,398	8,398		
19	Cumulative Book Depreciation		8,398	8,398		
20	Camana. C Dook Deprodución		0,570	0,276		
21	Cumulative Book / Tax Timer		2,538,627	2,063,694		
22	Effective Tax Rate		35.00%	35.00%		
23	Deferred Tax Reserve		\$888,519	\$722,293		
24						
25	Rate Base Calculation:					
26	Cumulative ARP Incremental Spend		\$2,547,025	\$2,547,025		
27	Accum Depreciation		(8,398)	(8,398)		
28	Deferred Tax Reserve	_	(888,519)	(\$722,293)		
29	Year End Rate Base	=	\$1,650,108	\$1,816,334		
30 31	Paramua Paguirament Calculation					
32	Revenue Requirement Calculation: Year End Rate Base		\$1,650,108	\$1,816,334		
33	Pre-Tax ROR	4/	11.41%	11.41%		
34	Return and Taxes	-	188,277	207,244		
35	Book Depreciation		33,592	33,592		
36	Property Taxes 5/	3.25%	82,823	82,550		
37	Annual Revenue Requirement	_	\$304,692	\$323,386		
38						
39			_			
40	Revenue Requirement Adjustment		_	\$18,694		
	1/ Composite mains and services depr.rate per	Dookst No. 3	2042			
	17 Composite mains and services deprirate per	DOCKET NO	Plant	Depr. Accrual	Rate	
	Mains - Steel and other		103,509,822	1,697,561		
	Mains - Plastic		99,167,915	1,973,442		
	Mains - Cast Iron		8,280,995	131,668		
	Services - All sizes	_	146,392,432	2,898,570		
		=	357,351,164	6,701,241	1.88%	
	2/(b) Currently deductible for tax purposes					
	 Refer to Attachment DIV 3-5 Page 4 Line Refer ro Docket No. 3943, page 16,17 & 2. 					
	5/ Property Tax Calculation:	,				
	37 Property Tax Calculation.					
			CY2008	CY2009	Average	
	Plant in Service	-	565,561,284	591,484,436	578,522,860	
	Accumulated Depreciation	_	(282,846,425)	(295,189,100)	(289,017,763)	
	Net Plant in service	· -	282,714,860	296,295,336	289,505,098	
	Property Tax Expense CY 2009				9,413,974	
	Property Tax Rate			-	3.25%	
	Immuted Conital Streets At				Wai-11	
	Imputed Capital Structure: 4/		Ratio	Rate	Weighted Rate	Taxes
	Long Term Debt		40.63%	7.99%	3.25%	14103
	Short Term Debt		11.66%	3.91%	0.45%	
	Common Equity		47.71%	10.50%	5.01%	2.70%
		_	100.00%	-	8.71%	2.70%
		_	-	_		

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

			Fiscal Year 2011 (b)	Fiscal Year 2012 (c)	Fiscal Year 2013 (d)	
1	Capital Repairs Deduction					
2	Plant Additions		\$14,966,615			
3	Capital Repairs Deduction Rate		53.11%			
4	Capital Repairs Deduction	(Line 2 * Line 3)	\$7,948,769			
5						
6	Bonus Depreciation					
7	Plant Additions	(From Line 2)	\$14,966,615			
8	Less Capital Repairs Deduction	(From Line 4)	\$7,948,769			
9	Plant Additions Net of Capital Repairs Deduction	(Line 7 - Line 8)	\$7,017,846			
10	Percent of Plant Eligible for Bonus Depreciation	_	100%			
11	Plant Eligible for Bonus Depreciation	(Line 9 * Line 10)	\$7,017,846			
12	Plant Eligible for Bonus Depreciation for April 2010 - August 2010	(Line 9 * 55.56%)	\$3,898,803			1/
13	Bonus Depreciation rate April 2010 - August 2010	_	50%			2/
14	Bonus Depreciation for April 2010 - August 2010	(Line 12 * Line 13)	\$1,949,402			
15						
16	Plant Eligible for Bonus Depreciation for September 2010 - March 2011	(Line 9 * 44.44%)	\$3,119,043			3/
17	Bonus Depreciation rate September 2010 - March 2011		100%			2/
18	Bonus Depreciation for September 2010 - March 2011	(Line 16 *Line 17)	\$3,119,043			
19						
20	Total Bonus Depreciation	(Line 14 + Line18)	\$5,068,445			
21						
22	Remaining Tax Depreciation					
23	Plant Additions	(From Line 20)	\$14,966,615			
24	Less: Capital Repairs Deduction	(From Line 4)	\$7,948,769			
25	Less: Bonus Depreciation	(From Line 20)	\$5,068,445			
26	Remaining Plant Additions Subject to 15 YR MACRS Tax Depreciation	(Line 23 - Line 24 - Line25)	\$1,949,401	\$1,949,401	\$1,949,401	
27	15 YR MACRS Tax Depreciation Rates	_	5.00%	9.50%	8.55%	4/
28	Remaining Tax Depreciation	(Line 26 * Line 27)	\$97,470	\$185,193	\$166,674	
29						
30	Total Tax Depreciation and Repairs Deduction	(Line $4 + \text{Line } 20 + \text{Line } 28$)	\$13,114,684	\$185,193	\$166,674	
31	Total Tax Depreciation and Repairs Deduction for October 1, 2009 - March 31, 2010	(From Attachment DIV 3-5 Page 4 Line 23)	\$2,072,092	\$47,493	\$42,744	
32	Total Tax Depreciation	(Line 30 + Line 31)	\$15,186,776	\$232,686	\$209,418	

Line 11 times 5/9. Since the construction period takes place from April - December the total 1/ plant additions are prorated over 9 months instead of 12 months.

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

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

^{2/} additions as of September 8, 2010 and place in service by December 31, 2012.

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

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

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

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

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

2/ those dates use 20 years.

September 8, 2010 and place in service by December 31, 2012.
 Note 1: Pursuant to the Energy Tax Incentive Act of 2005 properties going in service after 4/1/2005 through 12/31/2010 use 15 year lives. Before and after

Division 3-6

Request:

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

Response:

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

Division 3-7

Request:

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

Response:

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 1 of 86

Total Narragansett Gas Pension Expense, net

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

Line Notes:

7 L.3 - L.5

15 L.11 - L.13

17 L.7 + L.15

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 2 of 86



December 13, 2010

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

Dear Mari:

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

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

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

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

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Ms. Mari-Louise Messuri
Page 2
December 13, 2010



US GAAP

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

Exp	oen	ASC 715 se/(Income)	ST	VERO B Expense	Expe	Total ense/(Income)
Granite State	\$	739,830	\$	0	9	739,830
Mass Electric		21,654,772		0		21,654,772
Nantucket		305,934		0		305,934
Narragansett		8,985,932		0		8,985,932
New England Power		3,454,294		0		3,454,294
NGUSCO		28,252,210		2,345,069		30,597,279
New England Gas		2,837,015		389,029	_	3,226,044
Total	\$	66,222,987	\$	2,734,098	\$	\$ 68,964,085

IFRS

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

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

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 4 of 86



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

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

Enclosed is a summary of the results.

Mari, if you have any questions, please call.

Sincerely,

Stephen F. Doucette

SFD:chf Enclosures

cc: Mr. James Allen, National Grid USA

Mr. Terrence P. Bertrand, National Grid USA

Mr. Claude Bussieres. National Grid USA

Mr. Charles DeRosa, National Grid USA

Ms. Maureen Heaphy, National Grid USA

Mr. David Kelmer, National Grid USA

Ms. Lorraine Lynch, National Grid USA

Mr. Joseph Marrese, National Grid USA

Ms. Lori Santoro, National Grid USA

Ms. Tara Sullivan, National Grid USA

Mr. Martin Wheatcroft, National Grid USA

Ms. Kerry-Ann Forrester, Aon Hewitt

Ms. Carol MacDonald, Aon Hewitt

Ms. Cindy McDonald, Aon Hewitt

Mr. Wil Ocasio, Aon Hewitt

Ms. Ditah Rimer, Aon Hewitt

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

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

** Allocation in proportion to the projected benefit obligation. This does not apply to the New England Gas allocation of the amortized net (gain)/loss * Reflects new cash balance design, adopted 11/15/2010

The Narragansett Electric Company

2011 Distribution Adjustment Clause Filing

d/b/a National Grid

Attachment DIV 3-7 (1)
Page 5 of 86

Docket 4269

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 6 of 86

> 3.50% 95,210,000 60,000,000

3.50%

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

April 1, 2010 through March 31, 2011

IAS 19 Expense for FAPP Plan

National Grid USA

Expected Benefit Payments Expected Contributions

Average Salary Scale

Nonunion Union

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

^{**} Allocation in proportion to the projected benefit obligation

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 7 of 86



May 13, 2011

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

Dear Mari,

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

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

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

	US GAAP ASC 715	IFRS IAS 19
Qualified Pension	\$ 66.6	\$ 12.3
Nonqualified Pension	10.5	7.8
Ionunion Retiree Welfare	21.9	14.8
Inion Retiree Welfare	22.0	10.3
otal	\$ 121.0	\$ 45.2

The estimates reflect the following:

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 8 of 86



Ms. Mari-Louise Messuri Page 2 May 13, 2011

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

Enclosed are summaries by plan and by company.

Mari, please call if you have any questions.

Sincerely,

Stephen F. Doucette

SFD:chf Enclosures

4844L881

cc: Mr. James Allen, National Grid USA

Mr. Terrence P. Bertrand, National Grid USA

Mr. Claude Bussieres, National Grid USA

Ms. Maureen Heaphy, National Grid USA

Mr. David Kelmer, National Grid USA

Ms. Francine Kollydas, National Grid USA

Ms. Lorraine Lynch, National Grid USA

Mr. Mark Merzbacher, National Grid USA

Ms. Maria Napenas, National Grid USA

Ms. Lori Santoro, National Grid USA

Ms. Tara Sullivan, National Grid USA

Mr. Martin Wheatcroft, National Grid USA

Ms. Kerry-Ann Forrester, Aon Hewitt

Ms. Carol MacDonald, Aon Hewitt

Ms. Ditah Rimer, Aon Hewitt

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 9 of 86

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

		Actual		Estimated
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(1,627,257,456)	\$	(1,693,211,000)
Fair Value of Assets		1,327,544,317		1,460,218,000
Funded Status	\$	(299,713,139)	\$	(232,993,000)
Unrecognized:				
 Net Transition Obligation or (Asset) 	\$	0	\$	0
Prior Service Cost		7,790,111		6,704,000
Net (Gain) or Loss		705,264,108		630,666,000
(Accrued) / Prepaid Pension Cost	\$	413,341,080	\$	404,377,000
Net Periodic Pension Cost				
Service Cost	\$	27,418,848	\$	28,349,000
Interest Cost		96,374,055		97,006,000
Expected Return on Assets		(103,358,405)		(104,311,000)
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		1,752,626		1,785,000
Net (Gain) or Loss		44,042,863		43,741,000
ASC 715 Pension Expense/(Income)	\$	66,229,987	\$	66,570,000
Special Termination Benefits	\$	2,734,098	\$	0
Curtailment Expense	\$	0	\$	0
Total Pension Expense/(Income)	\$	68,964,085	\$	66,570,000
Expected Benefit Payments	\$	95,210,000	\$	98,091,000
Expected Contributions	\$ \$	60,000,000	φ \$	60,000,000
Market Related Value of Assets	\$	1,297,085,056	\$	1,352,497,000
	Ψ	1,207,000,000	Ψ	1,002,107,000
Assumptions: Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale		0.0070		1.1370
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH 10		RP2000CH 10
Mortality Table for Nonunion		RP2000CH 20		RP2000CH 20
-		_		_

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 10 of 86

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

		Actual		Estimated
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(1,629,991,554)	\$	(1,684,179,000)
Assets at Bid Value		1,326,816,630		1,460,147,000
Funded Status	\$	(303,174,924)	\$	(224,032,000)
Prior Service Costs		0		157,000
(Accrued) / Prepaid Pension Cost	\$	(303,174,924)	\$	(223,875,000)
P&L Expense Operating Expense				
Service Cost	\$	27,418,848	\$	28,349,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		468,381		0
Prior Service Costs - On-going		40,859		108,000
Curtailment Costs*		(9,031,000)		0
Total Operating Expense	\$	18,897,088	\$	28,457,000
Financing Expense				
Interest Cost	\$	96,540,835	\$	96,473,000
Expected Return on Assets		(105,736,931)		(112,654,000)
Total Financing Expense	\$	(9,196,096)	\$	(16,181,000)
Total P&L Expense	\$	9,700,992	\$	12,276,000
Expected Benefit Payments	\$	95,210,000	\$	98,091,000
Expected Contributions	\$	60,000,000	\$	60,000,000
	Ψ.	33,333,333	Ψ.	33,333,333
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale				
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH_10		RP2000CH_10
Mortality Table for Nonunion		RP2000CH_20		RP2000CH_20

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 11 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 12 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 13 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 14 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 15 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 16 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 17 of 86

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

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
	4/2010-5/2011	4/2011-0/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (180,966,763)	\$ (188,301,000)
Fair Value of Assets	 147,635,764	162,390,000
Funded Status	\$ (33,330,999)	\$ (25,911,000)
Net Periodic Pension Cost		
Service Cost	\$ 2,689,504	\$ 2,781,000
Interest Cost	10,712,363	10,788,000
Expected Return on Assets	(11,494,454)	(11,600,000)
Amortization of:		
Net Transition Obligation or (Asset)	0	0
Prior Service Cost	56	200
Net (Gain) or Loss	 929,546	 1,654,000
ASC 715 Pension Expense/(Income)	\$ 2,837,015	\$ 3,623,200
Special Termination Benefits	\$ 389,029	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 3,226,044	\$ 3,623,200
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Actual Return on Assets for Projection	0.00%	0.00%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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

		Actual 4/2010-3/2011		Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(18,298,762)	\$	(18,907,000)
Assets at Bid Value	•	14,920,258	*	16,392,000
Funded Status	\$	(3,378,504)	\$	(2,515,000)
P&L Expense				
Operating Expense				
Service Cost	\$	250,191	\$	259,000
Exceptional Costs (STBs)	•	0	,	0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		0		0
Curtailment Costs*		0		0
Total Operating Expense	\$	250,191	\$	259,000
Financing Expense				
Interest Cost	\$	1,082,979	\$	1,083,000
Expected Return on Assets		(1,187,034)		(1,265,000)
Total Financing Expense	\$	(104,055)	\$	(182,000)
Total P&L Expense	\$	146,136	\$	77,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale				
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH_10		RP2000CH_10
Mortality Table for Nonunion		RP2000CH_20		RP2000CH_20
*Based on National Grid's adjustment to 3	3/31/2	011 disclosure ir	ıform	nation

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

		Actual		Estimated
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(477,503,224)	\$	(493,377,000)
Assets at Bid Value		389,341,721		427,747,000
Funded Status	\$	(88,161,503)	\$	(65,630,000)
P&L Expense				
Operating Expense				
Service Cost	\$	8,843,552	\$	9,144,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		50,288		0
Prior Service Costs - On-going		1,489		3,900
Curtailment Costs*		(1,657,000)		0
Total Operating Expense	\$	7,238,329	\$	9,147,900
Financing Expense				
Interest Cost	\$	28,282,638	\$	28,262,000
Expected Return on Assets		(30,975,452)		(33,002,000)
Total Financing Expense	\$	(2,692,814)	\$	(4,740,000)
Total P&L Expense	\$	4,545,515	\$	4,407,900
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale				
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH_10		RP2000CH_10
Mortality Table for Nonunion		RP2000CH_20		RP2000CH_20
*Raced on National Grid's adjustment to 3	0/04/0	011 diadeoure in	form	aatian

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

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

		Actual 4/2010-3/2011		Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		.,		
	φ	(F 2F0 17F)	φ	(F F28 000)
Projected Benefit Obligation	\$	(5,350,175)	\$	(5,528,000)
Assets at Bid Value	Φ.	4,362,371	Φ.	4,793,000
Funded Status	\$	(987,804)	\$	(735,000)
P&L Expense				
Operating Expense				
Service Cost	\$	160,733	\$	166,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		627		0
Prior Service Costs - On-going		93		200
Curtailment Costs*		(51,000)		0
Total Operating Expense	\$	110,453	\$	166,200
Financing Expense				
Interest Cost	\$	321,811	\$	317,000
Expected Return on Assets		(347,064)		(370,000)
Total Financing Expense	\$	(25,253)	\$	(53,000)
Total P&L Expense	\$	85,200	\$	113,200
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale				
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH 10	ı	RP2000CH 10
Mortality Table for Nonunion		RP2000CH_20	ı	RP2000CH_20
*Based on National Grid's adjustment to 3	/31/2	011 disclosure in	ıform	ation

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

		Actual 4/2010-3/2011		Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(214,307,136)	\$	(221,432,000)
Assets at Bid Value		174,739,573		191,977,000
Funded Status	\$	(39,567,563)	\$	(29,455,000)
P&L Expense				
Operating Expense				
Service Cost	\$	3,267,559	\$	3,378,000
Exceptional Costs (STBs)	·	0	•	0
Prior Service Costs - One-time		2,413		0
Prior Service Costs - On-going		279		700
Curtailment Costs*		(552,000)		0
Total Operating Expense	\$	2,718,251	\$	3,378,700
Financing Expense				
Interest Cost	\$	12,635,146	\$	12,683,000
Expected Return on Assets		(13,902,022)		(14,811,000)
Total Financing Expense	\$	(1,266,876)	\$	(2,128,000)
Total P&L Expense	\$	1,451,375	\$	1,250,700
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale				
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH 10		RP2000CH 10
Mortality Table for Nonunion		RP2000CH_20		RP2000CH_20
*Based on National Grid's adjustment to 3	/31/2	011 disclosure ir	form	nation

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

	Actual	Estimated
	4/2010-3/2011	4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (128,909,618)	\$ (133,195,000)
Assets at Bid Value	105,109,012	115,477,000
Funded Status	\$ (23,800,606)	\$ (17,718,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 9,735	\$ 10,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment Costs*	 (9,000)	 0
Total Operating Expense	\$ 735	\$ 10,000
Financing Expense		
Interest Cost	\$ 7,581,362	\$ 7,630,000
Expected Return on Assets	 (8,362,318)	 (8,909,000)
Total Financing Expense	\$ (780,956)	\$ (1,279,000)
Total P&L Expense	\$ (780,221)	\$ (1,269,000)
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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

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

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

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

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

	Actual	Estimated
	4/2010-3/2011	4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (181,355,792)	\$ (187,385,000)
Assets at Bid Value	147,554,838	162,459,000
Funded Status	\$ (33,800,954)	\$ (24,926,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,689,504	\$ 2,781,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	147	0
Prior Service Costs - On-going	372	1,000
Curtailment Costs*	(331,000)	0
Total Operating Expense	\$ 2,359,023	\$ 2,782,000
Financing Expense		
Interest Cost	\$ 10,736,093	\$ 10,734,000
Expected Return on Assets	(11,764,481)	(12,534,000)
Total Financing Expense	\$ (1,028,388)	\$ (1,800,000)
Total P&L Expense	\$ 1,330,635	\$ 982,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale	0.0070	1.1070
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH 10	RP2000CH 10
Mortality Table for Nonunion	RP2000CH 20	RP2000CH 20

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

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National Grid USA ESRP Estimated ASC 715 Expense

	4/	Actual 2010-3/2011	4	Estimated 1/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(82,359,052)	\$	(84,734,000)
Fair Value of Assets		0		0
Funded Status	\$	(82,359,052)	\$	(84,734,000)
Unrecognized:	φ	0	φ	0
Net Transition Obligation or (Asset)Prior Service Cost	\$	0 (311,140)	\$	0 (153,000)
Net (Gain) or Loss		30,761,221		30,325,000
(Accrued) / Prepaid Pension Cost	\$	(51,908,971)	\$	(54,562,000)
(Accorded) / A repaid a choicil ecot	Ψ	(01,000,011)	Ψ	(01,002,000)
Net Periodic Pension Cost				
Service Cost	\$	884,200	\$	937,000
Interest Cost		4,871,982		4,845,000
Expected Return on Assets		0		0
Amortization of:		0		0
Net Transition Obligation or (Asset)Prior Service Cost		0 (120,496)		0 (96,000)
Net (Gain) or Loss		2,241,325		2,185,000
ASC 715 Pension Expense	\$	7,877,011	\$	7,871,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	(38,000)	\$	0
	,	(,)	,	_
Total Pension Expense	\$	7,839,011	\$	7,871,000
Expected Benefit Payments	\$	4,981,000	\$	5,230,000
Expected Contributions	\$	0	\$	0
Market Related Value of Assets	\$	0	\$	0
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale	_	3.50%	_	3.50%
Mortality Table	RF	2000CH_20	R	P2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 26 of 86

National Grid USA ESRP Estimated IAS 19 Expense

	4/	Actual 2010-3/2011	4/	Estimated 2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(82,359,052)	\$	(84,734,000)
Fair Value of Assets		0		0
Funded Status	\$	(82,359,052)	\$	(84,734,000)
Prior Service Costs		0		0
(Accrued) / Prepaid Pension Cost	\$	(82,359,052)	\$	(84,734,000)
P&L Expense				
Operating Expense				
Service Cost	\$	884,200	\$	937,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		0		0
Curtailment/Settlement Costs		(33,000)	_	0
Total Operating Expense	\$	851,200	\$	937,000
Financing Expense	ф	4 074 000	ው	4.045.000
Interest Cost	\$	4,871,982	\$	4,845,000
Expected Return on Assets	\$	4,871,982	\$	4,845,000
Total Financing Expense	Ф	4,071,902	Ф	4,045,000
Total P&L Expense	\$	5,723,182	\$	5,782,000
Expected Benefit Payments	\$	4,981,000	\$	5,230,000
Expected Contributions	\$	0	\$	0
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	2000CH 20	RF	P2000CH 20
Aon Hewitt				

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National Grid USA ESRP Estimated ASC 715 Expense - Granite State

		Actual 2010-3/2011	Estima 4/2011-3/20	
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(127,636)	\$	(131,000)
Fair Value of Assets		0		0
Funded Status	\$	(127,636)	\$	(131,000)
Net Periodic Pension Cost				
Service Cost	\$	0	\$	0
Interest Cost		7,267		8,000
Expected Return on Assets Amortization of:		0		0
Net Transition Obligation or (Asset)		0		0
Prior Service Cost		0		0
Net (Gain) or Loss		3,473		3,000
ASC 715 Pension Expense	\$	10,740	\$	11,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total Pension Expense	\$	10,740	\$	11,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	P2000CH_20		RP2000CH_20
Aon Hewitt				

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National Grid USA ESRP Estimated ASC 715 Expense - Mass Electric

	4/	Actual 2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Projected Benefit Obligation	\$	(934,907)	\$ (962,000)
Fair Value of Assets		,	0
Funded Status	\$	(934,907)	\$ (962,000)
Net Periodic Pension Cost			
Service Cost	\$	7,124	\$ 8,000
Interest Cost		55,199	55,000
Expected Return on Assets		0	0
Amortization of:			
 Net Transition Obligation or (Asset) 		0	0
Prior Service Cost		0	0
Net (Gain) or Loss		25,443	 25,000
ASC 715 Pension Expense	\$	87,766	\$ 88,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	0	\$ 0
Total Pension Expense	\$	87,766	\$ 88,000
Assumptions:			
Discount Rate		6.10%	5.90%
Expected Return on Assets		n/a	n/a
Salary Scale		3.50%	3.50%
Mortality Table	RF	P2000CH_20	RP2000CH_20

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National Grid USA ESRP Estimated ASC 715 Expense - Nantucket Electric

	4/	Actual 2010-3/2011		Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(375,080)	\$	(386,000)
Fair Value of Assets		0		0
Funded Status	\$	(375,080)	\$	(386,000)
Net Periodic Pension Cost				
Service Cost	\$	2,850	\$	3,000
Interest Cost		21,568		22,000
Expected Return on Assets		0		0
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		0		0
Net (Gain) or Loss		10,207	-	10,000
ASC 715 Pension Expense	\$	34,625	\$	35,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total Pension Expense	\$	34,625	\$	35,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	P2000CH_20		RP2000CH_20

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National Grid USA ESRP Estimated ASC 715 Expense - Narragansett Electric

		Actual 2010-3/2011		Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(819,825)	\$	(843,000)
Fair Value of Assets	•	0	*	0
Funded Status	\$	(819,825)	\$	(843,000)
Net Periodic Pension Cost				
Service Cost	\$	3,096	\$	3,000
Interest Cost		48,057		48,000
Expected Return on Assets		0		0
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		0		0
Net (Gain) or Loss		22,311		22,000
ASC 715 Pension Expense	\$	73,464	\$	73,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total Pension Expense	\$	73,464	\$	73,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	P2000CH_20		RP2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 31 of 86

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

		Actual I/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Projected Benefit Obligation	\$	(3,863,319)	\$ (3,975,000)
Fair Value of Assets		0	 0
Funded Status	\$	(3,863,319)	\$ (3,975,000)
Net Periodic Pension Cost			
Service Cost	\$	0	\$ 0
Interest Cost		226,024	227,000
Expected Return on Assets Amortization of:		0	0
Net Transition Obligation or (Asset)		0	0
Prior Service Cost		(22,131)	(22,000)
Net (Gain) or Loss		105,137	 102,000
ASC 715 Pension Expense	\$	309,030	\$ 307,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	0	\$ 0
Total Pension Expense	\$	309,030	\$ 307,000
Assumptions:			
Discount Rate		6.10%	5.90%
Expected Return on Assets		n/a	n/a
Salary Scale		3.50%	3.50%
Mortality Table	R	RP2000CH_20	RP2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 32 of 86

National Grid USA ESRP Estimated ASC 715 Expense - NGUSCO

		Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Projected Benefit Obligation Fair Value of Assets	\$	(76,238,285) 0	\$ (78,437,000) 0
Funded Status	\$	(76,238,285)	\$ (78,437,000)
Net Periodic Pension Cost			
Service Cost	\$	871,130	\$ 923,000
Interest Cost		4,513,867	4,485,000
Expected Return on Assets Amortization of:		0	0
Net Transition Obligation or (Asset)		0	0
Prior Service Cost		(98,365)	(74,000)
Net (Gain) or Loss		2,074,754	 2,023,000
ASC 715 Pension Expense	\$	7,361,386	\$ 7,357,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	(38,000)	\$ 0
Total Pension Expense	\$	7,323,386	\$ 7,357,000
Assumptions:			
Discount Rate		6.10%	5.90%
Expected Return on Assets		n/a	n/a
Salary Scale	_	3.50%	3.50%
Mortality Table Aon Hewitt	<u> </u>	RP2000CH_20	RP2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 33 of 86

National Grid USA ESRP Estimated IAS 19 Expense - Granite State

		Actual 2010-3/2011	Estimated 4/2011-3/2012	
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation Assets at Bid Value	\$	(127,636) 0	\$	(131,000) 0
Funded Status	\$	(127,636)	\$	(131,000)
P&L Expense				
Operating Expense Service Cost	\$	0	\$	0
Exceptional Costs (STBs)	*	0	•	0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		0		0
Curtailment/Settlement Costs		0		0
Total Operating Expense Financing Expense	\$	0	\$	0
Interest Cost	\$	7,267	\$	8,000
Expected Return on Assets		0		0
Total Financing Expense	\$	7,267	\$	8,000
Total P&L Expense	\$	7,267	\$	8,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	P2000CH_20	RI	P2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 34 of 86

National Grid USA ESRP Estimated IAS 19 Expense - Mass Electric

		Actual 2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation Assets at Bid Value	\$	(934,907) 0	\$	(962,000) 0	
Funded Status	\$	(934,907)	\$	(962,000)	
P&L Expense					
Operating Expense	Φ	7.404	Φ.	0.000	
Service Cost	\$	7,124	\$	8,000	
Exceptional Costs (STBs) Prior Service Costs - One-time		0		0	
Prior Service Costs - On-going		0		0	
Curtailment/Settlement Costs		0		0	
Total Operating Expense	\$	7,124	\$	8,000	
Financing Expense	*	,	*	2,222	
Interest Cost	\$	55,199	\$	55,000	
Expected Return on Assets		0		0	
Total Financing Expense	\$	55,199	\$	55,000	
Total P&L Expense	\$	62,323	\$	63,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		3.50%		3.50%	
Mortality Table	RF	P2000CH_20	RI	P2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 35 of 86

National Grid USA ESRP Estimated IAS 19 Expense - Nantucket Electric

		Actual 2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation Assets at Bid Value	\$	(375,080) 0	\$	(386,000) 0	
Funded Status	\$	(375,080)	\$	(386,000)	
P&L Expense					
Operating Expense	Ф	0.050	ф	2.000	
Service Cost	\$	2,850	\$	3,000	
Exceptional Costs (STBs) Prior Service Costs - One-time		0		0	
Prior Service Costs - One-time Prior Service Costs - On-going		0		0	
Curtailment/Settlement Costs		0		0	
Total Operating Expense	\$	2,850	\$	3,000	
Financing Expense	·	,	·	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Interest Cost	\$	21,568	\$	22,000	
Expected Return on Assets		0		0	
Total Financing Expense	\$	21,568	\$	22,000	
Total P&L Expense	\$	24,418	\$	25,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		3.50%		3.50%	
Mortality Table	RF	P2000CH_20	RI	P2000CH_20	
Mortality Table	RF	P2000CH_20	RI	P2000CH	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 36 of 86

National Grid USA ESRP Estimated IAS 19 Expense - Narragansett Electric

		Actual 2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation Assets at Bid Value	\$	(819,825) 0	\$	(843,000) 0	
Funded Status	\$	(819,825)	\$	(843,000)	
P&L Expense					
Operating Expense Service Cost	\$	3,096	\$	3,000	
Exceptional Costs (STBs)	φ	3,090	φ	3,000	
Prior Service Costs - One-time		0		0	
Prior Service Costs - On-going		0		0	
Curtailment/Settlement Costs		0		0	
Total Operating Expense	\$	3,096	\$	3,000	
Financing Expense					
Interest Cost	\$	48,057	\$	48,000	
Expected Return on Assets		0		0	
Total Financing Expense	\$	48,057	\$	48,000	
Total P&L Expense	\$	51,153	\$	51,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		3.50%		3.50%	
Mortality Table	RF	P2000CH_20	RI	P2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 37 of 86

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

		Actual //2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation Assets at Bid Value	\$	(3,863,319) 0	\$	(3,975,000) 0	
Funded Status	\$	(3,863,319)	\$	(3,975,000)	
P&L Expense					
Operating Expense					
Service Cost	\$	0	\$	0	
Exceptional Costs (STBs)		0		0	
Prior Service Costs - One-time		0		0	
Prior Service Costs - On-going		0		0	
Curtailment/Settlement Costs		0		0	
Total Operating Expense	\$	0	\$	0	
Financing Expense	_		_		
Interest Cost	\$	226,024	\$	227,000	
Expected Return on Assets		0		0	
Total Financing Expense	\$	226,024	\$	227,000	
Total P&L Expense	\$	226,024	\$	227,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		3.50%		3.50%	
Mortality Table	R	P2000CH 20	RP2000CH 20		
Aon Hewitt					

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 38 of 86

National Grid USA ESRP Estimated IAS 19 Expense - NGUSCO

		Actual 4/2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation Assets at Bid Value	\$	(76,238,285) 0	\$	(78,437,000) 0	
Funded Status	\$	(76,238,285)	\$	(78,437,000)	
P&L Expense					
Operating Expense					
Service Cost	\$	871,130	\$	923,000	
Exceptional Costs (STBs)		0		0	
Prior Service Costs - One-time		0		0	
Prior Service Costs - On-going		0		0	
Curtailment/Settlement Costs	_	(33,000)		0	
Total Operating Expense	\$	838,130	\$	923,000	
Financing Expense Interest Cost	\$	A 512 067	\$	4,485,000	
Expected Return on Assets	Φ	4,513,867	Ф	4,465,000	
Total Financing Expense	\$	4,513,867	\$	4,485,000	
Total P&L Expense	\$	5,351,997	\$	5,408,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		3.50%		3.50%	
Mortality Table	F	RP2000CH_20	F	RP2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 39 of 86

National Grid USA Deferred Compensation Plan Estimated ASC 715 Expense

	4/	Actual 2010-3/2011	4	Estimated /2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(20,424,248)	\$	(19,910,000)
Fair Value of Assets	_	0	_	0
Funded Status	\$	(20,424,248)	\$	(19,910,000)
Unrecognized:Net Transition Obligation or (Asset)	\$	0	\$	0
Prior Service Cost	Ψ	0	Ψ	0
Net (Gain) or Loss		7,577,824		7,403,000
(Accrued) / Prepaid Pension Cost	\$	(12,846,424)	\$	(12,507,000)
Net Periodic Pension Cost				
Service Cost	\$	0	\$	0
Interest Cost		1,183,507		1,114,000
Expected Return on Assets		0		0
Amortization of:		•		
Net Transition Obligation or (Asset)Prior Service Cost		0		0
Net (Gain) or Loss		458,652		468,000
	•	1,642,159	•	
ASC 715 Pension Expense Settlement Expense	\$ \$	1,642,159	\$ \$	1,582,000
Settlement Expense	Ψ	0	Ψ	U
Total Pension Expense	\$	1,642,159	\$	1,582,000
Evenested Panelit Douments	¢	2,045,000	¢	2.050.000
Expected Benefit Payments Expected Contributions	\$ \$	2,045,000	\$ \$	2,050,000
Market Related Value of Assets	\$	0	\$	0
Markot Rolated Value of Aleete	Ψ	O	Ψ	O
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		n/a		n/a
Mortality Table Aon Hewitt	KH	P2000CH_20	K	P2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 40 of 86

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

	Actual 4/2010-3/2011		4/	Estimated 4/2011-3/2012	
Interest Cost					
Granite State	\$	14,533	\$	14,000	
Mass Electric	\$	36,536	\$	34,000	
Nantucket Electric	\$	0	\$	0 1,000	
Narragansett Electric	\$	29,808	\$	28,000	
NE Gas	\$	25,000	\$	20,000	
NE Power	\$	0	\$	0	
NGUSCO	\$	1,036,757	\$	976,000	
Directors	\$	65,873	\$	62,000	
Total Interest Cost	\$	1,183,507	\$	1,114,000	
Total Interest 60st	Ψ	1,103,307	Ψ	1,114,000	
Net (Gain) or Loss Amortization					
Granite State	\$	5,632	\$	6,000	
Mass Electric	\$	14,159	\$	14,000	
Nantucket Electric	\$	0	\$	0	
Narragansett Electric	\$	11,552	\$	12,000	
NE Gas	\$	0	\$	0	
NE Power	\$	0	\$	0	
NGUSCO	\$	401,781	\$	410,000	
Directors	\$	25,528	\$	26,000	
Total Net (Gain) or Loss Amortization	\$	458,652	\$	468,000	
Total Net Periodic Pension Cost					
Granite State	\$	20,166	\$	20,000	
Mass Electric	\$	50,696	\$	48,000	
Nantucket Electric	\$	0	\$	0	
Narragansett Electric	\$	41,360	\$	40,000	
NE Gas	\$	0	\$	0	
NE Power	\$	0	\$	0	
NGUSCO	\$	1,438,536	\$	1,386,000	
Directors	\$	91,401	\$	88,000	
Total Expense/(Income)	\$	1,642,159	\$	1,582,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		0.10 / ₀ n/a		5.90 / ₀ n/a	
Salary Scale		n/a		n/a	
Mortality Table	D.	P2000CH_20	D.	P2000CH 20	
As I lewitt	1 /1	2000011_20	1.71	2000011_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 41 of 86

National Grid USA Deferred Compensation Plan Estimated IAS 19 Expense

	4/	Actual 2010-3/2011	4/	Estimated 2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(20,424,248)	\$	(19,910,000)
Fair Value of Assets	_	0	_	0
Funded Status	\$	(20,424,248)	\$	(19,910,000)
Prior Service Costs		0		0
(Accrued) / Prepaid Pension Cost	\$	(20,424,248)	\$	(19,910,000)
P&L Expense Operating Expense				
Service Cost	\$	0	\$	0
Exceptional Costs (STBs)		0		0
Prior Service Costs		0		0
Curtailment/Settlement Costs	\$	0	\$	0
Total Operating Expense Financing Expense	Ф	U	Ф	U
Interest Cost	\$	1,183,507	\$	1,114,000
Expected Return on Assets	Ψ.	0	Ψ.	0
Total Financing Expense	\$	1,183,507	\$	1,114,000
Total P&L Expense	\$	1,183,507	\$	1,114,000
Expected Benefit Payments	\$	2,045,000	\$	2,050,000
Expected Contributions	\$	0	\$	0
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		n/a		n/a
Mortality Table	RF	P2000CH_20	RF	P2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 42 of 86

National Grid USA Deferred Compensation Plan Estimated IAS 19 Expense

-		Actual 2010-3/2011	Estimate 4/2011-3/201		
Total P&L Expense National Grid Plans					
Granite State	\$	14,534	\$	14,000	
Mass Electric	\$	36,537	\$	34,000	
Nantucket Electric	\$	0	\$	0	
Narragansett Electric	\$	29,808	\$	28,000	
NE Gas	\$ \$	0	\$	0	
NE Power	\$	0	\$	0	
NGUSCO	\$	1,036,755	\$	976,000	
Directors	\$	65,873	\$	62,000	
Total Expense/(Income)	\$	1,183,507	\$	1,114,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		n/a		n/a	
Mortality Table	RF	P2000CH_20	RF	2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 43 of 86

National Grid USA Executive Life Insurance Plan Estimated ASC 715 Expense

	4/	Actual /2010-3/2011	4	Estimated /2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(11,654,531)	\$	(11,145,000)
Fair Value of Assets		0		0
Funded Status	\$	(11,654,531)	\$	(11,145,000)
Unrecognized:				
 Net Transition Obligation or (Asset) 	\$	0	\$	0
Prior Service Cost		0		0
 Net (Gain) or Loss 		4,345,701		4,224,000
(Accrued) / Prepaid Pension Cost	\$	(7,308,830)	\$	(6,921,000)
Net Periodic Pension Cost				
Service Cost	\$	0	\$	0
Interest Cost		671,246		619,000
Expected Return on Assets		0		0
Amortization of:				
Net Transition Obligation or (Asset)		0		0
Prior Service Cost		0		0
Net (Gain) or Loss		275,446		281,000
ASC 715 Pension Expense	\$	946,692	\$	900,000
Settlement Expense	\$	0	\$	0
Total Pension Expense	\$	946,692	\$	900,000
Expected Penefit Downente	¢	1 201 000	¢	1 219 000
Expected Benefit Payments Expected Contributions	\$ \$	1,301,000 0	\$	1,318,000
Market Related Value of Assets	Ф \$	0	\$ \$	0
warter related value of Assets	Φ	U	Φ	U
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		n/a		n/a
Mortality Table Aon Hewitt	RF	P2000CH_20	R	P2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 44 of 86

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

	Actual 4/2010-3/2011		4/2	Estimated 2011-3/2012
Interest Cost				
Granite State	\$	0	\$	0
Mass Electric	\$	45,143	\$	42,000
Nantucket Electric	\$	0	\$	0
Narragansett Electric	\$	0	\$	0
NE Gas	\$ \$	0	\$	0
NE Power	\$	0	\$	0
NGUSCO	\$	626,103	\$	577,000
Directors	\$	0	\$	0
Total Interest Cost	\$	671,246	\$	619,000
Net (Gain) or Loss Amortization				
Granite State	\$	0	\$	0
Mass Electric	\$	18,524	\$	19,000
Nantucket Electric	\$	0	\$	0
Narragansett Electric	\$ \$ \$	0	\$	0
NE Gas	\$	0	\$	0
NE Power	\$	0	\$	0
NGUSCO	\$	256,922	\$	262,000
Directors	\$	0	\$	0
Total Net (Gain) or Loss Amortization	\$	275,446	\$	281,000
Total Net Periodic Pension Cost				
Granite State	\$	0	\$	0
Mass Electric	\$	63,666	\$	61,000
Nantucket Electric	\$	0	\$	0
Narragansett Electric	\$	0	\$	0
NE Gas	\$ \$ \$	0	\$	0
NE Power	\$	0	\$	0
NGUSCO	\$	883,026	\$	839,000
Directors	\$	0	\$	0
Total Expense/(Income)	\$	946,692	\$	900,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		0.10 / ₈ n/a		0.90 /6 n/a
Salary Scale		n/a		n/a
Mortality Table	PD.	2000CH 20	DD.	2000CH 20
App Howitt	1317	2000011_20	INF	2000011_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 45 of 86

National Grid USA Executive Life Insurance Plan Estimated IAS 19 Expense

		Actual 2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation Fair Value of Assets	\$	(11,654,531) 0	\$	(11,145,000) 0	
Funded Status	\$	(11,654,531)	\$	(11,145,000)	
Prior Service Costs		0		0	
(Accrued) / Prepaid Pension Cost	\$	(11,654,531)	\$	(11,145,000)	
P&L Expense Operating Expense					
Service Cost	\$	0	\$	0	
Exceptional Costs (STBs)	·	0	,	0	
Prior Service Costs		0		0	
Curtailment/Settlement Costs		0		0	
Total Operating Expense	\$	0	\$	0	
Financing Expense					
Interest Cost	\$	671,246	\$	619,000	
Expected Return on Assets		0		0	
Total Financing Expense	\$	671,246	\$	619,000	
Total P&L Expense	\$	671,246	\$	619,000	
Expected Benefit Payments	\$	1,301,000	\$	1,318,000	
Expected Contributions	\$	0	\$	0	
Exposing Contributions	Ψ	Ü	Ψ	· ·	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		n/a		n/a	
Mortality Table	RF	P2000CH_20	RF	P2000CH_20	
Aon Hewitt					

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 46 of 86

National Grid USA Executive Life Insurance Plan Estimated IAS 19 Expense

	4/2	Actual 4/2010-3/2011		Estimated 4/2011-3/2012		
Total P&L Expense National Grid Plans						
Granite State	\$	0	\$	0		
Mass Electric	\$	45,142	\$	42,000		
Nantucket Electric	\$	0	\$	0		
Narragansett Electric		0	\$	0		
NE Gas	\$ \$ \$	0	\$	0		
NE Power	\$	0	\$	0		
NGUSCO	\$	626,104	\$	577,000		
Directors	\$	0	\$	0		
Total Expense/(Income)	\$	671,246	\$	619,000		
Assumptions:						
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale		n/a		n/a		
Mortality Table	RP:	2000CH_20	RP:	2000CH_20		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 47 of 86

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

	Actual 4/2010-3/2011		4	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1						
Projected Benefit Obligation Fair Value of Assets	\$	(2,900,816) 0	\$	(2,665,000)		
Funded Status Unrecognized:	\$	(2,900,816)	\$	(2,665,000)		
Net Transition Obligation or (Asset)Prior Service Cost	\$	0 0	\$	0		
Net (Gain) or Loss		(2,085,287)		(1,943,000)		
(Accrued) / Prepaid Pension Cost	\$	(4,986,103)	\$	(4,608,000)		
Net Periodic Pension Cost						
Service Cost	\$	0	\$	0		
Interest Cost		163,774		145,000		
Expected Return on Assets		0		0		
Amortization of: • Net Transition Obligation or (Asset)		0		0		
Prior Service Cost		0		0		
Net (Gain) or Loss		(110,203)		(104,000)		
ASC 715 Pension Expense	\$	53,571	\$	41,000		
Settlement Expense	\$	0	\$	0		
Total Pension Expense	\$	53,571	\$	41,000		
Expected Panafit Payments	\$	432,000	\$	415,000		
Expected Benefit Payments Expected Contributions	\$	432,000	\$	415,000		
Market Related Value of Assets	\$	0	\$	0		
Assumptions:						
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale	-	n/a		n/a		
Mortality Table Aon Hewitt	KI	P2000CH_20	K	P2000CH_20		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 48 of 86

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

	Actual 4/2010-3/2011		Estimated 4/2011-3/2012			
Interest Cost						
Granite State	\$	0	\$	0		
Mass Electric	\$	9,163	\$	8,000		
Nantucket Electric	\$	0	\$	0		
Narragansett Electric	\$	14,807	\$	13,000		
NE Gas	\$	0	\$	0		
NE Power	\$	4,087	\$	4,000		
NGUSCO	\$	135,717	\$	120,000		
Directors	\$	0	\$	0		
Total Interest Cost	\$	163,774	\$	145,000		
Net (Gain) or Loss Amortization						
Granite State	\$	0	\$	0		
Mass Electric	\$	(6,166)	\$	(6,000)		
Nantucket Electric	\$	0	\$	0		
Narragansett Electric	\$	(9,963)	\$	(9,000)		
NE Gas	\$	0	\$	0		
NE Power	\$	(2,750)	\$	(3,000)		
NGUSCO	\$	(91,323)	\$	(86,000)		
Directors	\$	0	\$	0		
Total Net (Gain) or Loss Amortization	\$	(110,203)	\$	(104,000)		
Total Net Periodic Pension Cost						
Granite State	\$	0	\$	0		
Mass Electric	\$	2,997	\$	2,000		
Nantucket Electric	\$	0	\$	0		
Narragansett Electric	\$	4,843	\$	4,000		
NE Gas	\$	0	\$	0		
NE Power	\$	1,337	\$	1,000		
NGUSCO	\$	44,393	\$	34,000		
Directors	\$	0	\$	0		
Total Expense/(Income)	\$	53,571	\$	41,000		
Assumptions						
Assumptions: Discount Rate		6.10%		5.90%		
Expected Return on Assets		0.10% n/a		5.90% n/a		
•		n/a n/a		n/a		
Salary Scale Mortality Table	חם					
Mortality Table	RΡ	2000CH_20	RP2000CH_20			

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 49 of 86

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

	Actual 4/2010-3/2011		Estimated 4/2011-3/2012			
Reconciliation of Funded Status, 4/1						
Projected Benefit Obligation Fair Value of Assets	\$	(2,900,816) 0	\$	(2,665,000)		
Funded Status	\$	(2,900,816)	\$	(2,665,000)		
Prior Service Costs		0		0		
(Accrued) / Prepaid Pension Cost	\$	(2,900,816)	\$	(2,665,000)		
P&L Expense						
Operating Expense						
Service Cost	\$	0	\$	0		
Exceptional Costs (STBs)		0		0		
Prior Service Costs		0		0		
Curtailment/Settlement Costs		0	Φ.	0		
Total Operating Expense	\$	0	\$	0		
Financing Expense Interest Cost	\$	163,774	\$	145,000		
Expected Return on Assets	Ψ	005,774	Ψ	145,000		
Total Financing Expense	\$	163,774	\$	145,000		
Total P&L Expense	\$	163,774	\$	145,000		
Expected Benefit Payments	\$	432,000	\$	415,000		
Expected Contributions	\$	0	\$	0		
Assumptions:						
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale	_	n/a	n/a			
Mortality Table Aon Hewitt	RI	P2000CH_20	RI	P2000CH_20		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 50 of 86

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

	Ac 4/2010-3/2		4/2	Estimated 011-3/2012
Total P&L Expense National Grid Plans				
Granite State	\$	0	\$	0
Mass Electric	\$	9,450	\$	8,000
Nantucket Electric	\$	0	\$	0
Narragansett Electric	\$	15,315	\$	13,000
NE Gas	\$	0	\$	0
NE Power	\$	4,215	\$	4,000
NGUSCO	\$	134,794	\$	120,000
Directors	\$	0	\$	0
Total Expense/(Income)	\$	163,774	\$	145,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		n/a		n/a
Mortality Table	RP:	2000CH_20	RP:	2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 51 of 86

National Grid USA EUA KEIP Estimated ASC 715 Expense

	Actual 4/2010-3/2011		Estimat 4/2011-3/20		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation	\$	(2,284,113)	\$	(1,950,000)	
Fair Value of Assets		0		0	
Funded Status	\$	(2,284,113)	\$	(1,950,000)	
Unrecognized:					
Net Transition Obligation or (Asset)	\$	0	\$	0	
Prior Service Cost Net (Osia) and asset		0		0	
Net (Gain) or Loss		(1,145,164)		(1,185,000)	
(Accrued) / Prepaid Pension Cost	\$	(3,429,277)	\$	(3,135,000)	
Net Periodic Pension Cost					
Service Cost	\$	0	\$	0	
Interest Cost		124,477		103,000	
Expected Return on Assets		0		0	
Amortization of:				_	
Net Transition Obligation or (Asset)		0		0	
Prior Service Cost		0		(50,000)	
• Net (Gain) or Loss	_	(46,219)	_	(52,000)	
ASC 715 Pension Expense	\$	78,258	\$	51,000	
Settlement Expense	\$	0	\$	0	
Total Pension Expense	\$	78,258	\$	51,000	
Expected Benefit Payments	\$	487,000	\$	395,000	
Expected Contributions	\$	0	\$	0	
Market Related Value of Assets	\$	0	\$	0	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		n/a		n/a	
Mortality Table	RI	P2000CH_20	RI	P2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 52 of 86

National Grid USA EUA KEIP Estimated IAS 19 Expense

		Actual /2010-3/2011	Estimated 4/2011-3/2012			
Reconciliation of Funded Status, 4/1						
Projected Benefit Obligation	\$	(2,284,113)	\$	(1,950,000)		
Fair Value of Assets	_	0		0		
Funded Status	\$	(2,284,113)	\$	(1,950,000)		
Prior Service Costs		0		0		
(Accrued) / Prepaid Pension Cost	\$	(2,284,113)	\$	(1,950,000)		
P&L Expense						
Operating Expense						
Service Cost	\$	0	\$	0		
Exceptional Costs (STBs)		0		0		
Prior Service Costs		0		0		
Curtailment/Settlement Costs	Ф.	0	\$	0		
Total Operating Expense Financing Expense	\$	U	Ф	U		
Interest Cost	\$	124,477	\$	103,000		
Expected Return on Assets	Ψ	0	Ψ	00,000		
Total Financing Expense	\$	124,477	\$	103,000		
Total P&L Expense	\$	124,477	\$	103,000		
Europeted Demosts Demosts	Φ.	407.000	Φ.	205.000		
Expected Benefit Payments	\$ \$	487,000	\$ \$	395,000		
Expected Contributions	Ф	0	Ф	0		
Assumptions:						
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale		n/a		n/a		
Mortality Table	RI	P2000CH_20	RI	P2000CH_20		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 53 of 86

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

	Actual 4/2010-3/2011			Estimated 4/2011-3/2012			
Reconciliation of Funded Status, 4/1							
Projected Benefit Obligation Fair Value of Assets	\$	(1,470,409) 0	\$	(1,396,000)			
Funded Status Unrecognized:	\$	(1,470,409)	\$	(1,396,000)			
Net Transition Obligation or (Asset)	\$	0	\$	0			
Prior Service CostNet (Gain) or Loss		0 273,746		0 278,000			
(Accrued) / Prepaid Pension Cost	\$	(1,196,663)	\$	(1,118,000)			
Net Periodic Pension Cost							
Service Cost	\$	0	\$	0			
Interest Cost		83,869		77,000			
Expected Return on Assets Amortization of:		0		0			
Net Transition Obligation or (Asset)		0		0			
Prior Service Cost		0		0			
Net (Gain) or Loss		11,085		13,000			
ASC 715 Pension Expense Settlement Expense	\$	94,954	\$	90,000			
Total Pension Expense	\$	94,954	\$	90,000			
Expected Benefit Payments	\$	191,000	\$	174,000			
Expected Contributions	\$	0	\$	0			
Market Related Value of Assets	\$	0	\$	0			
Assumptions:							
Discount Rate		6.10%		5.90%			
Expected Return on Assets		n/a		n/a			
Salary Scale		n/a		n/a			
Mortality Table Aon Hewitt	RI	P2000CH_20	RI	P2000CH_20			

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 54 of 86

National Grid USA NG and EUA Director Plans Estimated IAS 19 Expense

		Actual /2010-3/2011	Estimated 4/2011-3/2012			
Reconciliation of Funded Status, 4/1						
Projected Benefit Obligation Fair Value of Assets	\$	(1,470,409) 0	\$	(1,396,000)		
Funded Status	\$	(1,470,409)	\$	(1,396,000)		
Prior Service Costs		0		0		
(Accrued) / Prepaid Pension Cost	\$	(1,470,409)	\$	(1,396,000)		
P&L Expense Operating Expense						
Service Cost	\$	0	\$	0		
Exceptional Costs (STBs)		0		0		
Prior Service Costs		0		0		
Curtailment/Settlement Costs	_	0	_	0		
Total Operating Expense Financing Expense	\$	0	\$	0		
Interest Cost	\$	83,869	\$	77,000		
Expected Return on Assets		0		0		
Total Financing Expense	\$	83,869	\$	77,000		
Total P&L Expense	\$	83,869	\$	77,000		
Expected Benefit Payments	\$	191,000	\$	174,000		
Expected Contributions	\$	0	\$	0		
Assumptions:	,		Ť			
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale		n/a		n/a		
Mortality Table	RI	P2000CH_20	RI	P2000CH_20		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 55 of 86

National Grid USA Nonunion Retiree Welfare Plan Estimated ASC 715 Expense

	Actu 4/2010-3/201		ore Curtailment 4/2011-3/2012		Impact of Curtailment	-	After Curtailment 4/2011-3/2012		
	4/2010-3/201	1	4/2011-3/2012		Curtailment		4/2011-3/2012		
Reconciliation of Funded Status, 4/1									
Accumulated Postret. Ben. Obligation	\$ (439,416,14	,	(455,696,000)	\$	13,260,000	\$	(442,436,000)		
Fair Value of Assets	189,743,60		213,995,000		0		213,995,000		
Funded Status	\$ (249,672,54	3)	(241,701,000)	\$	13,260,000	\$	(228,441,000)		
Unrecognized:	•								
Net Transition Obligation or (Asset)	•		0	\$	0	\$	0		
Prior Service Cost Nat (Cain) and analysis	(4,760,79	,	(10,818,000)		1,442,000		(9,376,000)		
Net (Gain) or Loss	150,696,53		141,546,000		(13,260,000)		128,286,000		
(Accrued) / Prepaid Cost	\$ (103,736,80	2) :	(110,973,000)	\$	1,442,000		(109,531,000)		
Net Periodic Cost			Annual				Annual	FY	2012 Est. Exp.
Service Cost	\$ 5,932,10	9 9	6,071,000			\$	5,301,000	\$	5,558,000
Interest Cost	25,858,26	3	26,145,000				25,355,000		25,618,000
Expected Return on Assets	(12,149,84	5)	(14,557,000)				(14,547,000)		(14,550,000
Amortization of:									
 Net Transition Obligation or (Asset))	0				0		0
Prior Service Cost	(1,146,45	,	(1,496,000)				(1,297,000)		(1,364,000)
Net (Gain) or Loss	7,725,28		8,688,000	-			7,770,000		8,076,000
ASC 715 Expense	\$ 26,219,35		24,851,000			\$	22,582,000	\$	23,338,000
Special Termination Benefits	\$ 56,18		0		(4.440.000)			\$	0
Curtailment Expense	\$) ;	0	\$	(1,442,000)			\$	(1,442,000)
Total RW Expense	\$ 26,275,53	9 9	24,851,000	\$	(1,442,000)			\$	21,896,000
Expected Benefit Payments - Net	\$ 23,817,00)	25,117,000			\$	25,378,000		
Expected Benefit Payments - Gross	\$ 25,621,00		27,065,000			\$	27,327,000		
Expected Contributions	\$ 12,000,00		8,000,000			\$	8,000,000		
Market Related Value of Assets	\$ 186,308,19		197,028,000			\$	197,028,000		
Assumptions:									
Discount Rate	6.10		5.90%		5.90%		5.90%		
Expected Return on Assets	6.75		7.75%		7.75%		7.75%		
Initial Medical Trend - Pre-65	8.50		8.50%		8.50%		8.50%		
Initial Medical Trend - Post-65	8.50		8.00%		8.00%		8.00%		
Initial Prescription Drug Trend	9.25		8.75%		8.75%		8.75%		
Ultimate Trend	5.00		5.00%		5.00%		5.00%		
Mortality Table	RP2000CH_2	U	RP2000CH_20		RP2000CH_20		RP2000CH_20		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 56 of 86

National Grid USA Nonunion Retiree Welfare Plan Estimated IAS 19 Expense

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

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

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

	Actual 4/2010-3/2011		4	Estimated 1/2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation	\$	(5,589,503)	\$	(5,628,000)
Fair Value of Assets		3,088,857		3,292,000
Funded Status	\$	(2,500,646)	\$	(2,336,000)
Net Periodic Cost				
Service Cost	\$	20,808	\$	19,000
Interest Cost		328,094		326,000
Expected Return on Assets		(194,578)		(224,000)
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		(14,209)		(15,000)
 Net (Gain) or Loss 		96,242		103,000
ASC 715 Expense	\$	236,357	\$	209,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total RW Expense	\$	236,357	\$	209,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		6.75%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	R	RP2000CH_20	R	P2000CH_20

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 59 of 86

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

		Actual /2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Accumulated Postret. Ben. Obligation Fair Value of Assets	\$	(882,696) 0	\$	(889,000) 0	
Funded Status	\$	(882,696)	\$	(889,000)	
Net Periodic Cost					
Service Cost	\$	19,371	\$	18,000	
Interest Cost		52,491		51,000	
Expected Return on Assets Amortization of:		675		0	
 Net Transition Obligation or (Asset) 		0		0	
Prior Service Cost		(2,809)		(4,000)	
 Net (Gain) or Loss 		32,288		16,000	
ASC 715 Expense	\$	102,016	\$	81,000	
Special Termination Benefits	\$	0	\$	0	
Curtailment Expense	\$	0	\$	(3,000)	
Total RW Expense	\$	102,016	\$	78,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		6.75%		7.75%	
Initial Trend - Pre-65		8.50%		8.50%	
Initial Trend - Post-65		8.50%		8.00%	
Initial Prescription Drug Trend		9.25%		8.75%	
Ultimate Trend		5.00%		5.00%	
Mortality Table	RI	P2000CH_20	RI	P2000CH_20	

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 61 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 62 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 63 of 86

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

Fair Value of Assets 7,681,707 8,788, spread (33,758,916) \$ (32,937, spread (32,937) Net Periodic Cost Service Cost \$ 280,993 \$ 263, spread (244,163) 2,416, spread (245,345) (598, spread (245,345)) (598,		Actual 4/2010-3/2011		Estimated 4/2011-3/2012	
Fair Value of Assets 7,681,707 8,788, 788, 788, 816 Funded Status \$ (33,758,916) \$ (32,937, 788, 788, 788, 788, 788, 788, 788, 7	iliation of Funded Status, 4/1				
Net Periodic Cost Service Cost \$ 280,993 \$ 263, Interest Cost 2,444,163 2,416, Expected Return on Assets (465,345) (598, Amortization of: 0 (19,816) (32, • Net Transition Obligation or (Asset) 0 (19,816) (32, • Net (Gain) or Loss 366,071 762, ASC 715 Expense \$ 2,606,066 \$ 2,811, Special Termination Benefits \$ 22,624 \$ Curtailment Expense \$ 0 (138, Total RW Expense \$ 2,628,690 \$ 2,673, Assumptions: Discount Rate 6.10% 5. Expected Return on Assets 6.75% 7. Initial Trend - Pre-65 8.50% 8.	o o	\$		\$	(41,725,000) 8,788,000
Service Cost \$ 280,993 \$ 263, Interest Cost 2,444,163 2,416, Expected Return on Assets (465,345) (598, Amortization of: 0 • Net Transition Obligation or (Asset) 0 • Prior Service Cost (19,816) (32, • Net (Gain) or Loss 366,071 762, ASC 715 Expense \$ 2,606,066 \$ 2,811, Special Termination Benefits \$ 22,624 \$ Curtailment Expense \$ 0 (138, Total RW Expense \$ 2,628,690 \$ 2,673, Assumptions: Discount Rate 6.10% 5. Expected Return on Assets 6.75% 7. Initial Trend - Pre-65 8.50% 8.	Status	\$	(33,758,916)	\$	(32,937,000)
Interest Cost	iodic Cost				
Expected Return on Assets (465,345) (598, Amortization of: • Net Transition Obligation or (Asset) 0 • Prior Service Cost (19,816) (32, 762, 762, 762, 762, 762, 762, 762, 76	Cost	\$	280,993	\$	263,000
Amortization of: 0 Net Transition Obligation or (Asset) 0 Prior Service Cost (19,816) (32, 32, 366,071) Net (Gain) or Loss 366,071 762, 362, 362, 362, 362, 362, 362, 362, 3	Cost		2,444,163		2,416,000
 Prior Service Cost (19,816) (32, Net (Gain) or Loss 366,071 762, ASC 715 Expense \$ 2,606,066 \$ 2,811, Special Termination Benefits \$ 22,624 \$ Curtailment Expense \$ 0 \$ (138, Total RW Expense \$ 2,628,690 \$ 2,673, Assumptions: Discount Rate 6.10% 5. Expected Return on Assets 6.75% 7. Initial Trend - Pre-65 8.50% 8. 			(465,345)		(598,000)
• Net (Gain) or Loss 366,071 762, ASC 715 Expense \$ 2,606,066 \$ 2,811, Special Termination Benefits \$ 22,624 \$ Curtailment Expense \$ 0 \$ (138, Total RW Expense \$ 2,628,690 \$ 2,673, Assumptions: Discount Rate 6.10% 5. Expected Return on Assets 6.75% 7. Initial Trend - Pre-65 8.50% 8.	ransition Obligation or (Asset)		0		0
ASC 715 Expense \$ 2,606,066 \$ 2,811, Special Termination Benefits \$ 22,624 \$ (138, Curtailment Expense \$ 2,628,690 \$ 2,673, Total RW Expense \$ 2,628,690 \$ 2,673, Assumptions: Discount Rate 6.10% 5. Expected Return on Assets 6.75% 7. Initial Trend - Pre-65 8.50% 8.	Service Cost		(19,816)		(32,000)
Special Termination Benefits \$ 22,624 \$ 0 \$ (138, 138, 138, 138, 138, 138, 138, 138,	3ain) or Loss		366,071		762,000
Curtailment Expense \$ 0 \$ (138, 138, 138, 138, 138) Total RW Expense \$ 2,628,690 \$ 2,673, 138, 138, 138, 138, 138, 138, 138, 13	5 Expense	\$	2,606,066	\$	2,811,000
Total RW Expense \$ 2,628,690 \$ 2,673, Assumptions: Discount Rate 6.10% 5. Expected Return on Assets 6.75% 7. Initial Trend - Pre-65 8.50% 8.	Termination Benefits	\$	22,624	\$	0
Assumptions: Discount Rate 6.10% 5. Expected Return on Assets 6.75% 7. Initial Trend - Pre-65 8.50% 8.	nent Expense	\$	0	\$	(138,000)
Discount Rate 6.10% 5. Expected Return on Assets 6.75% 7. Initial Trend - Pre-65 8.50% 8.	W Expense	\$	2,628,690	\$	2,673,000
Expected Return on Assets 6.75% 7. Initial Trend - Pre-65 8.50% 8.	ptions:				
Initial Trend - Pre-65 8.50% 8.	it Rate		6.10%		5.90%
	ed Return on Assets		6.75%		7.75%
Initial Trend - Post-65 8.50% 8.	end - Pre-65		8.50%		8.50%
	end - Post-65		8.50%		8.00%
Initial Prescription Drug Trend 9.25% 8.	escription Drug Trend		9.25%		8.75%
Ultimate Trend 5.00% 5.	Trend		5.00%		5.00%
Mortality Table RP2000CH_20 RP2000CH	y Table	F	RP2000CH_20	F	RP2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 64 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 65 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 66 of 86

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

		Actual /2010-3/2011	Estimated 4/2011-3/2012	
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation Assets at Bid Value	\$	(882,696) 0	\$	(889,000) 0
Funded Status	\$	(882,696)	\$	(889,000)
P&L Expense				
Operating Expense				
Service Cost	\$	19,371	\$	18,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		(15,620)		0
Prior Service Costs - On-going		(1,306)		(1,700)
Curtailment Costs		(45,000)		0
Total Operating Expense	\$	(42,555)	\$	16,300
Financing Expense				
Interest Cost	\$	52,490	\$	51,000
Expected Return on Assets		675		0
Total Financing Expense	\$	53,165	\$	51,000
Total P&L Expense	\$	10,610	\$	67,300
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		6.75%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	RI	P2000CH_20	RI	P2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 67 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 68 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 69 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 70 of 86

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

		Actual 4/2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Accumulated Postret. Ben. Obligation Assets at Bid Value	\$	(41,463,247) 7,669,327	\$	(41,725,000) 8,788,000	
Funded Status	\$	(33,793,920)	\$	(32,937,000)	
P&L Expense					
Operating Expense					
Service Cost	\$	280,993	\$	263,000	
Exceptional Costs (STBs)		0		0	
Prior Service Costs - One-time		(96,743)		0	
Prior Service Costs - On-going		996,265		955,400	
Curtailment Costs		(621,000)		0	
Total Operating Expense	\$	559,515	\$	1,218,400	
Financing Expense					
Interest Cost	\$	2,445,543	\$	2,391,000	
Expected Return on Assets		(473,897)		(651,000)	
Total Financing Expense	\$	1,971,646	\$	1,740,000	
Total P&L Expense	\$	2,531,161	\$	2,958,400	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		6.75%		7.75%	
Initial Trend - Pre-65		8.50%		8.50%	
Initial Trend - Post-65		8.50%		8.00%	
Initial Prescription Drug Trend		9.25%		8.75%	
Ultimate Trend		5.00%		5.00%	
Mortality Table	F	RP2000CH 20	F	RP2000CH 20	
Aon Hewitt					

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 71 of 86

National Grid USA Union Retiree Welfare Plan Estimated ASC 715 Expense

		Actual 4/2010-3/2011		Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation	\$	(414,321,453)	\$	(411,316,000)
Fair Value of Assets		224,659,127		251,412,000
Funded Status	\$	(189,662,326)	\$	(159,904,000)
Unrecognized:Net Transition Obligation or (Asset)	\$	0	\$	0
Prior Service Cost	Ψ	(1,953,329)	Ψ	(1,643,000)
Net (Gain) or Loss		173,094,344		131,827,000
(Accrued) / Prepaid Cost	\$	(18,391,271)	\$	(29,720,000)
Net Periodic Cost				
Service Cost	\$	5,648,944	\$	6,085,000
Interest Cost	•	24,624,629	·	23,633,000
Expected Return on Assets		(15,715,940)		(16,122,000)
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		(310,605)		(311,000)
 Net (Gain) or Loss 		10,406,954		8,715,000
ASC 715 Expense	\$	24,653,982	\$	22,000,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total RW Expense	\$	24,653,982	\$	22,000,000
Expected Benefit Payments - Net	\$	21,278,000	\$	21,513,000
Expected Benefit Payments - Gross	\$	22,953,000	\$	23,323,000
Expected Contributions	\$	15,000,000	\$	10,500,000
Market Related Value of Assets	\$	199,800,743	\$	213,994,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Initial Medical Trend - Pre-65		8.50%		8.50%
Initial Medical Trend - Post-65 Initial Prescription Drug Trend		8.50% 9.25%		8.00% 8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table		RP2000CH 10		RP2000CH 10
Aon Howitt				

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 72 of 86

National Grid USA Union Retiree Welfare Plan Estimated IAS 19 Expense

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 73 of 86

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

	4	Actual /2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Accumulated Postret. Ben. Obligation Fair Value of Assets	\$	(6,136,828) 3,602,511	\$ (6,092,000) 3,975,000		
Funded Status	\$	(2,534,317)	\$ (2,117,000)		
Net Periodic Cost					
Service Cost	\$	96,748	\$ 104,000		
Interest Cost		367,240	350,000		
Expected Return on Assets Amortization of:		(255,675)	(255,000)		
 Net Transition Obligation or (Asset) 		0	0		
Prior Service Cost		(5,724)	(6,000)		
 Net (Gain) or Loss 		160,424	 132,000		
ASC 715 Expense	\$	363,013	\$ 325,000		
Special Termination Benefits	\$	0	\$ 0		
Curtailment Expense	\$	0	\$ 0		
Total RW Expense	\$	363,013	\$ 325,000		
Assumptions:					
Discount Rate		6.10%	5.90%		
Expected Return on Assets		8.00%	7.75%		
Initial Trend - Pre-65		8.50%	8.50%		
Initial Trend - Post-65		8.50%	8.00%		
Initial Prescription Drug Trend		9.25%	8.75%		
Ultimate Trend		5.00%	5.00%		
Mortality Table	R	P2000CH_10	RP2000CH_10		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 74 of 86

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

		Actual	Estimated
	4	1/2010-3/2011	4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Accumulated Postret. Ben. Obligation	\$ ((199,739,431)	\$ (198,291,000)
Fair Value of Assets		107,270,087	121,881,000
Funded Status	\$	(92,469,344)	\$ (76,410,000)
Net Periodic Cost			
Service Cost	\$	2,921,799	\$ 3,147,000
Interest Cost		11,885,419	11,393,000
Expected Return on Assets Amortization of:		(7,538,715)	(7,816,000)
Net Transition Obligation or (Asset)		0	0
Prior Service Cost		(201,955)	(202,000)
Net (Gain) or Loss		4,805,024	4,307,000
ASC 715 Expense	\$	11,871,572	\$ 10,829,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	0	\$ 0
Total RW Expense	\$	11,871,572	\$ 10,829,000
Assumptions:			
Discount Rate		6.10%	5.90%
Expected Return on Assets		8.00%	7.75%
Initial Trend - Pre-65		8.50%	8.50%
Initial Trend - Post-65		8.50%	8.00%
Initial Prescription Drug Trend		9.25%	8.75%
Ultimate Trend		5.00%	5.00%
Mortality Table	R	P2000CH 10	RP2000CH 10
Aon Hewitt		_ -	_ -

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 75 of 86

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

Reconciliation of Funded Status, 4/1 Accumulated Postret. Ben. Obligation \$ (1,201,427) \$ Fair Value of Assets 0 \$ (1,201,427) \$ Funded Status \$ (1,201,427) \$ Net Periodic Cost Service Cost \$ 33,321 \$ Interest Cost 72,616 Expected Return on Assets 960	Estimated 4/2011-3/2012	
Fair Value of Assets 0 Funded Status \$ (1,201,427) Net Periodic Cost Service Cost \$ 33,321 Interest Cost 72,616		
Net Periodic Cost Service Cost \$ 33,321 \$ Interest Cost 72,616	(1,193,000) 0	
Service Cost \$ 33,321 Interest Cost 72,616	(1,193,000)	
Interest Cost 72,616		
-,	36,000	
Expected Return on Assets 960	69,000	
Amortization of:	0	
Net Transition Obligation or (Asset)	0	
• Prior Service Cost 212	0	
• Net (Gain) or Loss0	26,000	
ASC 715 Expense \$ 107,109 \$	131,000	
Special Termination Benefits \$ 0 \$	0	
Curtailment Expense \$ 0 \$	0	
Total RW Expense \$ 107,109 \$	131,000	
Assumptions:		
Discount Rate 6.10%	5.90%	
Expected Return on Assets 8.00%	7.75%	
Initial Trend - Pre-65 8.50%	8.50%	
Initial Trend - Post-65 8.50%	8.00%	
Initial Prescription Drug Trend 9.25%	8.75%	
Ultimate Trend 5.00%	5.00%	
Mortality Table RP2000CH_10	RP2000CH 10	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 76 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 77 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 78 of 86

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

	4	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Accumulated Postret. Ben. Obligation	\$	(65,858,189)	\$ (65,380,000)
Fair Value of Assets		39,459,545	44,658,000
Funded Status	\$	(26,398,644)	\$ (20,722,000)
Net Periodic Cost			
Service Cost	\$	1,055,938	\$ 1,138,000
Interest Cost		3,927,893	3,757,000
Expected Return on Assets Amortization of:		(2,769,230)	(2,864,000)
Net Transition Obligation or (Asset)		0	0
Prior Service Cost		(39,454)	(39,000)
Net (Gain) or Loss		1,650,655	1,420,000
ASC 715 Expense	\$	3,825,802	\$ 3,412,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	0	\$ 0
Total RW Expense	\$	3,825,802	\$ 3,412,000
Assumptions:			
Discount Rate		6.10%	5.90%
Expected Return on Assets		8.00%	7.75%
Initial Trend - Pre-65		8.50%	8.50%
Initial Trend - Post-65		8.50%	8.00%
Initial Prescription Drug Trend		9.25%	8.75%
Ultimate Trend		5.00%	5.00%
Mortality Table	F	RP2000CH_10	RP2000CH_10
Initial Prescription Drug Trend Ultimate Trend	F	9.25% 5.00%	8.7 5.0

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 79 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 80 of 86

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

		Actual		Estimated
	4	1/2010-3/2011	4	/2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation Assets at Bid Value	\$	(6,136,828) 3,602,177	\$	(6,092,000) 3,975,000
Funded Status	\$	(2,534,651)	\$	(2,117,000)
P&L Expense				
Operating Expense				
Service Cost	\$	96,748	\$	104,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		(6,479)		(6,000)
Curtailment/Settlement Costs		0		0
Total Operating Expense	\$	90,269	\$	98,000
Financing Expense				
Interest Cost	\$	367,240	\$	350,000
Expected Return on Assets		(287,537)		(301,000)
Total Financing Expense	\$	79,703	\$	49,000
Total P&L Expense	\$	169,972	\$	147,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	R	RP2000CH_10	R	P2000CH_10

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 81 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 82 of 86

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

		Actual		Estimated
	4	1/2010-3/2011	4	/2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation Assets at Bid Value	\$	(1,201,427) 0	\$	(1,193,000)
Funded Status	\$	(1,201,427)	\$	(1,193,000)
P&L Expense				
Operating Expense				
Service Cost	\$	33,321	\$	36,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		147		0
Curtailment/Settlement Costs		0		0
Total Operating Expense	\$	33,468	\$	36,000
Financing Expense				
Interest Cost	\$	72,616	\$	69,000
Expected Return on Assets		960		0
Total Financing Expense	\$	73,576	\$	69,000
Total P&L Expense	\$	107,044	\$	105,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	F	RP2000CH_10	R	P2000CH_10

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 83 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 84 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 85 of 86

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (1) Page 86 of 86

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

		Actual 4/2010-3/2011		Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1				
,	•	(40.000.055)	•	(40.750.000)
Accumulated Postret. Ben. Obligation	\$	(19,903,655)	\$	(19,759,000)
Assets at Bid Value	_	9,038,256	_	9,674,000
Funded Status	\$	(10,865,399)	\$	(10,085,000)
P&L Expense				
Operating Expense				
Service Cost	\$	257,363	\$	277,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		2,126		2,000
Curtailment/Settlement Costs		0		0
Total Operating Expense	\$	259,489	\$	279,000
Financing Expense				
Interest Cost	\$	1,182,525	\$	1,135,000
Expected Return on Assets		(720,730)		(732,000)
Total Financing Expense	\$	461,795	\$	403,000
Total P&L Expense	\$	721,284	\$	682,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	F	RP2000CH 10	F	RP2000CH 10
Aon Hewitt				

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 1 of 88

Total Narragansett Gas PBOP Expense, net

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

Line Notes:

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

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

19 L.8 + L.17

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December 14, 2010

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

Dear Mari:

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

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

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

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

US GAAP

Total ASC 715 expense for fiscal year 2011 is \$50.9 million (excluding regulatory amortization). The change in the retiree medical cost sharing for future nonunion retirees decreased ASC 715 expense by approximately \$789,000. Please note this decrease is for a $4^{1}/_{2}$ month period only (November 15, 2010 to March 31, 2011). Below is the company allocation of ASC 715 expense.

	201 ASC 715 E	0/2011 kpense
Granite State	\$ 0.6	million
Mass Electric	16.2	million
Nantucket	0.2	million
Narragansett	8.4	million
New England Power	1.7	million
NGUSCO	20.3	million
New England Gas	 3.5	million
Total	\$ 50.9	million

IFRS

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

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

	IA		10/2011 xpense
Granite State	\$	0.3	million
Mass Electric		8.6	million
Nantucket		0.2	million
Narragansett		4.3	million
New England Power		0.2	million
NGUSCO		12.2	million
New England Gas	_	3.9	million
Total	\$	29.7	million

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

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

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

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

Enclosed are summaries of our results.

Mari, if you have any questions please call.

Sincerely,

Stephen F. Doucette

SFD:chf Enclosures

cc: Mr. James Allen, National Grid USA

Mr. Terrence P. Bertrand, National Grid USA

Mr. Claude Bussieres, National Grid USA

Mr. Charles DeRosa, National Grid USA

Ms. Maureen Heaphy, National Grid USA

Mr. David Kelmer, National Grid USA

Ms. Lorraine Lynch, National Grid USA

Mr. Joseph Marrese, National Grid USA

Ms. Lori Santoro, National Grid USA

Ms. Tara Sullivan, National Grid USA

Mr. Martin Wheatcroft, National Grid USA

Ms. Kerry-Ann Forrester, Aon Hewitt

Ms. Carol MacDonald, Aon Hewitt

Ms. Cindy McDonald, Aon Hewitt

Mr. Wil Ocasio, Aon Hewitt

Ms. Ditah Rimer, Aon Hewitt

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

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

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

The Narragansett Electric Company

2011 Distribution Adjustment Clause Filing

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	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2010 Accumulated Postretirement Benefit Obligation Assets at Fair Value Funded Status	(6,136,828) 3,602,511 (2,534,317)	(199,739,431) 107,270,087 (92,469,344)	(1,201,427) 0 $(1,201,427)$	(97,371,883) 46,316,528 (51,055,355)	(24,110,040) 18,971,361 (5,138,679)	(65,858,189) 39,459,545 (26,398,644)	(19,903,655) <u>9,039,095</u> (10,864,560)	(414,321,453) 224,659,127 (189,662,326)
Office Cognized. Net Transition Obligation Prior Service Cost Net (Gain)/Loss (Accrued)/Prepaid Cost	0 (38,852) <u>2,620,216</u> 47,047	0 (1,467,397) <u>80,143,671</u> (13,793,070)	2,609 614,975 (583,843)	0 (554,942) <u>44,256,076</u> (7,354,221)	0 70,229 15,871,713 10,803,263	0 (117,323) <u>26,967,015</u> 451,048	0 152,347 <u>2,620,678</u> (8,091,535)	0 (1,953,329) 173,094,344 (18,521,311)
Market Related Value of Assets	3,203,896	95,400,723	0	41,191,635	16,872,192	35,093,372	8,038,925	199,800,743
Net Postretirement Benefit Cost Service Cost Interest Cost Expected Return on Assets	96,748 367,240 (255,675)	2,921,799 11,885,419 (7,538,715)	33,321 72,616 960	1,283,775 5,780,383 (3,236,394)	0 1,408,553 (1,276,102)	1,055,938 3,927,893 (2,769,230)	257,363 1,182,525 (640,784)	5,648,944 24,624,629 (15,715,940)
Not Transition Obligation Prior Service Cost Net (Gain)/Loss Net Postret. Benefit Cost	0 (5,724) 160,424 363,013	0 (201,955) <u>4,805,024</u> 11,871,572	0 212 0 107,109	0 (79,312) <u>2,644,250</u> 6,392,702	0 3,411 1,037,847 1,173,709	0 (39,454) 1,650,655 3,825,802	12,217 108,754 920,075	0 (310,605) 10,406,954 24,653,982
Total Expense / (Income)	363,013	11,871,572	107,109	6,392,702	1,173,709	3,825,802	920,075	24,653,982
Expected Benefit Payments Gross Net Expected Contributions	251,000 233,000 217,000	10,542,000 9,793,000 7,577,000	24,000 22,000 0	5,641,000 5,223,000 3,847,000	2,221,000 2,038,000 350,000	3,127,000 2,933,000 2,004,000	1,147,000 1,036,000 1,005,000	22,953,000 21,278,000 15,000,000
Assumptions Discount Rate Expected Return on Assets Initial Medical Trend Rate Initial Prescription Drug Ultimate Trend Rate Mortality	6.10% 8.00% 8.50% 9.25% 5.00% RP2000CH_10							

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

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

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2010 Accumulated Postretirement Benefit Obligation Assets at Bid Value Funded Status Prior Service Cost (Accrued)/Prepaid Cost	(5,589,503) <u>3,083,879</u> (2,505,624) (86,639) (2,592,263)	(98,530,435) <u>53,878,639</u> (44,651,796) (1,661,342) (46,313,138)	(882,696) 0 (882,696) (6,129) (888,825)	(46,498,936) <u>26,684,325</u> (19,814,611) (625,711) (20,440,322)	(25,120,179) 19,497,347 (5,622,832) (34,298) (5,657,130)	(221,387,332) <u>78,624,289</u> (142,763,043) (<u>3,469,611)</u> (146,232,654)	$(41,463,247)$ $\frac{7,669,327}{(33,793,920)}$ $\frac{5,615,037}{(28,178,883)}$	(439,472,328) 189,437,806 (250,034,522) (268,693) (250,303,215)
P&L Expense* Operating Expense Service Cost Exceptional Costs (STBs) Prior Service Costs - One-time Prior Service Costs - Ongoing Curtailment/Settlement Costs	20,808 0 0 (13,567)	876,015 0 (359,085) (262,867)	19,371 0 (15,620) (1,306)	304,935 0 (200,444) (97,944)	6,569 0 0 (7,136)	4,423,418 0 (1,301,570) (580,932)	280,993 0 (96,743) 996,265	5,932,109 0 (1,973,462) 32,513
Total Operating Expense Financing Expense Interest Cost Expected Return on Assets Total Financing Expense	7,241 328,094 (198,017) 130,077	254,063 5,791,067 (3,513,556) 2,277,511	2,445 52,490 675 53,165	6,547 2,725,194 (1,734,415) 990,779	(567) 1,467,723 (1,257,917) 209,806	2,540,916 13,051,581 (5,183,966) 7,867,615	1,180,51 5 2,445,543 (473,897) 1,971,646	3,991,160 25,861,692 (12,361,093) 13,500,599
Total P&L Expense	137,318	2,531,574	55,610	997,326	209,239	10,408,531	3,152,161	17,491,759
Expected Benefit Payments Gross Net Expected Contributions	436,000 405,000 125,000	6,526,000 6,025,000 2,653,000	20,000 18,000 0	3,427,000 3,141,000 1,337,000	2,307,000 2,114,000 539,000	10,337,000 9,700,000 6,173,000	2,568,000 2,414,000 1,173,000	25,621,000 23,817,000 12,000,000
Assumptions Discount Rate Expected Return on Assets Initial Pre-65 Medical Trend Rate Initial Post-65 Medical Trend Rate Ultimate Medical Trend Rate Mortality	6.10% 6.75% 8.50% 9.25% 5.00% RP2000CH_20							

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

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

IAS 19 Expense April 1, 2010 through March 31, 2011

Retiree Health and Welfare Plan - Union

National Grid USA

12/14/2010

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 9 of 88



May 13, 2011

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

Dear Mari,

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

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

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

	US GAAP ASC 715	IFRS IAS 19
Qualified Pension	\$ 66.6	\$ 12.3
Nonqualified Pension	10.5	7.8
Ionunion Retiree Welfare	21.9	14.8
Inion Retiree Welfare	22.0	10.3
otal	\$ 121.0	\$ 45.2

The estimates reflect the following:

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 10 of 88



Ms. Mari-Louise Messuri Page 2 May 13, 2011

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

Enclosed are summaries by plan and by company.

Mari, please call if you have any questions.

Sincerely,

Stephen F. Doucette

SFD:chf Enclosures

4844L881

cc: Mr. James Allen, National Grid USA

Mr. Terrence P. Bertrand, National Grid USA

Mr. Claude Bussieres, National Grid USA

Ms. Maureen Heaphy, National Grid USA

Mr. David Kelmer, National Grid USA

Ms. Francine Kollydas, National Grid USA

Ms. Lorraine Lynch, National Grid USA

Mr. Mark Merzbacher, National Grid USA

Ms. Maria Napenas, National Grid USA

Ms. Lori Santoro, National Grid USA

Ms. Tara Sullivan, National Grid USA

Mr. Martin Wheatcroft, National Grid USA

Ms. Kerry-Ann Forrester, Aon Hewitt

Ms. Carol MacDonald, Aon Hewitt

Ms. Ditah Rimer, Aon Hewitt

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

		Actual		Estimated
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(1,627,257,456)	\$	(1,693,211,000)
Fair Value of Assets		1,327,544,317		1,460,218,000
Funded Status	\$	(299,713,139)	\$	(232,993,000)
Unrecognized:				
 Net Transition Obligation or (Asset) 	\$	0	\$	0
Prior Service Cost		7,790,111		6,704,000
Net (Gain) or Loss		705,264,108		630,666,000
(Accrued) / Prepaid Pension Cost	\$	413,341,080	\$	404,377,000
Net Periodic Pension Cost				
Service Cost	\$	27,418,848	\$	28,349,000
Interest Cost		96,374,055		97,006,000
Expected Return on Assets		(103,358,405)		(104,311,000)
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		1,752,626		1,785,000
Net (Gain) or Loss		44,042,863		43,741,000
ASC 715 Pension Expense/(Income)	\$	66,229,987	\$	66,570,000
Special Termination Benefits	\$	2,734,098	\$	0
Curtailment Expense	\$	0	\$	0
Total Pension Expense/(Income)	\$	68,964,085	\$	66,570,000
Expected Benefit Payments	\$	95,210,000	\$	98,091,000
Expected Contributions	\$ \$	60,000,000	φ \$	60,000,000
Market Related Value of Assets	\$	1,297,085,056	\$	1,352,497,000
	Ψ	1,207,000,000	Ψ	1,002,107,000
Assumptions: Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale		0.0070		1.1370
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH 10		RP2000CH 10
Mortality Table for Nonunion		RP2000CH 20		RP2000CH 20
-		_		_

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

		Actual		Estimated
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(1,629,991,554)	\$	(1,684,179,000)
Assets at Bid Value		1,326,816,630		1,460,147,000
Funded Status	\$	(303,174,924)	\$	(224,032,000)
Prior Service Costs		0		157,000
(Accrued) / Prepaid Pension Cost	\$	(303,174,924)	\$	(223,875,000)
P&L Expense Operating Expense				
Service Cost	\$	27,418,848	\$	28,349,000
Exceptional Costs (STBs)	Ψ	0	Ψ	0
Prior Service Costs - One-time		468,381		0
Prior Service Costs - On-going		40,859		108,000
Curtailment Costs*		(9,031,000)		0
Total Operating Expense	\$	18,897,088	\$	28,457,000
Financing Expense				
Interest Cost	\$	96,540,835	\$	96,473,000
Expected Return on Assets	_	(105,736,931)	•	(112,654,000)
Total Financing Expense	\$	(9,196,096)	\$	(16,181,000)
Total P&L Expense	\$	9,700,992	\$	12,276,000
Expected Benefit Payments	\$	95,210,000	\$	98,091,000
Expected Contributions	\$	60,000,000	\$	60,000,000
Exposion Communications	Ψ	00,000,000	Ψ	00,000,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale				
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH_10		RP2000CH_10
Mortality Table for Nonunion		RP2000CH_20		RP2000CH_20

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

The Narragansett Electric Company
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National Grid USA Final Average Pay Pension Plan Estimated ASC 715 Expense - Granite State

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 14 of 88

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

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

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

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

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

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

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

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

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

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

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

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
	4/2010-5/2011	4/2011-0/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (180,966,763)	\$ (188,301,000)
Fair Value of Assets	 147,635,764	162,390,000
Funded Status	\$ (33,330,999)	\$ (25,911,000)
Net Periodic Pension Cost		
Service Cost	\$ 2,689,504	\$ 2,781,000
Interest Cost	10,712,363	10,788,000
Expected Return on Assets	(11,494,454)	(11,600,000)
Amortization of:		
Net Transition Obligation or (Asset)	0	0
Prior Service Cost	56	200
Net (Gain) or Loss	 929,546	 1,654,000
ASC 715 Pension Expense/(Income)	\$ 2,837,015	\$ 3,623,200
Special Termination Benefits	\$ 389,029	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 3,226,044	\$ 3,623,200
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Actual Return on Assets for Projection	0.00%	0.00%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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

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

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

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

		Actual 4/2010-3/2011		Estimated 4/2011-3/2012
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(477,503,224)	\$	(493,377,000)
Assets at Bid Value		389,341,721		427,747,000
Funded Status	\$	(88,161,503)	\$	(65,630,000)
P&L Expense				
Operating Expense				
Service Cost	\$	8,843,552	\$	9,144,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		50,288		0
Prior Service Costs - On-going		1,489		3,900
Curtailment Costs*		(1,657,000)		0
Total Operating Expense	\$	7,238,329	\$	9,147,900
Financing Expense				
Interest Cost	\$	28,282,638	\$	28,262,000
Expected Return on Assets		(30,975,452)		(33,002,000)
Total Financing Expense	\$	(2,692,814)	\$	(4,740,000)
Total P&L Expense	\$	4,545,515	\$	4,407,900
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale				
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH_10		RP2000CH_10
Mortality Table for Nonunion		RP2000CH_20		RP2000CH_20
*Decedes National Oxidia adjustment to	2/24/0	0044 dia da a	.	

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

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

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

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

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

		Actual		Estimated
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(214,307,136)	\$	(221,432,000)
Assets at Bid Value		174,739,573		191,977,000
Funded Status	\$	(39,567,563)	\$	(29,455,000)
P&L Expense				
Operating Expense				
Service Cost	\$	3,267,559	\$	3,378,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		2,413		0
Prior Service Costs - On-going		279		700
Curtailment Costs*		(552,000)		0
Total Operating Expense	\$	2,718,251	\$	3,378,700
Financing Expense				
Interest Cost	\$	12,635,146	\$	12,683,000
Expected Return on Assets		(13,902,022)		(14,811,000)
Total Financing Expense	\$	(1,266,876)	\$	(2,128,000)
Total P&L Expense	\$	1,451,375	\$	1,250,700
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale				
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH_10		RP2000CH_10
Mortality Table for Nonunion		RP2000CH_20		RP2000CH_20
*Based on National Grid's adjustment to 3	3/31/2	011 disclosure ir	ıforn	nation

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

	Actual	Estimated
	4/2010-3/2011	4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (128,909,618)	\$ (133,195,000)
Assets at Bid Value	105,109,012	115,477,000
Funded Status	\$ (23,800,606)	\$ (17,718,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 9,735	\$ 10,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment Costs*	(9,000)	0
Total Operating Expense	\$ 735	\$ 10,000
Financing Expense		
Interest Cost	\$ 7,581,362	\$ 7,630,000
Expected Return on Assets	 (8,362,318)	 (8,909,000)
Total Financing Expense	\$ (780,956)	\$ (1,279,000)
Total P&L Expense	\$ (780,221)	\$ (1,269,000)
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	RP2000CH_10
Mortality Table for Nonunion	RP2000CH_20	RP2000CH_20

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

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

		Actual		Estimated
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(604,266,847)	\$	(624,355,000)
Assets at Bid Value		490,788,857		541,302,000
Funded Status	\$	(113,477,990)	\$	(83,053,000)
P&L Expense				
Operating Expense				
Service Cost	\$	12,197,574	\$	12,611,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		414,906		0
Prior Service Costs - On-going		38,626		102,200
Curtailment Costs*		(6,431,000)		0
Total Operating Expense	\$	6,220,106	\$	12,713,200
Financing Expense				
Interest Cost	\$	35,900,806	\$	35,764,000
Expected Return on Assets		(39,198,560)		(41,763,000)
Total Financing Expense	\$	(3,297,754)	\$	(5,999,000)
Total P&L Expense	\$	2,922,352	\$	6,714,200
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Salary Scale				
Nonunion		3.50%		3.50%
Union		3.50%		3.50%
Mortality Table for Union		RP2000CH_10		RP2000CH_10
Mortality Table for Nonunion		RP2000CH_20		RP2000CH_20
*Based on National Grid's adjustment to 3	3/31/2	011 disclosure in	forn	nation

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

	Actual	Estimated
	4/2010-3/2011	4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (181,355,792)	\$ (187,385,000)
Assets at Bid Value	147,554,838	162,459,000
Funded Status	\$ (33,800,954)	\$ (24,926,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,689,504	\$ 2,781,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	147	0
Prior Service Costs - On-going	372	1,000
Curtailment Costs*	 (331,000)	 0
Total Operating Expense	\$ 2,359,023	\$ 2,782,000
Financing Expense		
Interest Cost	\$ 10,736,093	\$ 10,734,000
Expected Return on Assets	 (11,764,481)	 (12,534,000)
Total Financing Expense	\$ (1,028,388)	\$ (1,800,000)
Total P&L Expense	\$ 1,330,635	\$ 982,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	8.00%	7.75%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH 10	RP2000CH 10
Mortality Table for Nonunion	RP2000CH 20	RP2000CH 20
-	_	_

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

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National Grid USA ESRP Estimated ASC 715 Expense

	4/	Actual 2010-3/2011	4	Estimated /2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(82,359,052)	\$	(84,734,000)
Fair Value of Assets		0		0
Funded Status	\$	(82,359,052)	\$	(84,734,000)
Unrecognized:	Φ.		Φ.	•
Net Transition Obligation or (Asset)	\$	0	\$	0
 Prior Service Cost Net (Gain) or Loss		(311,140)		(153,000) 30,325,000
	Φ.	30,761,221	Φ.	
(Accrued) / Prepaid Pension Cost	\$	(51,908,971)	\$	(54,562,000)
Net Periodic Pension Cost				
Service Cost	\$	884,200	\$	937,000
Interest Cost		4,871,982		4,845,000
Expected Return on Assets		0		0
Amortization of:				
Net Transition Obligation or (Asset)		0		0
Prior Service Cost Net (Coin) or Logo		(120,496)		(96,000)
Net (Gain) or Loss	_	2,241,325	_	2,185,000
ASC 715 Pension Expense	\$	7,877,011	\$	7,871,000
Special Termination Benefits	\$ \$	(38,000)	\$ \$	0
Curtailment Expense	Ф	(38,000)	Ф	U
Total Pension Expense	\$	7,839,011	\$	7,871,000
Expected Benefit Payments	\$	4,981,000	\$	5,230,000
Expected Contributions	\$	0	\$	0
Market Related Value of Assets	\$	0	\$	0
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	2000CH_20	R	P2000CH_20

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National Grid USA ESRP Estimated IAS 19 Expense

	4/	Actual 2010-3/2011	4/	Estimated 2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(82,359,052)	\$	(84,734,000)
Fair Value of Assets		0		0
Funded Status	\$	(82,359,052)	\$	(84,734,000)
Prior Service Costs		0		0
(Accrued) / Prepaid Pension Cost	\$	(82,359,052)	\$	(84,734,000)
P&L Expense				
Operating Expense				
Service Cost	\$	884,200	\$	937,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		0		0
Curtailment/Settlement Costs		(33,000)	_	0
Total Operating Expense	\$	851,200	\$	937,000
Financing Expense	ф	4 074 000	ው	4.045.000
Interest Cost	\$	4,871,982	\$	4,845,000
Expected Return on Assets	\$	4,871,982	\$	4,845,000
Total Financing Expense	Ф	4,071,902	Ф	4,045,000
Total P&L Expense	\$	5,723,182	\$	5,782,000
Expected Benefit Payments	\$	4,981,000	\$	5,230,000
Expected Contributions	\$	0	\$	0
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	2000CH 20	RF	P2000CH 20
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National Grid USA ESRP Estimated ASC 715 Expense - Granite State

	4/	Actual 2010-3/2011	Estimated 4/2011-3/2012	
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(127,636)	\$	(131,000)
Fair Value of Assets		0		0
Funded Status	\$	(127,636)	\$	(131,000)
Net Periodic Pension Cost				
Service Cost	\$	0	\$	0
Interest Cost		7,267		8,000
Expected Return on Assets Amortization of:		0		0
Net Transition Obligation or (Asset)		0		0
Prior Service Cost		0		0
Net (Gain) or Loss		3,473		3,000
ASC 715 Pension Expense	\$	10,740	\$	11,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total Pension Expense	\$	10,740	\$	11,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	P2000CH_20		RP2000CH_20
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National Grid USA ESRP Estimated ASC 715 Expense - Mass Electric

		Actual /2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Projected Benefit Obligation Fair Value of Assets	\$	(934,907) 0	\$ (962,000) 0
Funded Status	\$	(934,907)	\$ (962,000)
Net Periodic Pension Cost			
Service Cost	\$	7,124	\$ 8,000
Interest Cost Expected Return on Assets Amortization of:		55,199 0	55,000 0
Net Transition Obligation or (Asset)		0	0
Prior Service Cost		0	0
Net (Gain) or Loss		25,443	 25,000
ASC 715 Pension Expense	\$	87,766	\$ 88,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	0	\$ 0
Total Pension Expense	\$	87,766	\$ 88,000
Assumptions:			
Discount Rate		6.10%	5.90%
Expected Return on Assets		n/a	n/a
Salary Scale		3.50%	3.50%
Mortality Table	R	P2000CH_20	RP2000CH_20

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National Grid USA ESRP Estimated ASC 715 Expense - Nantucket Electric

		Actual	Estimated	
	4/	2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(375,080)	\$	(386,000)
Fair Value of Assets		0		0
Funded Status	\$	(375,080)	\$	(386,000)
Net Periodic Pension Cost				
Service Cost	\$	2,850	\$	3,000
Interest Cost		21,568		22,000
Expected Return on Assets		0		0
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		0		0
Net (Gain) or Loss		10,207		10,000
ASC 715 Pension Expense	\$	34,625	\$	35,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total Pension Expense	\$	34,625	\$	35,000
Assumptions:		0.400/		F 000/
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale	Б	3.50%		3.50%
Mortality Table Aon Hewitt	K	P2000CH_20		RP2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 32 of 88

National Grid USA ESRP Estimated ASC 715 Expense - Narragansett Electric

	4/	Actual 2010-3/2011		Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(819,825)	\$	(843,000)
Fair Value of Assets	•	0	*	0
Funded Status	\$	(819,825)	\$	(843,000)
Net Periodic Pension Cost				
Service Cost	\$	3,096	\$	3,000
Interest Cost		48,057		48,000
Expected Return on Assets		0		0
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		0		0
Net (Gain) or Loss		22,311		22,000
ASC 715 Pension Expense	\$	73,464	\$	73,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total Pension Expense	\$	73,464	\$	73,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	P2000CH_20		RP2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 33 of 88

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

		Actual 1/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Projected Benefit Obligation Fair Value of Assets	\$	(3,863,319)	\$ (3,975,000)
Funded Status	\$	(3,863,319)	\$ (3,975,000)
Net Periodic Pension Cost			
Service Cost	\$	0	\$ 0
Interest Cost		226,024	227,000
Expected Return on Assets Amortization of:		0	0
Net Transition Obligation or (Asset)		0	0
Prior Service Cost		(22,131)	(22,000)
Net (Gain) or Loss		105,137	 102,000
ASC 715 Pension Expense	\$	309,030	\$ 307,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	0	\$ 0
Total Pension Expense	\$	309,030	\$ 307,000
Assumptions:			
Discount Rate		6.10%	5.90%
Expected Return on Assets		n/a	n/a
Salary Scale	_	3.50%	3.50%
Mortality Table	К	P2000CH_20	RP2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 34 of 88

National Grid USA ESRP Estimated ASC 715 Expense - NGUSCO

		Actual 4/2010-3/2011	Estima: 4/2011-3/20		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation Fair Value of Assets	\$	(76,238,285) 0	\$	(78,437,000) 0	
Funded Status	\$	(76,238,285)	\$	(78,437,000)	
Net Periodic Pension Cost					
Service Cost	\$	871,130	\$	923,000	
Interest Cost Expected Return on Assets		4,513,867 0		4,485,000 0	
Amortization of:		O		O	
 Net Transition Obligation or (Asset) 		0		0	
Prior Service Cost		(98,365)		(74,000)	
Net (Gain) or Loss		2,074,754	-	2,023,000	
ASC 715 Pension Expense	\$	7,361,386	\$	7,357,000	
Special Termination Benefits	\$	0	\$	0	
Curtailment Expense	\$	(38,000)	\$	0	
Total Pension Expense	\$	7,323,386	\$	7,357,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale	_	3.50%		3.50%	
Mortality Table	F	RP2000CH_20		RP2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 35 of 88

National Grid USA ESRP Estimated IAS 19 Expense - Granite State

		Actual 2010-3/2011	Estimated 4/2011-3/2012	
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(127,636)	\$	(131,000)
Assets at Bid Value		0		0
Funded Status	\$	(127,636)	\$	(131,000)
P&L Expense				
Operating Expense				
Service Cost	\$	0	\$	0
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		0		0
Curtailment/Settlement Costs		0		0
Total Operating Expense	\$	0	\$	0
Financing Expense				
Interest Cost	\$	7,267	\$	8,000
Expected Return on Assets		0		0
Total Financing Expense	\$	7,267	\$	8,000
Total P&L Expense	\$	7,267	\$	8,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	P2000CH_20	RI	P2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 36 of 88

National Grid USA ESRP Estimated IAS 19 Expense - Mass Electric

		Actual 2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation Assets at Bid Value	\$	(934,907) 0	\$	(962,000) 0	
Funded Status	\$	(934,907)	\$	(962,000)	
P&L Expense					
Operating Expense	Φ	7.404	Φ.	0.000	
Service Cost	\$	7,124	\$	8,000	
Exceptional Costs (STBs) Prior Service Costs - One-time		0		0	
Prior Service Costs - One-time Prior Service Costs - On-going		0		0	
Curtailment/Settlement Costs		0		0	
Total Operating Expense	\$	7,124	\$	8,000	
Financing Expense	*	,	*	2,222	
Interest Cost	\$	55,199	\$	55,000	
Expected Return on Assets		0		0	
Total Financing Expense	\$	55,199	\$	55,000	
Total P&L Expense	\$	62,323	\$	63,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		3.50%		3.50%	
Mortality Table	RF	P2000CH_20	RI	P2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 37 of 88

National Grid USA ESRP Estimated IAS 19 Expense - Nantucket Electric

Assets at Bid Value0	Estimated 4/2011-3/2012	
Assets at Bid Value		
P&L Expense Operating Expense \$ 2,850 \$ Service Cost \$ 2,850 \$ Exceptional Costs (STBs) 0 Prior Service Costs - One-time 0 Prior Service Costs - On-going 0 Curtailment/Settlement Costs 0 Total Operating Expense \$ 2,850 \$ Financing Expense \$ 21,568 \$ Interest Cost \$ 21,568 \$ Expected Return on Assets 0 Total Financing Expense \$ 21,568 \$	386,000 0	
Operating Expense \$ 2,850 \$ Service Cost \$ 2,850 \$ Exceptional Costs (STBs) 0 0 Prior Service Costs - One-time 0 0 Prior Service Costs - On-going 0 0 Curtailment/Settlement Costs 0 0 Total Operating Expense \$ 2,850 \$ Financing Expense \$ 21,568 \$ Interest Cost \$ 21,568 \$ Expected Return on Assets 0 0 Total Financing Expense \$ 21,568 \$	386,000	
Service Cost \$ 2,850 \$ Exceptional Costs (STBs) 0 0 Prior Service Costs - One-time 0 0 Prior Service Costs - On-going 0 0 Curtailment/Settlement Costs 0 0 Total Operating Expense \$ 2,850 \$ Financing Expense \$ 21,568 \$ Interest Cost \$ 21,568 \$ Expected Return on Assets 0 \$ Total Financing Expense \$ 21,568 \$		
Exceptional Costs (STBs) 0 Prior Service Costs - One-time 0 Prior Service Costs - On-going 0 Curtailment/Settlement Costs 0 Total Operating Expense \$ 2,850 Financing Expense \$ 21,568 Interest Cost \$ 21,568 Expected Return on Assets 0 Total Financing Expense \$ 21,568	2 000	
Prior Service Costs - One-time 0 Prior Service Costs - On-going 0 Curtailment/Settlement Costs 0 Total Operating Expense \$ 2,850 Financing Expense \$ 21,568 Interest Cost \$ 21,568 Expected Return on Assets 0 Total Financing Expense \$ 21,568	3,000	
Prior Service Costs - On-going 0 Curtailment/Settlement Costs 0 Total Operating Expense \$ 2,850 Financing Expense \$ 21,568 Interest Cost \$ 21,568 Expected Return on Assets 0 Total Financing Expense \$ 21,568	0	
Curtailment/Settlement Costs 0 Total Operating Expense \$ 2,850 \$ Financing Expense Interest Cost \$ 21,568 \$ Expected Return on Assets Total Financing Expense \$ 21,568 \$	0	
Total Operating Expense \$ 2,850 \$ Financing Expense	0	
Financing Expense Interest Cost \$ 21,568 \$ Expected Return on Assets Total Financing Expense \$ 21,568 \$	3,000	
Interest Cost \$ 21,568 \$ Expected Return on Assets 0 Total Financing Expense \$ 21,568 \$,	
Total Financing Expense \$ 21,568 \$	22,000	
, , , , , , , , , , , , , , , , , , , ,	0	
Total P&L Expense \$ 24,418 \$	22,000	
	25,000	
Assumptions:		
Discount Rate 6.10%	5.90%	
Expected Return on Assets n/a	n/a	
Salary Scale 3.50%	3.50%	
Mortality Table RP2000CH_20 RP20	00CH_20	

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National Grid USA ESRP Estimated IAS 19 Expense - Narragansett Electric

		Actual 2010-3/2011	Estimated 4/2011-3/2012	
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation Assets at Bid Value	\$	(819,825) 0	\$	(843,000) 0
Funded Status	\$	(819,825)	\$	(843,000)
P&L Expense				
Operating Expense	ф.	2.000	ф	2.000
Service Cost	\$	3,096	\$	3,000
Exceptional Costs (STBs) Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		0		0
Curtailment/Settlement Costs		0		0
Total Operating Expense	\$	3,096	\$	3,000
Financing Expense	*	0,000	*	0,000
Interest Cost	\$	48,057	\$	48,000
Expected Return on Assets	•	0	·	0
Total Financing Expense	\$	48,057	\$	48,000
Total P&L Expense	\$	51,153	\$	51,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	RF	P2000CH_20	RI	P2000CH_20
Aon Hewitt				

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 39 of 88

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

		Actual //2010-3/2011	Estimated 4/2011-3/2012		
Reconciliation of Funded Status, 4/1					
Projected Benefit Obligation Assets at Bid Value	\$	(3,863,319) 0	\$	(3,975,000) 0	
Funded Status	\$	(3,863,319)	\$	(3,975,000)	
P&L Expense					
Operating Expense					
Service Cost	\$	0	\$	0	
Exceptional Costs (STBs)		0		0	
Prior Service Costs - One-time		0		0	
Prior Service Costs - On-going		0		0	
Curtailment/Settlement Costs		0		0	
Total Operating Expense	\$	0	\$	0	
Financing Expense					
Interest Cost	\$	226,024	\$	227,000	
Expected Return on Assets		0		0	
Total Financing Expense	\$	226,024	\$	227,000	
Total P&L Expense	\$	226,024	\$	227,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		3.50%		3.50%	
Mortality Table	R	P2000CH_20	F	RP2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 40 of 88

National Grid USA ESRP Estimated IAS 19 Expense - NGUSCO

		Actual 4/2010-3/2011	Estimated 4/2011-3/2012	
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation Assets at Bid Value	\$	(76,238,285) 0	\$	(78,437,000) 0
Funded Status	\$	(76,238,285)	\$	(78,437,000)
P&L Expense				
Operating Expense				
Service Cost	\$	871,130	\$	923,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		0		0
Curtailment/Settlement Costs	_	(33,000)	_	0
Total Operating Expense	\$	838,130	\$	923,000
Financing Expense Interest Cost	\$	A 512 067	\$	4 495 000
Expected Return on Assets	Φ	4,513,867	Ф	4,485,000
Total Financing Expense	\$	4,513,867	\$	4,485,000
Total P&L Expense	\$	5,351,997	\$	5,408,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		3.50%		3.50%
Mortality Table	F	RP2000CH_20		RP2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 41 of 88

National Grid USA Deferred Compensation Plan Estimated ASC 715 Expense

	4/	Actual 2010-3/2011	4/	Estimated 2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(20,424,248)	\$	(19,910,000)
Fair Value of Assets		0		0
Funded Status	\$	(20,424,248)	\$	(19,910,000)
Unrecognized:	_			
Net Transition Obligation or (Asset)	\$	0	\$	0
Prior Service Cost Nat (Coin) and and		0		7 402 000
Net (Gain) or Loss	_	7,577,824	_	7,403,000
(Accrued) / Prepaid Pension Cost	\$	(12,846,424)	\$	(12,507,000)
Net Periodic Pension Cost				
Service Cost	\$	0	\$	0
Interest Cost		1,183,507		1,114,000
Expected Return on Assets		0		0
Amortization of:				_
Net Transition Obligation or (Asset)		0		0
Prior Service CostNet (Gain) or Loss		0 458,652		0 468,000
	_		_	
ASC 715 Pension Expense	\$ \$	1,642,159	\$ \$	1,582,000
Settlement Expense	Ф	U	Ф	U
Total Pension Expense	\$	1,642,159	\$	1,582,000
5 4 10 5 0	•	0.045.000	•	0.050.000
Expected Benefit Payments	\$	2,045,000	\$	2,050,000
Expected Contributions Market Related Value of Assets	\$ \$	0	\$ \$	0
Market Related Value of Assets	ф	0	ф	0
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale	-	n/a		n/a
Mortality Table Aon Hewitt	Kŀ	P2000CH_20	Kŀ	P2000CH_20

The Narragansett Electric Company
d/b/a National Grid
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2011 Distribution Adjustment Clause Filing
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National Grid USA Deferred Compensation Plan Estimated ASC 715 Expense - by Company

	Actual 4/2010-3/2011		4/	Estimated 2011-3/2012
Interest Cost				
Granite State	\$	14,533	\$	14,000
Mass Electric	\$	36,536	\$	34,000
Nantucket Electric	\$	0	\$	0 1,000
Narragansett Electric	\$	29,808	\$	28,000
NE Gas	\$	25,000	\$	20,000
NE Power	\$	0	\$	0
NGUSCO	\$	1,036,757	\$	976,000
Directors	\$	65,873	\$	62,000
Total Interest Cost	\$	1,183,507	\$	1,114,000
Total Interest Gost	Ψ	1,103,307	Ψ	1,114,000
Net (Gain) or Loss Amortization				
Granite State	\$	5,632	\$	6,000
Mass Electric	\$	14,159	\$	14,000
Nantucket Electric	\$	0	\$	0
Narragansett Electric	\$	11,552	\$	12,000
NE Gas	\$	0	\$	0
NE Power	\$	0	\$	0
NGUSCO	\$	401,781	\$	410,000
Directors	\$	25,528	\$	26,000
Total Net (Gain) or Loss Amortization	\$	458,652	\$	468,000
Total Net Periodic Pension Cost				
Granite State	\$	20,166	\$	20,000
Mass Electric	\$	50,696	\$	48,000
Nantucket Electric	\$	0	\$	0
Narragansett Electric	\$	41,360	\$	40,000
NE Gas	\$	0	\$	0
NE Power	\$	0	\$	0
NGUSCO	\$	1,438,536	\$	1,386,000
Directors	\$	91,401	\$	88,000
Total Expense/(Income)	\$	1,642,159	\$	1,582,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		n/a		n/a
Mortality Table	RF	P2000CH_20	RF	22000CH 20
Ass Hawitt	1 (1		1 (1	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 43 of 88

National Grid USA Deferred Compensation Plan Estimated IAS 19 Expense

	4/	Actual 2010-3/2011	4/	Estimated 2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(20,424,248)	\$	(19,910,000)
Fair Value of Assets	_	0	_	0
Funded Status	\$	(20,424,248)	\$	(19,910,000)
Prior Service Costs		0		0
(Accrued) / Prepaid Pension Cost	\$	(20,424,248)	\$	(19,910,000)
P&L Expense Operating Expense				
Service Cost	\$	0	\$	0
Exceptional Costs (STBs)		0		0
Prior Service Costs		0		0
Curtailment/Settlement Costs	\$	0	\$	0
Total Operating Expense Financing Expense	Ф	U	Ф	U
Interest Cost	\$	1,183,507	\$	1,114,000
Expected Return on Assets	Ψ.	0	Ψ.	0
Total Financing Expense	\$	1,183,507	\$	1,114,000
Total P&L Expense	\$	1,183,507	\$	1,114,000
Expected Benefit Payments	\$	2,045,000	\$	2,050,000
Expected Contributions	\$	0	\$	0
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		n/a		n/a
Mortality Table	RF	P2000CH_20	RH	P2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 44 of 88

National Grid USA Deferred Compensation Plan Estimated IAS 19 Expense

Actual 4/2010-3/2011		Estimated 4/2011-3/2012		
Total P&L Expense National Grid Plans				
Granite State	\$	14,534	\$	14,000
Mass Electric	\$	36,537	\$	34,000
Nantucket Electric	\$	0	\$	0
Narragansett Electric	\$	29,808	\$	28,000
NE Gas	\$ \$	0	\$	0
NE Power	\$	0	\$	0
NGUSCO	\$	1,036,755	\$	976,000
Directors	\$	65,873	\$	62,000
Total Expense/(Income)	\$	1,183,507	\$	1,114,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		n/a		n/a
Mortality Table	RF	P2000CH_20	RF	P2000CH_20

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 45 of 88

National Grid USA Executive Life Insurance Plan Estimated ASC 715 Expense

	4/	Actual 2010-3/2011	4	Estimated //2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(11,654,531)	\$	(11,145,000)
Fair Value of Assets		0		0
Funded Status	\$	(11,654,531)	\$	(11,145,000)
Unrecognized:				
 Net Transition Obligation or (Asset) 	\$	0	\$	0
Prior Service Cost		0		0
Net (Gain) or Loss		4,345,701		4,224,000
(Accrued) / Prepaid Pension Cost	\$	(7,308,830)	\$	(6,921,000)
Net Periodic Pension Cost				
Service Cost	\$	0	\$	0
Interest Cost		671,246		619,000
Expected Return on Assets Amortization of:		0		0
Net Transition Obligation or (Asset)		0		0
Prior Service Cost		0		0
Net (Gain) or Loss		275,446		281,000
ASC 715 Pension Expense	\$	946,692	\$	900,000
Settlement Expense	\$	0	\$	0
Total Pension Expense	\$	946,692	\$	900,000
Evenosted Ronofit Dovemento	\$	1 201 000	¢	1 219 000
Expected Benefit Payments Expected Contributions	э \$	1,301,000	\$	1,318,000 0
Market Related Value of Assets	Ф \$	0	\$ \$	0
Market Related Value of Assets	Ф	U	Φ	U
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale		n/a		n/a
Mortality Table Aon Hewitt	RF	P2000CH_20	R	P2000CH_20

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

	Actual 4/2010-3/2011		Estimated 4/2011-3/2012		
Interest Cost					
Granite State	\$	0	\$	0	
Mass Electric	\$	45,143	\$	42,000	
Nantucket Electric	\$	0	\$	0	
Narragansett Electric	\$	0	\$	0	
NE Gas	\$ \$	0	\$	0	
NE Power	\$	0	\$	0	
NGUSCO	\$	626,103	\$	577,000	
Directors	\$	0	\$	0	
Total Interest Cost	\$	671,246	\$	619,000	
Net (Gain) or Loss Amortization					
Granite State	\$	0	\$	0	
Mass Electric	\$	18,524	\$	19,000	
Nantucket Electric	\$	0	\$	0	
Narragansett Electric	\$ \$ \$	0	\$	0	
NE Gas	\$	0	\$	0	
NE Power	\$	0	\$	0	
NGUSCO	\$	256,922	\$	262,000	
Directors	\$	0	\$	0	
Total Net (Gain) or Loss Amortization	\$	275,446	\$	281,000	
Total Net Periodic Pension Cost					
Granite State	\$	0	\$	0	
Mass Electric	\$	63,666	\$	61,000	
Nantucket Electric	\$	0	\$	0	
Narragansett Electric	\$	0	\$	0	
NE Gas	\$ \$ \$	0	\$	0	
NE Power	\$	0	\$	0	
NGUSCO	\$	883,026	\$	839,000	
Directors	\$	0	\$	0	
Total Expense/(Income)	\$	946,692	\$	900,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		0.10 / ₈ n/a		0.90 /6 n/a	
Salary Scale		n/a		n/a	
Mortality Table	PD.	2000CH 20	RP2000CH 20		
App Howitt	1317	2000011_20	INF	2000011_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 47 of 88

National Grid USA Executive Life Insurance Plan Estimated IAS 19 Expense

		Actual 2010-3/2011	Estimated 4/2011-3/2012				
Reconciliation of Funded Status, 4/1							
Projected Benefit Obligation Fair Value of Assets	\$	(11,654,531) 0	\$	(11,145,000) 0			
Funded Status	\$	(11,654,531)	\$	(11,145,000)			
Prior Service Costs		0		0			
(Accrued) / Prepaid Pension Cost	\$	(11,654,531)	\$	(11,145,000)			
P&L Expense Operating Expense							
Service Cost	\$	0	\$	0			
Exceptional Costs (STBs)	·	0	,	0			
Prior Service Costs		0		0			
Curtailment/Settlement Costs		0		0			
Total Operating Expense	\$	0	\$	0			
Financing Expense							
Interest Cost	\$	671,246	\$	619,000			
Expected Return on Assets		0		0			
Total Financing Expense	\$	671,246	\$	619,000			
Total P&L Expense	\$	671,246	\$	619,000			
Expected Benefit Payments	\$	1,301,000	\$	1,318,000			
Expected Contributions	\$	0	\$	0			
Exposing Contributions	Ψ	Ü	Ψ	· ·			
Assumptions:							
Discount Rate		6.10%		5.90%			
Expected Return on Assets		n/a		n/a			
Salary Scale		n/a		n/a			
Mortality Table	RF	P2000CH_20	RF	P2000CH_20			
Aon Hewitt							

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 48 of 88

National Grid USA Executive Life Insurance Plan Estimated IAS 19 Expense

	4/2	Actual 2010-3/2011	Estimated 4/2011-3/2012		
Total P&L Expense National Grid Plans					
Granite State	\$	0	\$	0	
Mass Electric	\$	45,142	\$	42,000	
Nantucket Electric	\$	0	\$	0	
Narragansett Electric	\$	0	\$	0	
NE Gas		0	\$	0	
NE Power	\$ \$	0	\$	0	
NGUSCO	\$	626,104	\$	577,000	
Directors	\$	0	\$	0	
Total Expense/(Income)	\$	671,246	\$	619,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		n/a		n/a	
Mortality Table	RP:	2000CH_20	RP:	2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 49 of 88

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

		Actual /2010-3/2011	Estimated 4/2011-3/2012			
Reconciliation of Funded Status, 4/1						
Projected Benefit Obligation Fair Value of Assets	\$	(2,900,816) 0	\$	(2,665,000)		
Funded Status Unrecognized:	\$	(2,900,816)	\$	(2,665,000)		
Net Transition Obligation or (Asset)Prior Service Cost	\$	0	\$	0		
Net (Gain) or Loss		(2,085,287)		(1,943,000)		
(Accrued) / Prepaid Pension Cost	\$	(4,986,103)	\$	(4,608,000)		
Net Periodic Pension Cost						
Service Cost	\$	0	\$	0		
Interest Cost		163,774		145,000		
Expected Return on Assets		0		0		
Amortization of: • Net Transition Obligation or (Asset)		0		0		
Prior Service Cost		0		0		
Net (Gain) or Loss		(110,203)		(104,000)		
ASC 715 Pension Expense	\$	53,571	\$	41,000		
Settlement Expense	\$	0	\$	0		
Total Pension Expense	\$	53,571	\$	41,000		
Expected Benefit Payments	\$	432,000	\$	415,000		
Expected Contributions	φ \$	432,000	\$	415,000		
Market Related Value of Assets	\$	0	\$	0		
Assumptions:						
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale		n/a		n/a		
Mortality Table Aon Hewitt	RI	P2000CH_20	RI	P2000CH_20		

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

	4/2	Actual 2010-3/2011	Estimated 4/2011-3/2012			
Interest Cost						
Granite State	\$	0	\$	0		
Mass Electric	\$	9,163	\$	8,000		
Nantucket Electric	\$	0	\$	0		
Narragansett Electric	\$	14,807	\$	13,000		
NE Gas	\$	0	\$	0		
NE Power	\$	4,087	\$	4,000		
NGUSCO	\$	135,717	\$	120,000		
Directors	\$	0	\$	0		
Total Interest Cost	\$	163,774	\$	145,000		
Net (Gain) or Loss Amortization						
Granite State	\$	0	\$	0		
Mass Electric	\$	(6,166)	\$	(6,000)		
Nantucket Electric	\$	0	\$	0		
Narragansett Electric	\$	(9,963)	\$	(9,000)		
NE Gas	\$	0	\$	0		
NE Power	\$	(2,750)	\$	(3,000)		
NGUSCO	\$	(91,323)	\$	(86,000)		
Directors	\$	0	\$	0		
Total Net (Gain) or Loss Amortization	\$	(110,203)	\$	(104,000)		
Total Net Periodic Pension Cost						
Granite State	\$	0	\$	0		
Mass Electric	\$	2,997	\$	2,000		
Nantucket Electric	\$	0	\$	0		
Narragansett Electric	\$	4,843	\$	4,000		
NE Gas	\$	0	\$	0		
NE Power	\$	1,337	\$	1,000		
NGUSCO	\$	44,393	\$	34,000		
Directors	\$	0	\$	0		
Total Expense/(Income)	\$	53,571	\$	41,000		
Assumptions						
Assumptions: Discount Rate		6.10%		5.90%		
Expected Return on Assets		0.10% n/a		5.90% n/a		
•		n/a n/a		n/a		
Salary Scale Mortality Table	חם		חם			
Mortality Table	RΡ	2000CH_20	RΡ	2000CH_20		

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

		Actual /2010-3/2011	Estimated 4/2011-3/2012			
Reconciliation of Funded Status, 4/1						
Projected Benefit Obligation Fair Value of Assets	\$	(2,900,816) 0	\$	(2,665,000)		
Funded Status	\$	(2,900,816)	\$	(2,665,000)		
Prior Service Costs		0		0		
(Accrued) / Prepaid Pension Cost	\$	(2,900,816)	\$	(2,665,000)		
P&L Expense						
Operating Expense						
Service Cost	\$	0	\$	0		
Exceptional Costs (STBs)		0		0		
Prior Service Costs		0		0		
Curtailment/Settlement Costs	_	0_	_	0		
Total Operating Expense	\$	0	\$	0		
Financing Expense Interest Cost	\$	163,774	\$	145,000		
Expected Return on Assets	φ	103,774	φ	145,000 0		
Total Financing Expense	\$	163,774	\$	145,000		
Total P&L Expense	\$	163,774	\$	145,000		
Expected Benefit Payments	\$	432,000	\$	415,000		
Expected Contributions	\$	0	\$	0		
Assumptions:						
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale		n/a		n/a		
Mortality Table	RI	P2000CH_20	RI	P2000CH_20		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 52 of 88

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

	4/2	Actual 2010-3/2011	Estimated 4/2011-3/2012		
Total P&L Expense National Grid Plans					
Granite State	\$	0	\$	0	
Mass Electric	\$	9,450	\$	8,000	
Nantucket Electric	\$	0	\$	0	
Narragansett Electric	\$	15,315	\$	13,000	
NE Gas	\$	0	\$	0	
NE Power	\$	4,215	\$	4,000	
NGUSCO	\$	134,794	\$	120,000	
Directors	\$	0	\$	0	
Total Expense/(Income)	\$	163,774	\$	145,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		n/a		n/a	
Salary Scale		n/a		n/a	
Mortality Table	RP:	2000CH_20	RP:	2000CH_20	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 53 of 88

National Grid USA EUA KEIP Estimated ASC 715 Expense

	Actual 4/2010-3/2011		4	Estimated /2011-3/2012
Reconciliation of Funded Status, 4/1				
Projected Benefit Obligation	\$	(2,284,113)	\$	(1,950,000)
Fair Value of Assets		0		0
Funded Status	\$	(2,284,113)	\$	(1,950,000)
Unrecognized:	_		_	_
Net Transition Obligation or (Asset)	\$	0	\$	0
Prior Service Cost		0		0
Net (Gain) or Loss	_	(1,145,164)		(1,185,000)
(Accrued) / Prepaid Pension Cost	\$	(3,429,277)	\$	(3,135,000)
Net Periodic Pension Cost				
Service Cost	\$	0	\$	0
Interest Cost		124,477		103,000
Expected Return on Assets		0		0
Amortization of:				
Net Transition Obligation or (Asset)		0		0
Prior Service Cost Not (Coin) or Logo		0		(52,000)
Net (Gain) or Loss	•	(46,219)	•	(52,000)
ASC 715 Pension Expense	\$ \$	78,258 0	\$ \$	51,000 0
Settlement Expense	Ф	U	Ф	U
Total Pension Expense	\$	78,258	\$	51,000
Europeted Demosts Demosts	ф.	407.000	ф.	205.000
Expected Benefit Payments Expected Contributions	\$	487,000 0	\$	395,000 0
Market Related Value of Assets	\$ \$	0	\$ \$	0
Market Nelated Value of Assets	Φ	U	Φ	U
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		n/a		n/a
Salary Scale	_	n/a		n/a
Mortality Table Aon Hewitt	RI	P2000CH_20	RI	P2000CH_20

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National Grid USA EUA KEIP Estimated IAS 19 Expense

		Actual /2010-3/2011	Estimated 4/2011-3/2012			
Reconciliation of Funded Status, 4/1						
Projected Benefit Obligation Fair Value of Assets	\$	(2,284,113)	\$	(1,950,000)		
Funded Status	\$	(2,284,113)	\$	(1,950,000)		
Prior Service Costs		0		0		
(Accrued) / Prepaid Pension Cost	\$	(2,284,113)	\$	(1,950,000)		
P&L Expense Operating Expense						
Service Cost	\$	0	\$	0		
Exceptional Costs (STBs)		0		0		
Prior Service Costs		0		0		
Curtailment/Settlement Costs		0		0		
Total Operating Expense	\$	0	\$	0		
Financing Expense	_		_			
Interest Cost	\$	124,477	\$	103,000		
Expected Return on Assets	_	0	_	0		
Total Financing Expense	\$	124,477	\$	103,000		
Total P&L Expense	\$	124,477	\$	103,000		
Expected Benefit Payments	\$	487,000	\$	395,000		
Expected Contributions	\$	0	\$	0		
Assumptions:						
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale		n/a		n/a		
Mortality Table	RI	P2000CH_20	RI	P2000CH_20		
Aon Hewitt				_		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 55 of 88

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

		Actual /2010-3/2011	Estimated 4/2011-3/2012			
Reconciliation of Funded Status, 4/1						
Projected Benefit Obligation	\$	(1,470,409)	\$	(1,396,000)		
Fair Value of Assets		0		0		
Funded Status	\$	(1,470,409)	\$	(1,396,000)		
Unrecognized:	_		_			
Net Transition Obligation or (Asset)	\$	0	\$	0		
Prior Service Cost		0		0		
Net (Gain) or Loss		273,746		278,000		
(Accrued) / Prepaid Pension Cost	\$	(1,196,663)	\$	(1,118,000)		
Net Periodic Pension Cost						
Service Cost	\$	0	\$	0		
Interest Cost		83,869		77,000		
Expected Return on Assets		0		0		
Amortization of:						
Net Transition Obligation or (Asset)		0		0		
Prior Service Cost		0		0		
Net (Gain) or Loss	-	11,085	-	13,000		
ASC 715 Pension Expense Settlement Expense	\$	94,954	\$	90,000		
Total Pension Expense	\$	94,954	\$	90,000		
Expected Benefit Payments	\$	191,000	\$	174,000		
Expected Contributions	\$	0	\$	0		
Market Related Value of Assets	\$	0	\$	0		
Assumptions:						
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale		n/a		n/a		
Mortality Table	RI	P2000CH_20	RI	P2000CH_20		
Aon Hewitt						

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National Grid USA NG and EUA Director Plans Estimated IAS 19 Expense

		Actual /2010-3/2011	Estimated 4/2011-3/2012			
Reconciliation of Funded Status, 4/1						
Projected Benefit Obligation Fair Value of Assets	\$	(1,470,409) 0	\$	(1,396,000)		
Funded Status	\$	(1,470,409)	\$	(1,396,000)		
Prior Service Costs		0		0		
(Accrued) / Prepaid Pension Cost	\$	(1,470,409)	\$	(1,396,000)		
P&L Expense Operating Expense						
Service Cost	\$	0	\$	0		
Exceptional Costs (STBs)		0		0		
Prior Service Costs		0		0		
Curtailment/Settlement Costs	_	0	_	0		
Total Operating Expense Financing Expense	\$	0	\$	0		
Interest Cost	\$	83,869	\$	77,000		
Expected Return on Assets		0		0		
Total Financing Expense	\$	83,869	\$	77,000		
Total P&L Expense	\$	83,869	\$	77,000		
Expected Benefit Payments	\$	191,000	\$	174,000		
Expected Contributions	\$	0	\$	0		
Assumptions:	,		Ť			
Discount Rate		6.10%		5.90%		
Expected Return on Assets		n/a		n/a		
Salary Scale		n/a		n/a		
Mortality Table	RI	P2000CH_20	RI	P2000CH_20		

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 57 of 88

National Grid USA Nonunion Retiree Welfare Plan Estimated ASC 715 Expense

	Actual 4/2010-3/2011	Befo	re Curtailment 4/2011-3/2012		Impact of Curtailment	1	After Curtailment 4/2011-3/2012		
Reconciliation of Funded Status, 4/1									
Accumulated Postret. Ben. Obligation Fair Value of Assets	\$ (439,416,144) 189,743,601	\$	(455,696,000) 213,995,000	\$	13,260,000 0	\$	(442,436,000) 213,995,000		
Funded Status Unrecognized:	\$ (249,672,543)	\$	(241,701,000)	\$	13,260,000	\$	(228,441,000)		
 Net Transition Obligation or (Asset) Prior Service Cost Net (Gain) or Loss 	\$ 0 (4,760,796) 150,696,537	\$	0 (10,818,000) 141,546,000	\$	0 1,442,000 (13,260,000)	\$	0 (9,376,000) 128,286,000		
(Accrued) / Prepaid Cost	\$ (103,736,802)	\$	(110,973,000)	\$	1,442,000		(109,531,000)		
Net Periodic Cost			Annual				Annual	FY	2012 Est. Exp.
Service Cost Interest Cost Expected Return on Assets Amortization of:	\$ 5,932,109 25,858,266 (12,149,845)	\$	6,071,000 26,145,000 (14,557,000)			\$	5,301,000 25,355,000 (14,547,000)	\$	5,558,000 25,618,000 (14,550,000)
Net Transition Obligation or (Asset) Prior Service Cost Net (Gain) or Loss	0 (1,146,456) 7,725,281		0 (1,496,000) 8,688,000				0 (1,297,000) 7,770,000		0 (1,364,000) 8,076,000
ASC 715 Expense	\$ 26,219,355	\$				\$	22,582,000	\$	23,338,000
Special Termination Benefits Curtailment Expense	\$ 56,184 \$ 0	\$ \$	0	\$	(1,442,000)			\$	0 (1,442,000)
Total RW Expense	\$ 26,275,539	\$	24,851,000	\$	(1,442,000)			\$	21,896,000
Expected Benefit Payments - Net	\$ 23,817,000	\$	25,117,000			\$	25,378,000		
Expected Benefit Payments - Gross	\$ 25,621,000	\$	27,065,000			\$	27,327,000		
Expected Contributions	\$ 12,000,000	\$				\$	8,000,000		
Market Related Value of Assets	\$ 186,308,198	\$	197,028,000			\$	197,028,000		
Assumptions:	0.400/		F 000/		F 000/		5.000/		
Discount Rate Expected Return on Assets	6.10% 6.75%		5.90% 7.75%		5.90% 7.75%		5.90% 7.75%		
Initial Medical Trend - Pre-65	8.50%		7.75% 8.50%		7.75% 8.50%		7.75% 8.50%		
Initial Medical Trend - Pre-65	8.50%		8.00%		8.00%		8.00%		
Initial Prescription Drug Trend	9.25%		8.75%		8.75%		8.75%		
Ultimate Trend	5.00%		5.00%		5.00%		5.00%		
Mortality Table	RP2000CH 20		RP2000CH 20	F	RP2000CH 20		RP2000CH 20		

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National Grid USA Nonunion Retiree Welfare Plan Estimated IAS 19 Expense

		Actual		Estimated
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation	\$	(439,472,328)	\$	(442,436,000)
Assets at Bid Value		189,437,806		213,995,000
Funded Status	\$	(250,034,522)	\$	(228,441,000)
Prior Service Costs		(268,693)		(5,370,000)
(Accrued) / Prepaid Cost	\$	(250,303,215)	\$	(233,811,000)
P&L Expense				
Operating Expense				
Service Cost	\$	5,932,109	\$	5,558,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		(1,973,462)		0
Prior Service Costs - On-going		32,513		(216,000)
Curtailment Costs*		(13,421,000)		0
Total Operating Expense	\$	(9,429,840)	\$	5,342,000
Financing Expense				
Interest Cost		25,861,692	\$	25,355,000
Expected Return on Assets		(12,361,093)		(15,862,000)
Total Financing Expense	\$	13,500,599	\$	9,493,000
Total P&L Expense	\$	4,070,759	\$	14,835,000
Expected Panelit Douments - Net	\$	23,817,000	\$	25,378,000
Expected Benefit Payments - Net Expected Benefit Payments - Gross	Ф \$	25,621,000		25,376,000
Expected Contributions	\$	12,000,000	\$ \$	8,000,000
Expected Contributions	Ф	12,000,000	ф	6,000,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		6.75%		7.75%
Initial Medical Trend - Pre-65		8.50%		8.50%
Initial Medical Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	I	RP2000CH_20		RP2000CH_20

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

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

		Actual 1/2010-3/2011	4	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation	\$	(5,589,503)	\$	(5,628,000)
Fair Value of Assets		3,088,857		3,292,000
Funded Status	\$	(2,500,646)	\$	(2,336,000)
Net Periodic Cost				
Service Cost	\$	20,808	\$	19,000
Interest Cost		328,094		326,000
Expected Return on Assets		(194,578)		(224,000)
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		(14,209)		(15,000)
 Net (Gain) or Loss 		96,242		103,000
ASC 715 Expense	\$	236,357	\$	209,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total RW Expense	\$	236,357	\$	209,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		6.75%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	R	P2000CH_20	R	RP2000CH_20
Aon Hewitt				

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

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

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

		Actual /2010-3/2011	4/	Estimated /2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation Fair Value of Assets	\$	(882,696) 0	\$	(889,000) 0
Funded Status	\$	(882,696)	\$	(889,000)
Net Periodic Cost				
Service Cost	\$	19,371	\$	18,000
Interest Cost		52,491		51,000
Expected Return on Assets Amortization of:		675		0
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		(2,809)		(4,000)
 Net (Gain) or Loss 		32,288		16,000
ASC 715 Expense	\$	102,016	\$	81,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	(3,000)
Total RW Expense	\$	102,016	\$	78,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		6.75%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	RI	P2000CH_20	RI	P2000CH_20

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

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

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

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

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

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

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

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

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

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

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

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

		Actual /2010-3/2011	4.	Estimated /2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation Assets at Bid Value	\$	(882,696) 0	\$	(889,000) 0
Funded Status	\$	(882,696)	\$	(889,000)
P&L Expense				
Operating Expense				
Service Cost	\$	19,371	\$	18,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		(15,620)		0
Prior Service Costs - On-going		(1,306)		(1,700)
Curtailment Costs		(45,000)		0
Total Operating Expense	\$	(42,555)	\$	16,300
Financing Expense				
Interest Cost	\$	52,490	\$	51,000
Expected Return on Assets		675		0
Total Financing Expense	\$	53,165	\$	51,000
Total P&L Expense	\$	10,610	\$	67,300
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		6.75%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	RI	P2000CH_20	RI	P2000CH_20

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

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

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

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

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 72 of 88

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

		Actual		Estimated
		4/2010-3/2011		4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation	\$	(41,463,247)	\$	(41,725,000)
Assets at Bid Value		7,669,327		8,788,000
Funded Status	\$	(33,793,920)	\$	(32,937,000)
P&L Expense				
Operating Expense				
Service Cost	\$	280,993	\$	263,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		(96,743)		0
Prior Service Costs - On-going		996,265		955,400
Curtailment Costs		(621,000)		0
Total Operating Expense	\$	559,515	\$	1,218,400
Financing Expense				
Interest Cost	\$	2,445,543	\$	2,391,000
Expected Return on Assets		(473,897)		(651,000)
Total Financing Expense	\$	1,971,646	\$	1,740,000
Total P&L Expense	\$	2,531,161	\$	2,958,400
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		6.75%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	F	RP2000CH_20	F	RP2000CH_20
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National Grid USA Union Retiree Welfare Plan Estimated ASC 715 Expense

	Actual 4/2010-3/2011			Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation	\$	(414,321,453)	\$	(411,316,000)
Fair Value of Assets		224,659,127		251,412,000
Funded Status	\$	(189,662,326)	\$	(159,904,000)
Unrecognized:Net Transition Obligation or (Asset)	\$	0	\$	0
Prior Service Cost	Ψ	(1,953,329)	Ψ	(1,643,000)
Net (Gain) or Loss		173,094,344		131,827,000
(Accrued) / Prepaid Cost	\$	(18,391,271)	\$	(29,720,000)
Net Periodic Cost				
Service Cost	\$	5,648,944	\$	6,085,000
Interest Cost	•	24,624,629	·	23,633,000
Expected Return on Assets		(15,715,940)		(16,122,000)
Amortization of:				
 Net Transition Obligation or (Asset) 		0		0
Prior Service Cost		(310,605)		(311,000)
 Net (Gain) or Loss 		10,406,954		8,715,000
ASC 715 Expense	\$	24,653,982	\$	22,000,000
Special Termination Benefits	\$	0	\$	0
Curtailment Expense	\$	0	\$	0
Total RW Expense	\$	24,653,982	\$	22,000,000
Expected Benefit Payments - Net	\$	21,278,000	\$	21,513,000
Expected Benefit Payments - Gross	\$	22,953,000	\$	23,323,000
Expected Contributions	\$	15,000,000	\$	10,500,000
Market Related Value of Assets	\$	199,800,743	\$	213,994,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Initial Medical Trend - Pre-65		8.50%		8.50%
Initial Medical Trend - Post-65 Initial Prescription Drug Trend		8.50% 9.25%		8.00% 8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table		RP2000CH 10		RP2000CH 10
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National Grid USA Union Retiree Welfare Plan Estimated IAS 19 Expense

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

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

	4	Actual /2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Accumulated Postret. Ben. Obligation	\$	(6,136,828)	\$ (6,092,000)
Fair Value of Assets		3,602,511	 3,975,000
Funded Status	\$	(2,534,317)	\$ (2,117,000)
Net Periodic Cost			
Service Cost	\$	96,748	\$ 104,000
Interest Cost		367,240	350,000
Expected Return on Assets		(255,675)	(255,000)
Amortization of:			
 Net Transition Obligation or (Asset) 		0	0
Prior Service Cost		(5,724)	(6,000)
 Net (Gain) or Loss 		160,424	 132,000
ASC 715 Expense	\$	363,013	\$ 325,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	0	\$ 0
Total RW Expense	\$	363,013	\$ 325,000
Assumptions:			
Discount Rate		6.10%	5.90%
Expected Return on Assets		8.00%	7.75%
Initial Trend - Pre-65		8.50%	8.50%
Initial Trend - Post-65		8.50%	8.00%
Initial Prescription Drug Trend		9.25%	8.75%
Ultimate Trend		5.00%	5.00%
Mortality Table	R	P2000CH_10	 RP2000CH_10
Aon Hewitt			·

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

	4	Actual 1/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Accumulated Postret. Ben. Obligation	\$	(199,739,431)	\$ (198,291,000)
Fair Value of Assets		107,270,087	121,881,000
Funded Status	\$	(92,469,344)	\$ (76,410,000)
Net Periodic Cost			
Service Cost	\$	2,921,799	\$ 3,147,000
Interest Cost		11,885,419	11,393,000
Expected Return on Assets Amortization of:		(7,538,715)	(7,816,000)
Net Transition Obligation or (Asset)		0	0
Prior Service Cost		(201,955)	(202,000)
Net (Gain) or Loss		4,805,024	4,307,000
ASC 715 Expense	\$	11,871,572	\$ 10,829,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	0	\$ 0
Total RW Expense	\$	11,871,572	\$ 10,829,000
A			
Assumptions: Discount Rate		6.10%	5.90%
Expected Return on Assets		8.00%	7.75%
Initial Trend - Pre-65		8.50%	8.50%
Initial Trend - Post-65		8.50%	8.00%
Initial Prescription Drug Trend		9.25%	8.75%
Ultimate Trend		5.00%	5.00%
Mortality Table	R	RP2000CH 10	RP2000CH 10
Aon Hewitt		_	

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Attachment DIV 3-7 (2)
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National Grid USA Union Retiree Welfare Plan Estimated ASC 715 Expense - Nantucket Electric

	4	Actual /2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Accumulated Postret. Ben. Obligation Fair Value of Assets	\$	(1,201,427) 0	\$ (1,193,000) 0
Funded Status	\$	(1,201,427)	\$ (1,193,000)
Net Periodic Cost			
Service Cost	\$	33,321	\$ 36,000
Interest Cost		72,616	69,000
Expected Return on Assets Amortization of:		960	0
 Net Transition Obligation or (Asset) 		0	0
Prior Service Cost		212	0
 Net (Gain) or Loss 		0	 26,000
ASC 715 Expense	\$	107,109	\$ 131,000
Special Termination Benefits	\$	0	\$ 0
Curtailment Expense	\$	0	\$ 0
Total RW Expense	\$	107,109	\$ 131,000
Assumptions:			
Discount Rate		6.10%	5.90%
Expected Return on Assets		8.00%	7.75%
Initial Trend - Pre-65		8.50%	8.50%
Initial Trend - Post-65		8.50%	8.00%
Initial Prescription Drug Trend		9.25%	8.75%
Ultimate Trend		5.00%	5.00%
Mortality Table	R	P2000CH_10	RP2000CH_10

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 78 of 88

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 79 of 88

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 80 of 88

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 81 of 88

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 82 of 88

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

	Actual		Estimated	
	4	1/2010-3/2011	4	/2011-3/2012
Reconciliation of Funded Status, 4/1				
Accumulated Postret. Ben. Obligation Assets at Bid Value	\$	(6,136,828) 3,602,177	\$	(6,092,000) 3,975,000
Funded Status	\$	(2,534,651)	\$	(2,117,000)
P&L Expense				
Operating Expense				
Service Cost	\$	96,748	\$	104,000
Exceptional Costs (STBs)		0		0
Prior Service Costs - One-time		0		0
Prior Service Costs - On-going		(6,479)		(6,000)
Curtailment/Settlement Costs		0		0
Total Operating Expense	\$	90,269	\$	98,000
Financing Expense				
Interest Cost	\$	367,240	\$	350,000
Expected Return on Assets		(287,537)		(301,000)
Total Financing Expense	\$	79,703	\$	49,000
Total P&L Expense	\$	169,972	\$	147,000
Assumptions:				
Discount Rate		6.10%		5.90%
Expected Return on Assets		8.00%		7.75%
Initial Trend - Pre-65		8.50%		8.50%
Initial Trend - Post-65		8.50%		8.00%
Initial Prescription Drug Trend		9.25%		8.75%
Ultimate Trend		5.00%		5.00%
Mortality Table	R	RP2000CH_10	R	P2000CH_10

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 83 of 88

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

	Actual 4/2010-3/2011		Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1			
Accumulated Postret. Ben. Obligation Assets at Bid Value	\$ (199,739,431) 107,260,127	\$	(198,291,000) 121,877,000
Funded Status	\$ (92,479,304)	\$	(76,414,000)
P&L Expense			
Operating Expense			
Service Cost	\$ 2,921,799	\$	3,147,000
Exceptional Costs (STBs)	0		0
Prior Service Costs - One-time	0		0
Prior Service Costs - On-going	(208,736)		(209,000)
Curtailment/Settlement Costs	 0		0
Total Operating Expense	\$ 2,713,063	\$	2,938,000
Financing Expense			
Interest Cost	\$ 11,885,419	\$	11,393,000
Expected Return on Assets	 (8,487,467)		(9,221,000)
Total Financing Expense	\$ 3,397,952	\$	2,172,000
Total P&L Expense	\$ 6,111,015	\$	5,110,000
Assumptions:			
Discount Rate	6.10%		5.90%
Expected Return on Assets	8.00%		7.75%
Initial Trend - Pre-65	8.50%		8.50%
Initial Trend - Post-65	8.50%		8.00%
Initial Prescription Drug Trend	9.25%		8.75%
Ultimate Trend	5.00%		5.00%
Mortality Table	RP2000CH_10		RP2000CH_10
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The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 84 of 88

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

		Actual 4/2010-3/2011		Estimated 4/2011-3/2012	
Reconciliation of Funded Status, 4/1				_	
Accumulated Postret. Ben. Obligation Assets at Bid Value	\$	(1,201,427) 0	\$	(1,193,000) 0	
Funded Status	\$	(1,201,427)	\$	(1,193,000)	
P&L Expense					
Operating Expense					
Service Cost	\$	33,321	\$	36,000	
Exceptional Costs (STBs)		0		0	
Prior Service Costs - One-time		0		0	
Prior Service Costs - On-going		147		0	
Curtailment/Settlement Costs		0		0	
Total Operating Expense	\$	33,468	\$	36,000	
Financing Expense					
Interest Cost	\$	72,616	\$	69,000	
Expected Return on Assets		960		0	
Total Financing Expense	\$	73,576	\$	69,000	
Total P&L Expense	\$	107,044	\$	105,000	
Assumptions:					
Discount Rate		6.10%		5.90%	
Expected Return on Assets		8.00%		7.75%	
Initial Trend - Pre-65		8.50%		8.50%	
Initial Trend - Post-65		8.50%		8.00%	
Initial Prescription Drug Trend		9.25%		8.75%	
Ultimate Trend		5.00%		5.00%	
Mortality Table	F	RP2000CH_10	R	P2000CH_10	

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 85 of 88

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 86 of 88

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 87 of 88

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

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

The Narragansett Electric Company d/b/a National Grid Docket 4269 2011 Distribution Adjustment Clause Filing Attachment DIV 3-7 (2) Page 88 of 88

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

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

The Narragansett Electric Company d/b/a National Grid Docket No. 4269 2011 Distribution Adjustment Clause Filing Responses to Division Data Requests (Set 3) Issued on September 19, 2011

Division 3-9

Request:

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

Response:

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

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