

September 4, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4339 - Distribution Adjustment Charge Filing 2012
Supplemental Testimony and Attachments of Mariella Smith
Testimony and Attachments of William R. Richer**

Dear Ms Massaro:

On behalf of National Grid,¹ I am filing ten (10) copies of the pre-filed supplemental testimony of Mariella Smith, which updates the August 1, 2012 DAC filing to incorporate updates to the DAC components. Additionally, I am filing the pre-filed testimony and attachments of William R. Richer on the earnings sharing mechanism ("ESM") component. Mr. Richer's testimony and attachments demonstrate that no earning sharing is warranted, and thus, Ms. Smith has made no ESM adjustment in her supplemental DAC attachments.

For an average residential heating customer utilizing 922 therms, the bill impact of the proposed DAC rate translates into an annual increase of approximately \$40 or 3.6% increase over the rates currently in effect.

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

Sincerely,



Thomas R. Teehan

Cc: Leo Wold, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid (the "Company").

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
R.I.P.U.C. DOCKET NO. 4339
DISTRIBUTION ADJUSTMENT CHARGE FILING
SUPPLEMENTAL DIRECT TESTIMONY
WITNESS: MARIELLA C. SMITH
SEPTEMBER 4, 2012**

SUPPLEMENTAL DIRECT TESTIMONY

OF

MARIELLA C. SMITH

SEPTEMBER 4, 2012

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
R.I.P.U.C. DOCKET NO. 4339
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1 **I. Introduction**

2 **Q. Please state your name and business address.**

3 A. My name is Mariella C. Smith and my business address is Reservoir Woods, 40
4 Sylvan Road, Waltham, Massachusetts 02451.

6 **Q. Have you previously submitted testimony in this Docket?**

7 A. Yes. I submitted my direct testimony on August 1, 2012.

9 **Q. What is the purpose of your supplemental testimony?**

10 A. The purpose of this supplemental testimony is to provide a proposed distribution
11 Adjustment Charge (“DAC”) to become effective November 1, 2012.
12 Specifically this supplemental testimony will: (1) provide the system pressure
13 factor; (2) update the reconciliation factor and the Revenue Decoupling
14 Adjustment (“RDA”) factor that were included in the August 1, 2012 filing; (3)
15 discuss the Earning Sharing Mechanism (“ESM”) component; (4) provide the
16 calculation of the proposed base DAC factors, which will be a component of the
17 overall DAC rates (that include the Infrastructure, Safety and Reliability (“ISR”)
18 Reconciliation DAC factors that will be effective November 1, 2012 and the ISR
19 component currently in effect); and (5) provide the proposed DAC rates’ impact
20 on customer bills. This filing is submitted pursuant to the Company’s Distribution

1 Adjustment Charge Provision, R.I.P.U.C. NG-Gas No. 101, under Section 3,
2 Schedule A.

3 **Q. Are you sponsoring any attachments with your testimony?**

4 A. Yes. I am sponsoring the following attachments that accompany my testimony:

5 Attachment MCS-1S Summary of DAC Factors

6 Attachment MCS-2S System Pressure Factor

7 Attachment MCS-9S Reconciliation Factor

8 Attachment MCS-10S Revenue Decoupling Adjustment Factor

9 Attachment MCS-12 Bill Impact Analysis

10

11 **II. Updated DAC Components**

12 **Q. Please describe the updates to the DAC components that were included in the**
13 **August 1, 2012 filing.**

14 A. In accordance with the agreement made with the Division during the 2010-2011
15 DAC proceeding in Docket No. 4196, the Company did not provide its system
16 pressure component calculation as part of its August 1 filing but rather it is
17 making it available as part of this filing as shown in Attachment MCS-2S. In
18 addition, the DAC reconciliation component factor calculation has been updated
19 to include the actual data for July 2012 as presented in Attachment MCS-9S and
20 the Revenue Decoupling Adjustment Factor has been updated to reflect the
21 correct forecasted throughput for the Residential/Small/Medium C&I rate classes

1 as shown in Attachment MCS-10S. Consequently, the proposed DAC rates were
2 calculated inclusive of these figures, which were then combined with the
3 proposed ISR reconciliation factors and current ISR factors to derive the overall
4 DAC rates per rate class to take effect November 1, 2012.

5

6 **Q. What is the new system pressure factor?**

7 A. The new system pressure factor is \$0.003 per therm and it was derived by
8 multiplying the forecasted 2012-2013 LNG supply-related costs (withdrawal
9 commodity, inventory financing, and supplier demand) and the percentage of
10 local storage used to maintain system pressure, 18.12%. This figure was then
11 divided by the forecasted throughput of 35,387,711 dths for the 12-months
12 beginning November 1, 2012. This result was then divided by 10 to derive the
13 \$/therm factor mentioned above.

14

15 **Q. Has the company included any earnings sharing in this DAC filing?**

16 A. No. The earnings calculation for the fiscal year ending June 30, 2012 is included
17 in the DAC testimony and attachments of William R. Richer. As demonstrated in
18 his testimony and attachments, the Company's return for the period ending June
19 30, 2012 was 5.03 %, below the threshold of 10.5 % return on equity. As such,
20 there is no DAC adjustment for the ESM in this filing.

21

1 **Q. Did the company make any updates to the Pensions and PBOP reconciliation**
2 **factor?**

3 A. No. The calculation reconciling the Company's actual Pensions and PBOP
4 expenses remains the same as that filed on August 1.

6 **Q. Please identify what was updated in the Reconciliation adjustment factor.**

7 A. The DAC Reconciliation factor was updated to reflect the actual results for July
8 2012 for the non-base rate / gas year reconciling components as shown in
9 Attachment MCS-9S, Page 3 and 4. It is worth noting that the reconciliation of
10 the Base rate components (\$0.0006 per therm) remained unchanged as these
11 components fall under a July 2011 – June 2012 reconciliation time period. The
12 overall reconciliation factor for the Residential, Small and Medium C&I rate
13 classes is \$0.0014 per therm¹, while the overall reconciliation factor for the Large
14 and Extra-Large classes is \$0.0020 per therm. As described in my testimony filed
15 on August 1, only the Large and Extra-Large classes are subject to the Base rate
16 reconciliation component.

18 **Q. Please identify the changes made to the Revenue Decoupling Adjustment**
19 **factor.**

¹ The August 1, 2012 filing Reconciliation factor was \$0.0013 per therm for the Residential, Small and Medium C&I and \$0.0019 for the Large and Extra-Large rate classes.

1 A. As presented in Attachment MCS-10S, the Revenue Decoupling Adjustment
2 factor is \$0.0413 per therm² which reflects the correct throughput associated with
3 the Residential, Small and Medium C&I classes rather than the total annual firm
4 throughput used to derive the factor in the August 1, 2012 filing.

5
6 **Q. Please provide the new proposed DAC rates including the ISR reconciliation**
7 **factor.**

8 A. As shown on Attachment MCS-1S and in the table below, the proposed DAC
9 rates differ for the Residential Heating, Residential Non-Heating, Small and
10 Medium Commercial and Industrial (“C&I”) rate classes versus the Large and
11 Extra-Large rate classes. As explained in my August 1 testimony, a DAC factor
12 was developed for the Residential Heating, Residential Non-Heating, Small and
13 Medium C&I rate classes to accommodate the inclusion of the Revenue
14 Decoupling Adjustment factor while a separate factor was developed for the
15 Large and Extra-Large rate classes to accommodate the reconciliation of the Base
16 rate related items – Advanced Gas Technology (“AGT”), Low Income Assistance
17 Program (“LIAP”) and Environmental Response costs (“ERC”). These factors
18 were then combined with the ISR Reconciliation factors to derive the factors
19 shown in the table below³.

² The August 1, 2012 filing set forth a \$0.0302 RDA factor per therm.

³ These rates do not include the current ISR factors effective as of April 1, 2012 that ultimately are combined with the factors in Table 2-1 to make up the final DAC rates to take effect on November 1, 2012.

Table 2-1 Base DAC factor + ISR Reconciliation factor

Rate Class	DAC w/o ISR reconciliation (\$/therm) A	ISR Reconciliation Factor (\$/therm) B	DAC w/. ISR reconciliation (\$/therm) C=A+B
Res- NH	\$0.0484	\$0.0048	\$0.0532
Res-H	\$0.0484	\$0.0017	\$0.0501
Small C&I	\$0.0484	\$0.0009	\$0.0493
Medium C&I	\$0.0484	\$0.0005	\$0.0489
Large LL	\$0.0077	\$0.0006	\$0.0083
Large HL	\$0.0077	\$0.0008	\$0.0085
XL-LL	\$0.0077	(\$0.0001)	\$0.0076
XL-HL	\$0.0077	(\$0.0002)	\$0.0075

*Rates include uncollectible allowance.

III. Final DAC Rates and Bill Impacts

Q. What are the final DAC rates?

A. The final DAC rates by rate class including the Base DAC factors, the ISR reconciliation factors and the current ISR factors are shown in Attachment MCS-1S and in the table below.

Table 3-1: Final DAC Rates per rate class

Rate Class	Base DAC w/o ISR (\$/therm) A	ISR Reconciliation Factor (\$/therm) C	ISR Factor effective April 1, 2012 (\$/therm) B	Proposed DAC Rate (\$/therm) D=A+B+C
Res- NH	\$0.0484	\$0.0048	\$0.0679	\$0.1211
Res-H	\$0.0484	\$0.0017	\$0.0269	\$0.0770
Small C&I	\$0.0484	\$0.0009	\$0.0247	\$0.0740
Medium C&I	\$0.0484	\$0.0005	\$0.0176	\$0.0665
Large LL	\$0.0077	\$0.0006	\$0.0166	\$0.0249
Large HL	\$0.0077	\$0.0008	\$0.0119	\$0.0204
XL-LL	\$0.0077	(\$0.0001)	\$0.0071	\$0.0147
XL-HL	\$0.0077	(\$0.0002)	\$0.0047	\$0.0122

*Rates include uncollectible allowance.

1 **Q. How was the impact on customer bills calculated?**

2 A. The Company calculated the impact of the proposed DAC rates to take effect on
3 November 1, 2012. To isolate the impact of the proposed DAC rates, the Energy
4 Efficiency and ISR rates are assumed to be in effect for the gas year November
5 2011 – October 2012. The GCR rates are held constant and reflect the GCR rates
6 in effect November 2011 – October 2012. The combined impact of the DAC and
7 GCR will be part of the GCR impact analysis filed on September 4 under a
8 separate docket.

9

10 **Q. What is the impact of the proposed November 1, 2012 DAC rates on**
11 **customer bills?**

12 A. Attachment MCS-12, sets forth the annual average dollar impact due to the
13 proposed change in the DAC on a customer bill at various levels of consumption
14 for the November 1, 2012 through October 31, 2013 timeframe for the various
15 rate classes. As an example, for an average residential heating customer utilizing
16 922 therms, the bill impact translates into an annual increase of approximately
17 \$40 or 3.6 % increase over the rates currently in effect.

18

19 **Q. Does this conclude your testimony?**

20 A. Yes, it does.

**National Grid - RI Gas
Summary of DAC Factors
Effective November 1, 2012**

DAC factor (not including annual ISR component) November 1, 2012 - October 31, 2013				
Line No.	Description	Reference	Factor	
			Residential/ Small/ Medium C&I	Large/ X-Large
1	System Pressure (SP)	MCS-2	\$0.0030	\$0.0030
2	Advanced Gas Technology Program (AGT)	MCS-3	\$0.0008	\$0.0008
4	Low Income Assistance Program (LIAP)			
5	Environmental Response Cost (ERC)	MCS-4	(\$0.0019)	(\$0.0019)
6	Pension and Post-Retirement Benefits (PBOP)	MCS-5	\$0.0056	\$0.0056
7	Capital Expenditures Tracker (CAPX)	MCS-6	\$0.0005	\$0.0005
8	On-System Margin Credits (MC)	MCS-7	(\$0.0021)	(\$0.0021)
9	Service Quality Performance (SQP)	MCS-8	(\$0.0004)	(\$0.0004)
11	Reconciliation Factor (R)	MCS-9	\$0.0014	\$0.0020
12	Earnings Sharing Mechanism (ESM)		\$0.0000	\$0.0000
13	Subtotal	sum ([1]:[11])	\$0.0069	\$0.0075
14	Uncollectible Percentage	Dkt 3943	2.46%	2.46%
15	DAC factors grossed up for uncollectible	[13]/(1-[14])	0.0071	0.0077 per therm
16	Revenue Decoupling Mechanism (RDM)	MCS-10	\$0.0413	\$0.0000
17	DAC factor	[15]+[16]	\$0.0484	\$0.0077 per therm

DAC factors including annual ISR component							
	ISR Reconciliation w/o uncollectible ¹ (therms)	Uncollectible Percentage	ISR Reconciliation* (therms) (A)	Base DAC Component** ² (therms) (B)	DAC Component Subtotal Rates* (therms) (C) = (A) + (B)	ISR Component** ³ (therms) (D)	November 1, 2012 DAC Rates* (therms) (E) = (C)+(D)
Res-NH	\$0.0047	2.46%	\$0.0048	\$0.0484	\$0.0532	\$0.0679	\$0.1211
Res-NH-LI	\$0.0047	2.46%	\$0.0048	\$0.0484	\$0.0532	\$0.0679	\$0.1211
Res-H	\$0.0017	2.46%	\$0.0017	\$0.0484	\$0.0501	\$0.0269	\$0.0770
Res-H-LI	\$0.0017	2.46%	\$0.0017	\$0.0484	\$0.0501	\$0.0269	\$0.0770
Small	\$0.0009	2.46%	\$0.0009	\$0.0484	\$0.0493	\$0.0247	\$0.0740
Medium	\$0.0005	2.46%	\$0.0005	\$0.0484	\$0.0489	\$0.0176	\$0.0665
Large LL	\$0.0006	2.46%	\$0.0006	\$0.0077	\$0.0083	\$0.0166	\$0.0249
Large HL	\$0.0008	2.46%	\$0.0008	\$0.0077	\$0.0085	\$0.0119	\$0.0204
XL-LL	(\$0.0001)	2.46%	(\$0.0001)	\$0.0077	\$0.0076	\$0.0071	\$0.0147
XL-HL	(\$0.0002)	2.46%	(\$0.0002)	\$0.0077	\$0.0075	\$0.0047	\$0.0122

***Factors Include Uncollectible Allowance**

¹ ISR Reconciliation factor. For further detail refer to: [MCS-11](#)

² National Grid proposed Base DAC factor for November 1, 2012 - October 31, 2013 from above table

³ ISR component as approved in Docket 4219

**National Grid - RI Gas
System Pressure Factor
Effective November 1, 2012**

	LNG Commodity Related Costs			Total
	Withdrawal Commodity	Inventory Finance	Supplier Demand from GCR	
Nov-12	105,291	40,243	282,490	428,024
Dec-12	510,215	36,025	282,490	828,730
Jan-13	350,598	33,127	282,490	666,215
Feb-13	201,062	31,465	282,490	515,016
Mar-13	109,212	30,562	282,490	422,264
Apr-13	105,291	29,692	289,123	424,106
May-13	109,212	37,142	289,123	435,477
Jun-13	108,710	43,345	289,123	441,178
Jul-13	115,127	42,393	289,123	446,643
Aug-13	115,127	41,442	289,123	445,691
Sep-13	110,994	43,700	289,123	443,816
Oct-13	115,499	43,840	289,123	448,461
Total	2,056,336	452,976	3,436,310	9,381,932
System Balancing Factor	18.12%	18.12%	18.12%	18.12%
GCR Costs allocated to DAC	\$372,608	\$82,079	\$622,659	\$1,077,346
Firm Throughput				35,387,711 dths
System Pressure Factor per therm				\$0.0030 per therm
System Pressure Factor per dth				\$0.0300 per dth

**National Grid - RI Gas
Reconciliation Factor
Effective November 1, 2012**

Reconciliation of Prior Year DAC Factors (All Rate Classes)					
Line No.	Description	Attachment	Page #	Ending Balance	Period
1	System Pressure	MCS-9	Page 3 of 6	\$364,016	
2	AGT-DAC	MCS-9	Page 3 of 6	\$53,934	
3	Environmental - DAC	MCS-9	Page 3 of 6	\$13,611	
4	On-System Margin Credits	MCS-9	Page 4 of 6	(\$109,115)	
5	Weather Normalization	MCS-9	Page 4 of 6	(\$526,055)	Based on Nov 11-Oct 12
6	Previous Reconciliation Factor	MCS-9	Page 4 of 6	(\$50,413)	
7	ARP	MCS-9	Page 5 of 6	\$380,666	
8	CXT-Revenue Requirement	MCS-9	Page 5 of 6	(\$289,774)	
9	Pension	MCS-9	Page 5 of 6	\$417,989	
10	PBOP	MCS-9	Page 5 of 6	\$255,592	
11	True-up	MCS-9	Page 6 of 6	(\$23,376)	Based on Actual Oct 11 vs. Forecast
12	Total		sum ([1]:[11])	\$487,072	
13	Firm Thru-put		Nov 2012 - Oct 2013	35,387,711	dth
14	Reconciliation Factor		[12] / [13]/10	\$0.0014 per therm	
15	Reconciliation Factor		[14] * 10	\$0.0140	per dth

Reconciliation of Prior year Base Rates (Large & X-Large Only)					
Line No.	Description	Attachment	Page #	Ending Balance	Period
1	AGT Factor - Base Rates	MCS-9	Page 2 of 6	\$4,865	Based on ending balance June 30, 2012
2	LIAP Factor - Base Rates	MCS-9	Page 2 of 6	\$29,013	
3	Environmental - Base Rates	MCS-9	Page 2 of 6	\$21,294	
4	Total		sum ([1]:[3])	\$55,173	
5	Firm Thru-put ¹		Nov 2012 - Oct 2013	9,481,555	dth
6	Reconciliation Factor ²		[4] / [5]/10	\$0.0006 per therm	
7	Reconciliation Factor		[6] * 10	\$0.0060	per dth

¹ The reconciliation of base rate components is not included for Residential/Small/Medium C&I. Refer to: [RDM Factor \(MCS-10\)](#)

² This rate will be combined with the Reconciliation factor of \$0.0014 per therm to derive an overall Reconciliation factor for the L&XL rate classes of \$0.0020 per therm

National Grid - RI Gas													
Non-Base Rate / Gas Year Reconciling Components													
		Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
	source	30	31	31	29	31	30	31	30	31	31	30	31
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast
DAC Rates \$/dth		\$0.0775	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600
	Prorated (50%/50%)												
System Pressure	Dkt 4269	\$0.025	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026
Advanced Gas Technology (AGT)	Dkt 4269	\$0.009	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008
Environmental Response Credit (ERC)	Dkt 4269	(\$0.006)	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001
Weather Normalization Factor (WN)	Dkt 4269	\$0.008	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)
Reconciliation Factor (R)	Dkt 4269	(\$0.008)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)
On System Margin Credit Factor (MC)	Dkt 4269	(\$0.020)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)
Pension	Dkt 4269	\$0.066	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071
Post-Retirement Benefits (PBOP)	Dkt 4269	\$0.030	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041
Capital Expenditure Tracker (CAPX)	Dkt 4269	(\$0.060)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)
Accelerated Replacement Program (ARP)	Dkt 4269	\$0.034	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059
Revenue Decoupling Mechanism	Dkt 4206	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Earning Sharing Mechanism	Dkt 4269	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Low Income Assistance Programs (LIAP)	Dkt 4269	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Service Quality Performance	Dkt 4269	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
ISR Reconciliation Factor	Dkt 4219	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
RI Firm through-put (dth)	CSR	2,444,380	3,288,323	4,528,185	5,284,970	4,434,912	3,038,478	1,960,277	1,305,809	1,129,595	957,434	1,047,061	1,416,722
Forecasted Throughput	Dkt 4269	2,471,585	4,480,229	6,601,257	6,224,693	5,027,594	3,441,397	2,123,550	1,254,861	1,109,199	957,434	1,047,061	1,416,722
System Pressure Recon Adjust.													
System Pressure Acct Beg. Balance		\$0	\$177	\$17,801	\$239,820	\$218,385	\$158,335	\$151,638	\$171,398	\$213,086	\$263,473	\$301,914	\$337,221
Actual Costs		\$61,287	\$103,110	\$339,616	\$115,747	\$55,058	\$72,144	\$70,556	\$75,441	\$79,504	\$63,034	\$62,203	\$63,257
Actual Collections		\$61,110	\$85,496	\$117,733	\$137,409	\$115,308	\$79,000	\$50,967	\$33,951	\$29,369	\$24,893	\$27,224	\$36,835
Ending Balance		\$177	\$17,791	\$239,683	\$218,158	\$158,136	\$151,479	\$171,227	\$212,888	\$263,220	\$301,614	\$336,893	\$363,643
Average Monthly Balance		\$89	\$8,984	\$128,742	\$228,989	\$188,260	\$154,907	\$161,433	\$192,143	\$238,153	\$282,544	\$319,403	\$350,432
Bk America Rate less 200 Basis Points		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied		\$0	\$10	\$137	\$227	\$200	\$159	\$171	\$197	\$253	\$300	\$328	\$372
Sys Pressure End Balance		\$177	\$17,801	\$239,820	\$218,385	\$158,335	\$151,638	\$171,398	\$213,086	\$263,473	\$301,914	\$337,221	\$364,016
Under/(over) Recovery		\$177	\$17,623	\$222,019	(\$21,435)	(\$60,050)	(\$6,697)	\$19,760	\$41,687	\$50,388	\$38,441	\$35,307	\$26,794
AGT Recon Adjustment - DAC													
AGT Acct Beg. Balance		\$300,000	\$279,521	\$253,496	\$217,521	\$175,436	\$140,125	\$115,948	\$100,381	\$90,033	\$81,086	\$73,509	\$65,205
Actual AGT Collections	Calculation	\$20,777	\$26,307	\$36,225	\$42,280	\$35,479	\$24,308	\$15,682	\$10,446	\$9,037	\$7,659	\$8,376	\$11,334
Ending AGT Balance		\$279,223	\$253,214	\$217,271	\$175,241	\$139,957	\$115,817	\$100,266	\$89,935	\$80,996	\$73,427	\$65,133	\$53,871
Average Monthly Balance		\$289,612	\$266,367	\$235,384	\$196,381	\$157,697	\$127,971	\$108,107	\$95,158	\$85,514	\$77,257	\$69,321	\$59,538
Bk America Rate less 200 Basis Points		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied		\$298	\$283	\$250	\$195	\$167	\$131	\$115	\$98	\$91	\$82	\$71	\$63
AGT End Balance		\$279,521	\$253,496	\$217,521	\$175,436	\$140,125	\$115,948	\$100,381	\$90,033	\$81,086	\$73,509	\$65,205	\$53,934
Under/(over) Recovery		(\$20,479)	(\$26,024)	(\$35,975)	(\$42,085)	(\$35,312)	(\$24,177)	(\$15,567)	(\$10,348)	(\$8,946)	(\$7,577)	(\$8,305)	(\$11,271)
Environmental Recon. Adjust - DAC													
Environmental Acct Beg. Balance	Pricing	\$27,029	\$41,731	\$38,485	\$33,995	\$28,741	\$24,335	\$21,319	\$19,381	\$18,094	\$16,983	\$16,043	\$15,012
Actual Environmental Collections	Calculation	(\$14,666)	\$3,288	\$4,528	\$5,285	\$4,435	\$3,038	\$1,960	\$1,306	\$1,130	\$957	\$1,047	\$1,417
Ending Environmental Balance		\$41,695	\$38,442	\$33,957	\$28,710	\$24,306	\$21,296	\$19,359	\$18,075	\$16,965	\$16,026	\$14,996	\$13,595
Average Monthly Balance		\$34,362	\$40,086	\$36,221	\$31,353	\$26,524	\$22,615	\$20,339	\$18,728	\$17,529	\$16,505	\$15,520	\$14,304
Bk America Rate less 200 Basis Points		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied		\$35	\$43	\$38	\$31	\$28	\$23	\$22	\$19	\$19	\$18	\$16	\$15
Environmental Recon End Balance		\$41,731	\$38,485	\$33,995	\$28,741	\$24,335	\$21,319	\$19,381	\$18,094	\$16,983	\$16,043	\$15,012	\$13,611
Under/(over) Recovery		\$14,702	(\$3,246)	(\$4,490)	(\$5,254)	(\$4,407)	(\$3,015)	(\$1,939)	(\$1,287)	(\$1,111)	(\$940)	(\$1,031)	(\$1,402)

Non-Base Rate / Gas Year Reconciling Components													
		Nov-11 30	Dec-11 31	Jan-12 31	Feb-12 29	Mar-12 31	Apr-12 30	May-12 31	Jun-12 30	Jul-12 31	Aug-12 31	Sep-12 30	Oct-12 31
source		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast
Weather Normalization - DAC											Under (Over) Collection		(526,055)
WNA Acct Beg. Balance	Pricing	(\$2,223,000)	(\$2,244,849)	(\$2,046,538)	(\$1,772,345)	(\$1,451,562)	(\$1,182,430)	(\$998,202)	(\$879,621)	(\$800,830)	(\$732,738)	(\$675,082)	(\$611,872)
Actual WNA Collections	Calculation	\$19,555	(\$200,588)	(\$276,219)	(\$322,383)	(\$270,530)	(\$185,347)	(\$119,577)	(\$79,654)	(\$68,905)	(\$58,403)	(\$63,871)	(\$86,420)
Ending WNA Balance		(\$2,242,555)	(\$2,044,261)	(\$1,770,319)	(\$1,449,962)	(\$1,181,032)	(\$997,082)	(\$878,625)	(\$799,967)	(\$731,925)	(\$674,335)	(\$611,211)	(\$525,452)
Average Monthly Balance		(\$2,232,778)	(\$2,144,555)	(\$1,908,428)	(\$1,611,153)	(\$1,316,297)	(\$1,089,756)	(\$938,414)	(\$839,794)	(\$766,377)	(\$703,536)	(\$643,146)	(\$568,662)
Bk America Rate less 200 Basis Points		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied		(\$2,294)	(\$2,277)	(\$2,026)	(\$1,600)	(\$1,397)	(\$1,120)	(\$996)	(\$863)	(\$814)	(\$747)	(\$661)	(\$604)
Weather Normalization End Balance		(\$2,244,849)	(\$2,046,538)	(\$1,772,345)	(\$1,451,562)	(\$1,182,430)	(\$998,202)	(\$879,621)	(\$800,830)	(\$732,738)	(\$675,082)	(\$611,872)	(\$526,055)
Under/(over) Recovery		\$21,849	(\$198,311)	(\$274,193)	(\$320,783)	(\$269,132)	(\$184,228)	(\$118,581)	(\$78,792)	(\$68,092)	(\$57,657)	(\$63,210)	(\$85,816)
Reconciliation Factor - DAC											Under (Over) Collection		(50,413)
Recon Factor Acct Beg. Balance	Pricing	(\$265,835)	(\$247,766)	(\$224,998)	(\$193,523)	(\$156,702)	(\$125,808)	(\$104,657)	(\$91,039)	(\$81,987)	(\$74,162)	(\$67,536)	(\$60,272)
Actual Recon Collections	Calculation	(\$18,333)	(\$23,018)	(\$31,697)	(\$36,995)	(\$31,044)	(\$21,269)	(\$13,722)	(\$9,141)	(\$7,907)	(\$6,702)	(\$7,329)	(\$9,917)
Ending Recon Balance		(\$247,502)	(\$224,748)	(\$193,301)	(\$156,528)	(\$125,658)	(\$104,538)	(\$90,935)	(\$81,898)	(\$74,080)	(\$67,460)	(\$60,206)	(\$50,355)
Average Monthly Balance		(\$256,669)	(\$236,257)	(\$209,150)	(\$175,026)	(\$141,180)	(\$115,173)	(\$97,796)	(\$86,468)	(\$78,033)	(\$70,811)	(\$63,871)	(\$55,313)
Bk America Rate less 200 Basis Points		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied		(\$264)	(\$251)	(\$222)	(\$174)	(\$150)	(\$118)	(\$104)	(\$89)	(\$83)	(\$75)	(\$66)	(\$59)
Reconciliation End Balance		(\$247,766)	(\$224,998)	(\$193,523)	(\$156,702)	(\$125,808)	(\$104,657)	(\$91,039)	(\$81,987)	(\$74,162)	(\$67,536)	(\$60,272)	(\$50,413)
Under/(over) Recovery		(\$18,069)	(\$22,767)	(\$31,475)	(\$36,821)	(\$30,894)	(\$21,151)	(\$13,618)	(\$9,052)	(\$7,824)	(\$6,627)	(\$7,264)	(\$9,858)
On-system Credits Recon. Adjust. - DAC											Under (Over) Collection		(109,115)
On-system Credit Acct Beg. Balance	Pricing	(\$778,043)	(\$729,930)	(\$658,323)	(\$559,349)	(\$443,577)	(\$346,429)	(\$279,904)	(\$237,052)	(\$208,553)	(\$183,910)	(\$163,030)	(\$140,151)
Actual On-system Collections	Calculation	(\$48,888)	(\$72,343)	(\$99,620)	(\$116,269)	(\$97,568)	(\$66,847)	(\$43,126)	(\$28,728)	(\$24,851)	(\$21,064)	(\$23,035)	(\$31,168)
Ending On-system Balance		(\$729,155)	(\$657,587)	(\$558,703)	(\$443,080)	(\$346,009)	(\$279,582)	(\$236,777)	(\$208,324)	(\$183,702)	(\$162,846)	(\$139,995)	(\$108,983)
Average Monthly Balance		(\$753,599)	(\$693,758)	(\$608,513)	(\$501,214)	(\$394,793)	(\$313,005)	(\$258,341)	(\$222,688)	(\$196,127)	(\$173,378)	(\$151,513)	(\$124,567)
Bk America Rate less 200 Basis Points		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied		(\$774)	(\$737)	(\$646)	(\$498)	(\$419)	(\$322)	(\$274)	(\$229)	(\$208)	(\$184)	(\$156)	(\$132)
On-system Credit End Balance		(\$729,930)	(\$658,323)	(\$559,349)	(\$443,577)	(\$346,429)	(\$279,904)	(\$237,052)	(\$208,553)	(\$183,910)	(\$163,030)	(\$140,151)	(\$109,115)
Under/(over) Recovery		\$48,113	\$71,607	\$98,974	\$115,772	\$97,149	\$66,525	\$42,852	\$28,499	\$24,643	\$20,879	\$22,880	\$31,036
Pension Adjustment											Under (Over) Collection		417,989
Pen Acct Beg. Balance	Pricing	\$2,578,314	\$2,420,774	\$2,189,749	\$1,870,402	\$1,496,840	\$1,183,383	\$968,757	\$830,531	\$738,625	\$659,165	\$591,851	\$518,079
Actual Pen Collections	Calculation	\$160,107	\$233,471	\$321,501	\$375,233	\$314,879	\$215,732	\$139,180	\$92,712	\$80,201	\$67,978	\$74,341	\$100,587
Ending Pen Balance		\$2,418,207	\$2,187,303	\$1,868,248	\$1,495,169	\$1,181,961	\$967,652	\$829,577	\$737,819	\$658,423	\$591,187	\$517,510	\$417,492
Average Monthly Balance		\$2,498,261	\$2,304,038	\$2,028,998	\$1,682,785	\$1,339,401	\$1,075,517	\$899,167	\$784,175	\$698,524	\$625,176	\$554,680	\$467,786
Bk America Rate less 200 Basis Points		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied		\$2,567	\$2,446	\$2,154	\$1,671	\$1,422	\$1,105	\$955	\$806	\$742	\$664	\$570	\$497
Pension Adjustment End Balance		\$2,420,774	\$2,189,749	\$1,870,402	\$1,496,840	\$1,183,383	\$968,757	\$830,531	\$738,625	\$659,165	\$591,851	\$518,079	\$417,989
Under/(over) Recovery		(\$157,540)	(\$231,025)	(\$319,347)	(\$373,562)	(\$313,457)	(\$214,627)	(\$138,225)	(\$91,907)	(\$79,460)	(\$67,314)	(\$73,771)	(\$100,091)
PBOP Adjustment											Under (Over) Collection		255,592
PBOP Acct Beg. Balance	Pricing	\$1,482,590	\$1,411,967	\$1,278,573	\$1,094,176	\$878,472	\$697,476	\$573,551	\$493,746	\$440,688	\$394,818	\$355,961	\$313,375
Actual PBOP Collections	Calculation	\$72,109	\$134,821	\$185,656	\$216,684	\$181,831	\$124,578	\$80,371	\$53,538	\$46,313	\$39,255	\$42,930	\$58,086
Ending PBOP Balance		\$1,410,481	\$1,277,146	\$1,092,918	\$877,493	\$696,640	\$572,899	\$493,180	\$440,208	\$394,375	\$355,563	\$313,032	\$255,290
Average Monthly Balance		\$1,446,535	\$1,344,556	\$1,185,745	\$985,834	\$787,556	\$635,188	\$533,366	\$466,977	\$417,531	\$375,190	\$334,497	\$284,333
Bk America Rate less 200 Basis Points		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied		\$1,486	\$1,427	\$1,259	\$979	\$836	\$653	\$566	\$480	\$443	\$398	\$344	\$302
PBOP Adjustment End Balance		\$1,411,967	\$1,278,573	\$1,094,176	\$878,472	\$697,476	\$573,551	\$493,746	\$440,688	\$394,818	\$355,961	\$313,375	\$255,592
Under/(over) Recovery		(\$70,623)	(\$133,394)	(\$184,397)	(\$215,705)	(\$180,995)	(\$123,925)	(\$79,805)	(\$53,058)	(\$45,870)	(\$38,856)	(\$42,586)	(\$57,784)

Total Under (Over) Collections	510,448
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National Grid - RI Gas Base Rate / Fiscal Year Reconciling Components													
Source	Jul-11 31 actual	Aug-11 32 actual	Sep-11 30 actual	Oct-11 31 actual	Nov-11 30 actual	Dec-11 31 actual	Jan-12 31 actual	Feb-12 29 actual	Mar-12 31 actual	Apr-12 30 actual	May-12 31 actual	Jun-12 30 actual	12 month End
DAC FACTORS: \$/dth													
AGT Factor - Base Rates	Dkt 3943	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	
LIAP Factor - Base Rates	Dkt 3943	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	
Environmental - Base Rates	Dkt 3943	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	
Actual RI Firm L-XL Firm through-put (dth)	CSR	466,795	516,862	495,305	546,820	842,028	931,095	1,058,674	1,396,746	1,068,200	803,066	613,622	522,427 9,261,639
AGT Recon. Adjustment - Base Rates L-XL													Approved Target Collections
AGT Recon. Acct Beg. Bal.	\$0	\$319	\$266	\$683	\$1,212	\$965	\$2,190	\$3,622	\$2,135	\$3,106	Target Collection L-XL	\$81,888	300,000
Fost Firm Through-put L-XL (from Dkt 3943)	505,120	510,514	545,408	610,245	812,193	1,078,212	1,230,624	1,217,782	1,184,720	916,724	\$4,054	\$4,609	
Fost AGT Collections	\$4,202	\$4,246	\$4,537	\$5,076	\$6,756	\$8,969	\$10,236	\$10,130	\$9,855	\$7,625	\$5,657	\$53,013	9,844,682
Actual Firm Through-put L-XL	466,795	516,862	495,305	546,820	842,028	931,095	1,058,674	1,396,746	1,068,200	803,066	613,622	522,427	9,261,639
Actual AGT Collections	\$3,883	\$4,299	\$4,120	\$4,548	\$7,004	\$7,745	\$8,806	\$11,618	\$8,885	\$6,680	\$5,104	\$4,346	77,038
Collection Variance	\$319	(\$53)	\$417	\$528	(\$248)	\$1,224	\$1,430	(\$1,488)	\$970	\$945	\$553	\$254	
Ending Balance	\$319	\$266	\$683	\$1,211	\$964	\$2,189	\$3,620	\$2,134	\$3,105	\$4,051	\$4,607	\$4,863	
Average Balance	\$133	\$133	\$342	\$606	\$482	\$1,094	\$1,810	\$1,067	\$1,552	\$2,026	\$2,303	\$2,431	
Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Interest Applied	\$0	\$0	\$0	\$1	\$0	\$1	\$2	\$1	\$2	\$2	\$2	\$2	\$14
AGT End Balance	\$319	\$266	\$683	\$1,212	\$965	\$2,190	\$3,622	\$2,135	\$3,106	\$4,054	\$4,609	\$4,865	\$4,865
Under/(over) Recovery	\$319	(\$53)	\$417	\$529	(\$248)	\$1,225	\$1,432	(\$1,487)	\$972	\$947	\$555	\$256	
LIAP Recon. Adjustment - Base Rates L-XL													Approved Target Collections
LIAP Recon. Acct Beg. Bal.	\$0	\$1,898	\$1,585	\$4,067	\$7,212	\$5,741	\$13,032	\$21,561	\$12,721	\$18,503	Target Collection L-XL	\$487,236	\$1,785,000
Fost Firm Through-put L-XL (from Dkt 3943)	505,120	510,514	545,408	610,245	812,193	1,078,212	1,230,624	1,217,782	1,184,720	916,724	\$24,150	\$27,469	
Fost LIAP Collections	\$25,000	\$25,266	\$26,993	\$30,202	\$40,197	\$53,363	\$60,906	\$60,271	\$58,634	\$45,371	\$33,661	\$27,371	9,844,682
Actual Firm Through-put L-XL	466,795	516,862	495,305	546,820	842,028	931,095	1,058,674	1,396,746	1,068,200	803,066	613,622	522,427	9,261,639
Actual LIAP Collections	\$23,103	\$25,581	\$24,514	\$27,063	\$41,674	\$46,082	\$52,396	\$69,128	\$52,868	\$39,746	\$30,370	\$25,856	\$458,381
Collection Variance	\$1,897	(\$315)	\$2,479	\$3,139	(\$1,477)	\$7,281	\$8,510	(\$8,857)	\$5,766	\$5,625	\$3,291	\$1,515	
Ending Balance	\$1,897	\$1,583	\$4,064	\$7,206	\$5,735	\$13,022	\$21,542	\$12,704	\$18,487	\$24,128	\$27,441	\$28,984	
Average Balance	\$949	\$1,741	\$2,624	\$5,636	\$6,473	\$9,382	\$17,287	\$17,132	\$15,604	\$21,316	\$25,796	\$28,226	
Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Interest Applied	\$1	\$2	\$3	\$6	\$7	\$10	\$18	\$17	\$17	\$22	\$27	\$29	\$159
LIAP End Balance	\$1,898	\$1,585	\$4,067	\$7,212	\$5,741	\$13,032	\$21,561	\$12,721	\$18,503	\$24,150	\$27,469	\$29,013	\$29,013
Under/(over) Recovery	\$1,898	(\$313)	\$2,482	\$3,145	(\$1,470)	\$7,291	\$8,528	(\$8,840)	\$5,783	\$5,647	\$3,318	\$1,544	
Environmental Recon. Adjust - Base Rates													Approved Target Collections
Environmental Recon. Acct Beg. Bal.	\$0	\$1,393	\$1,163	\$2,985	\$5,293	\$4,215	\$9,566	\$15,825	\$9,337	\$13,581	Target Collection L-XL	\$357,579	\$1,310,000
Fost Firm Through-put L-XL (from Dkt 3943)	505,120	510,514	545,408	610,245	812,193	1,078,212	1,230,624	1,217,782	1,184,720	916,724	\$17,725	\$20,161	
Fost Environmental Collections	\$18,347	\$18,543	\$19,810	\$22,165	\$29,501	\$39,163	\$44,699	\$44,232	\$43,031	\$33,297	\$24,704	\$20,088	9,844,682
Actual Firm Through-put L-XL	466,795	516,862	495,305	546,820	842,028	931,095	1,058,674	1,396,746	1,068,200	803,066	613,622	522,427	9,261,639
Actual Environmental Collections	\$16,955	\$18,774	\$17,990	\$19,862	\$30,584	\$33,819	\$38,453	\$50,733	\$38,799	\$29,169	\$22,288	\$18,976	\$336,402
Collection Variance	\$1,392	(\$231)	\$1,820	\$2,303	(\$1,083)	\$5,344	\$6,246	(\$6,501)	\$4,232	\$4,128	\$2,416	\$1,112	
Ending Environmental Balance	\$1,392	\$1,162	\$2,983	\$5,288	\$4,210	\$9,559	\$15,812	\$9,324	\$13,569	\$17,709	\$20,141	\$21,273	
Average Balance	\$696	\$1,277	\$2,073	\$4,137	\$4,751	\$6,887	\$12,689	\$12,575	\$11,453	\$15,645	\$18,933	\$20,717	
Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Interest Applied	\$1	\$1	\$2	\$4	\$5	\$7	\$13	\$12	\$12	\$16	\$20	\$21	\$116
Environmental End Balance	\$1,393	\$1,163	\$2,985	\$5,293	\$4,215	\$9,566	\$15,825	\$9,337	\$13,581	\$17,725	\$20,161	\$21,294	\$21,294
Under/(over) Recovery	\$1,393	(\$230)	\$1,822	\$2,307	(\$1,078)	\$5,351	\$6,259	(\$6,489)	\$4,244	\$4,144	\$2,436	\$1,133	

**National Grid - RI Gas
Non-Base Rate / Gas Year Reconciling Components**

October 31, 2011 Ending Deferred Balances

	Forecast	Actual	Variance
System Pressure	\$69,834	\$92,553	(\$22,719)
Environmental - DAC	\$67,919	\$67,748	\$171
On-System Margin Credits	\$91,608	\$91,369	\$239
Previous Reconciliation Factor	\$96,768	\$96,645	\$123
Weather Normalization	(\$376,482)	(\$375,489)	(\$993)
AGT	(\$45,801)	(\$45,680)	(\$121)
Capital Tracker/ARP	\$297,626	\$296,928	\$697
Pension	(\$300,917)	(\$300,142)	(\$774)
PBOP	(\$92,946)	(\$92,946)	\$0
	(\$192,391)	(\$169,014)	(\$23,376)

**National Grid - RI Gas
RDM Factor
Effective November 1, 2012**

Line No.	Description	Reference	
1	RDM Reconciliation		\$10,704,374
2	Throughput for Residential/Small/Medium C&I		25,906,156 dth
3	RDM Factor - per therm	[[1] / [2]] / [10]	\$0.0413 per therm
4	RDM Factor - per dth	[3]*10	\$0.4130 per dth

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

Residential Heating:

Annual Consumption (Therms)	Proposed Nov '12 Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC	ISR		
							DAC			
	600	\$918	\$892	\$26	3.0%	\$0	\$0.00	\$26	\$0.00	\$0.00
	664	\$1,001	\$971	\$29	3.0%	\$0	\$0.00	\$29	\$0.00	\$0.00
	730	\$1,085	\$1,053	\$32	3.0%	\$0	\$0.00	\$32	\$0.00	\$0.00
	794	\$1,166	\$1,131	\$35	3.1%	\$0	\$0.00	\$35	\$0.00	\$0.00
	857	\$1,243	\$1,205	\$38	3.1%	\$0	\$0.00	\$38	\$0.00	\$0.00
Average Customer	922	\$1,322	\$1,281	\$40	3.2%	\$0	\$0.00	\$40	\$0.00	\$0.00
	987	\$1,400	\$1,357	\$43	3.2%	\$0	\$0.00	\$43	\$0.00	\$0.00
	1,051	\$1,477	\$1,431	\$46	3.2%	\$0	\$0.00	\$46	\$0.00	\$0.00
	1,114	\$1,551	\$1,502	\$49	3.3%	\$0	\$0.00	\$49	\$0.00	\$0.00
	1,180	\$1,628	\$1,577	\$52	3.3%	\$0	\$0.00	\$52	\$0.00	\$0.00
	1,247	\$1,707	\$1,652	\$55	3.3%	\$0	\$0.00	\$55	\$0.00	\$0.00

Residential Heating Low Income:

Annual Consumption (Therms)	Proposed Nov '12 Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC	ISR		
							DAC			
	-----	-----	-----	-----	-----	-----	-----	-----	-----	
	600	\$881	\$855	\$26	3.1%	\$0	\$0.00	\$26	\$0.00	\$0.00
	664	\$961	\$931	\$29	3.1%	\$0	\$0.00	\$29	\$0.00	\$0.00
	730	\$1,043	\$1,011	\$32	3.2%	\$0	\$0.00	\$32	\$0.00	\$0.00
	794	\$1,121	\$1,086	\$35	3.2%	\$0	\$0.00	\$35	\$0.00	\$0.00
	857	\$1,196	\$1,158	\$38	3.2%	\$0	\$0.00	\$38	\$0.00	\$0.00
Average Customer	922	\$1,273	\$1,232	\$40	3.3%	\$0	\$0.00	\$40	\$0.00	\$0.00
	987	\$1,349	\$1,306	\$43	3.3%	\$0	\$0.00	\$43	\$0.00	\$0.00
	1,051	\$1,425	\$1,379	\$46	3.3%	\$0	\$0.00	\$46	\$0.00	\$0.00
	1,114	\$1,497	\$1,448	\$49	3.4%	\$0	\$0.00	\$49	\$0.00	\$0.00
	1,180	\$1,572	\$1,521	\$52	3.4%	\$0	\$0.00	\$52	\$0.00	\$0.00
	1,247	\$1,649	\$1,594	\$55	3.4%	\$0	\$0.00	\$55	\$0.00	\$0.00

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

Residential Non-Heating:

Consumption (Therms)	Annual Nov '12 Rates	Proposed Nov '12 Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
							GCR	DAC			ISR
								DAC			
123	\$281	\$275	\$6	2.1%	\$0	\$0.00	\$6	\$0.00	\$0.00		
137	\$299	\$293	\$6	2.2%	\$0	\$0.00	\$6	\$0.00	\$0.00		
147	\$312	\$306	\$7	2.3%	\$0	\$0.00	\$7	\$0.00	\$0.00		
161	\$331	\$323	\$8	2.3%	\$0	\$0.00	\$8	\$0.00	\$0.00		
176	\$350	\$342	\$8	2.4%	\$0	\$0.00	\$8	\$0.00	\$0.00		
Average Customer	189	\$367	\$358	\$9	2.5%	\$0	\$0.00	\$9	\$0.00	\$0.00	
202	\$384	\$375	\$9	2.5%	\$0	\$0.00	\$9	\$0.00	\$0.00		
217	\$404	\$394	\$10	2.6%	\$0	\$0.00	\$10	\$0.00	\$0.00		
231	\$422	\$411	\$11	2.6%	\$0	\$0.00	\$11	\$0.00	\$0.00		
241	\$435	\$424	\$11	2.7%	\$0	\$0.00	\$11	\$0.00	\$0.00		
256	\$455	\$443	\$12	2.7%	\$0	\$0.00	\$12	\$0.00	\$0.00		

Residential Non-Heating Low Income:

Consumption (Therms)	Annual Nov '12 Rates	Proposed Nov '12 Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
							GCR	DAC	ISR	
								DAC		
	123	\$264	\$258	\$6	2.3%	\$0	\$0.00	\$6	\$0.00	\$0.00
	137	\$282	\$275	\$6	2.3%	\$0	\$0.00	\$6	\$0.00	\$0.00
	147	\$294	\$288	\$7	2.4%	\$0	\$0.00	\$7	\$0.00	\$0.00
	161	\$312	\$305	\$8	2.5%	\$0	\$0.00	\$8	\$0.00	\$0.00
	176	\$331	\$323	\$8	2.6%	\$0	\$0.00	\$8	\$0.00	\$0.00
Average Customer	189	\$348	\$339	\$9	2.6%	\$0	\$0.00	\$9	\$0.00	\$0.00
	202	\$364	\$355	\$9	2.7%	\$0	\$0.00	\$9	\$0.00	\$0.00
	217	\$383	\$373	\$10	2.7%	\$0	\$0.00	\$10	\$0.00	\$0.00
	231	\$401	\$390	\$11	2.8%	\$0	\$0.00	\$11	\$0.00	\$0.00
	241	\$414	\$402	\$11	2.8%	\$0	\$0.00	\$11	\$0.00	\$0.00
	256	\$433	\$421	\$12	2.9%	\$0	\$0.00	\$12	\$0.00	\$0.00

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

C & I Small:

							Difference due to:			
Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	-----			EnergyEff
							GCR	DAC	ISR	
								DAC		
	824	\$1,345	\$1,310	\$36	2.7%	\$0	\$0.00	\$36	\$0.00	\$0.00
	916	\$1,458	\$1,419	\$39	2.8%	\$0	\$0.00	\$39	\$0.00	\$0.00
	1,003	\$1,564	\$1,521	\$43	2.8%	\$0	\$0.00	\$43	\$0.00	\$0.00
	1,092	\$1,669	\$1,622	\$47	2.9%	\$0	\$0.00	\$47	\$0.00	\$0.00
	1,179	\$1,767	\$1,717	\$51	3.0%	\$0	\$0.00	\$51	\$0.00	\$0.00
Average Customer	1,269	\$1,869	\$1,814	\$55	3.0%	\$0	\$0.00	\$55	\$0.00	\$0.00
	1,359	\$1,971	\$1,913	\$59	3.1%	\$0	\$0.00	\$59	\$0.00	\$0.00
	1,447	\$2,070	\$2,008	\$62	3.1%	\$0	\$0.00	\$62	\$0.00	\$0.00
	1,535	\$2,169	\$2,103	\$66	3.1%	\$0	\$0.00	\$66	\$0.00	\$0.00
	1,622	\$2,266	\$2,196	\$70	3.2%	\$0	\$0.00	\$70	\$0.00	\$0.00
	1,715	\$2,370	\$2,296	\$74	3.2%	\$0	\$0.00	\$74	\$0.00	\$0.00

C & I Medium:

							Difference due to:			
Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	-----			EnergyEff
							GCR	DAC	ISR	
	7,117	\$8,816	\$8,512	\$304	3.6%	\$0	\$0.00	\$304	\$0.00	\$0.00
	7,884	\$9,689	\$9,352	\$337	3.6%	\$0	\$0.00	\$337	\$0.00	\$0.00
	8,649	\$10,559	\$10,190	\$369	3.6%	\$0	\$0.00	\$369	\$0.00	\$0.00
	9,416	\$11,432	\$11,030	\$402	3.6%	\$0	\$0.00	\$402	\$0.00	\$0.00
	10,185	\$12,307	\$11,872	\$435	3.7%	\$0	\$0.00	\$435	\$0.00	\$0.00
Average Customer	10,950	\$13,177	\$12,709	\$468	3.7%	\$0	\$0.00	\$468	\$0.00	\$0.00
	11,715	\$14,047	\$13,547	\$500	3.7%	\$0	\$0.00	\$500	\$0.00	\$0.00
	12,484	\$14,922	\$14,389	\$533	3.7%	\$0	\$0.00	\$533	\$0.00	\$0.00
	13,251	\$15,794	\$15,228	\$566	3.7%	\$0	\$0.00	\$566	\$0.00	\$0.00
	14,016	\$16,665	\$16,066	\$598	3.7%	\$0	\$0.00	\$598	\$0.00	\$0.00
	14,783	\$17,537	\$16,906	\$631	3.7%	\$0	\$0.00	\$631	\$0.00	\$0.00

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

C & I LLF Large:

							Difference due to:			
Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	-----			EnergyEff
							GCR	DAC	ISR	
								DAC		
	37,532	\$43,056	\$42,977	\$79	0.2%	\$0	\$0.00	\$79	\$0.00	\$0.00
	41,573	\$47,537	\$47,449	\$87	0.2%	\$0	\$0.00	\$87	\$0.00	\$0.00
	45,616	\$52,019	\$51,924	\$96	0.2%	\$0	\$0.00	\$96	\$0.00	\$0.00
	49,660	\$56,503	\$56,399	\$104	0.2%	\$0	\$0.00	\$104	\$0.00	\$0.00
	53,699	\$60,982	\$60,869	\$113	0.2%	\$0	\$0.00	\$113	\$0.00	\$0.00
Average Customer	57,742	\$65,465	\$65,344	\$121	0.2%	\$0	\$0.00	\$121	\$0.00	\$0.00
	61,785	\$69,948	\$69,818	\$130	0.2%	\$0	\$0.00	\$130	\$0.00	\$0.00
	65,824	\$74,427	\$74,288	\$138	0.2%	\$0	\$0.00	\$138	\$0.00	\$0.00
	69,868	\$78,911	\$78,764	\$147	0.2%	\$0	\$0.00	\$147	\$0.00	\$0.00
	73,911	\$83,393	\$83,238	\$155	0.2%	\$0	\$0.00	\$155	\$0.00	\$0.00
	77,952	\$87,874	\$87,711	\$164	0.2%	\$0	\$0.00	\$164	\$0.00	\$0.00

C & I HLF Large:

							Difference due to:			
Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	-----			EnergyEff
							GCR	DAC	ISR	
								DAC		
	37,970	\$38,205	\$38,118	\$87	0.2%	\$0	\$0.00	\$87	\$0.00	\$0.00
	42,061	\$42,166	\$42,070	\$97	0.2%	\$0	\$0.00	\$97	\$0.00	\$0.00
	46,151	\$46,127	\$46,020	\$106	0.2%	\$0	\$0.00	\$106	\$0.00	\$0.00
	50,240	\$50,085	\$49,970	\$116	0.2%	\$0	\$0.00	\$116	\$0.00	\$0.00
	54,329	\$54,045	\$53,920	\$125	0.2%	\$0	\$0.00	\$125	\$0.00	\$0.00
Average Customer	58,418	\$58,004	\$57,870	\$134	0.2%	\$0	\$0.00	\$134	\$0.00	\$0.00
	62,508	\$61,964	\$61,821	\$144	0.2%	\$0	\$0.00	\$144	\$0.00	\$0.00
	66,596	\$65,923	\$65,770	\$153	0.2%	\$0	\$0.00	\$153	\$0.00	\$0.00
	70,686	\$69,883	\$69,720	\$163	0.2%	\$0	\$0.00	\$163	\$0.00	\$0.00
	74,775	\$73,842	\$73,670	\$172	0.2%	\$0	\$0.00	\$172	\$0.00	\$0.00
	78,867	\$77,804	\$77,623	\$181	0.2%	\$0	\$0.00	\$181	\$0.00	\$0.00

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

C & I LLF Extra-Large:

Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
							GCR	DAC	ISR	
								DAC		
	189,450	\$185,205	\$184,940	\$265	0.1%	\$0	\$0.00	\$265	\$0.00	\$0.00
	209,855	\$204,765	\$204,471	\$294	0.1%	\$0	\$0.00	\$294	\$0.00	\$0.00
	230,255	\$224,320	\$223,998	\$322	0.1%	\$0	\$0.00	\$322	\$0.00	\$0.00
	250,655	\$243,876	\$243,525	\$351	0.1%	\$0	\$0.00	\$351	\$0.00	\$0.00
	271,059	\$263,434	\$263,055	\$379	0.1%	\$0	\$0.00	\$379	\$0.00	\$0.00
Average Customer	291,462	\$282,992	\$282,584	\$408	0.1%	\$0	\$0.00	\$408	\$0.00	\$0.00
	311,865	\$302,551	\$302,114	\$437	0.1%	\$0	\$0.00	\$437	\$0.00	\$0.00
	332,269	\$322,109	\$321,644	\$465	0.1%	\$0	\$0.00	\$465	\$0.00	\$0.00
	352,669	\$341,665	\$341,171	\$494	0.1%	\$0	\$0.00	\$494	\$0.00	\$0.00
	373,069	\$361,220	\$360,698	\$522	0.1%	\$0	\$0.00	\$522	\$0.00	\$0.00
	393,474	\$380,780	\$380,229	\$551	0.1%	\$0	\$0.00	\$551	\$0.00	\$0.00

C & I HLF Extra-Large:

Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
							GCR	DAC	ISR	
								DAC		
	184,661	\$173,310	\$173,069	\$240	0.1%	\$0	\$0.00	\$240	\$0.00	\$0.00
	204,549	\$191,587	\$191,321	\$266	0.1%	\$0	\$0.00	\$266	\$0.00	\$0.00
	224,435	\$209,863	\$209,571	\$292	0.1%	\$0	\$0.00	\$292	\$0.00	\$0.00
	244,321	\$228,139	\$227,821	\$318	0.1%	\$0	\$0.00	\$318	\$0.00	\$0.00
	264,206	\$246,414	\$246,071	\$343	0.1%	\$0	\$0.00	\$343	\$0.00	\$0.00
Average Customer	284,094	\$264,692	\$264,322	\$369	0.1%	\$0	\$0.00	\$369	\$0.00	\$0.00
	303,982	\$282,969	\$282,574	\$395	0.1%	\$0	\$0.00	\$395	\$0.00	\$0.00
	323,867	\$301,244	\$300,823	\$421	0.1%	\$0	\$0.00	\$421	\$0.00	\$0.00
	343,753	\$319,520	\$319,073	\$447	0.1%	\$0	\$0.00	\$447	\$0.00	\$0.00
	363,639	\$337,796	\$337,323	\$473	0.1%	\$0	\$0.00	\$473	\$0.00	\$0.00
	383,527	\$356,074	\$355,575	\$499	0.1%	\$0	\$0.00	\$499	\$0.00	\$0.00

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
R.I.P.U.C. DOCKET NO. 4339
DISTRIBUTION ADJUSTMENT CHARGE FILING
EARNINGS SHARING MECHANISM
DIRECT TESTIMONY
WITNESS: WILLIAM R. RICHER
SEPTEMBER 4, 2012**

DIRECT TESTIMONY

OF

WILLIAM R. RICHER

SEPTEMBER 4, 2012

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR FULL NAME AND BUSINESS ADDRESS.**

3 A. My name is William R. Richer and my business address is 40 Sylvan Road, Waltham,
4 Massachusetts 02451.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?**

6 A. I am the Director of Gas Revenue Requirements, Rhode Island, for National Grid USA
7 Service Company (Service Company).

8 **Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL**
9 **EXPERIENCE.**

10 A. In 1985, I earned a Bachelor of Science degree in Accounting from Northeastern
11 University. During my schooling I interned at the public accounting firm Pannell Kerr
12 Forster in Boston, Massachusetts as a staff auditor and continued with this firm after
13 my graduation. In February 1986, I joined Price Waterhouse in Providence, Rhode
14 Island where I worked as a staff auditor and senior auditor. During this time, I earned
15 my certified public accountants license in the State of Rhode Island. In June 1990 I
16 joined National Grid (“Company”) in the Service Company (then known as New
17 England Power Service Company) as a supervisor of Plant Accounting. Since that
18 time I have held various positions within the Service Company including Manager of

1 Financial Reporting, Principal Rate Department Analyst, Manager of General
2 Accounting, Director of Accounting Services and Assistant Controller.

3 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

4 A. Yes. I have testified before the Commission on numerous occasions.

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

6 A. In Docket No. 3401, Order No. 17381, the Commission investigated, modified and
7 approved a base-rate settlement between the Division, The Energy Council of RI and
8 National Grid (“Settlement Agreement”) that required the New England Gas Company
9 to file an earnings sharing calculation by September 1 of each year as part of an
10 incentive-based Earnings Sharing Mechanism (“ESM”). Obligations of the Settlement
11 Agreement were assumed by the Company in connection with its acquisition of the
12 regulated gas assets in Rhode Island from Southern Union Company (“Southern
13 Union”).¹ As such, the purpose of my testimony is to describe the calculation of
14 National Grid’s earnings subject to the ESM for the fiscal year ended June 30, 2012
15 (“FY2012”).

16 **Q. ARE THERE ANY ATTACHMENTS TO YOUR TESTIMONY?**

17 A. Yes, I am sponsoring the following Attachments:

¹ The on-going requirement for the ESM is set forth in the Company’s tariff, RIPUC NG-GAS No. 101, Section 3, Schedule A, Sheet 11. sub-part 5.0.

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
R.I.P.U.C. DOCKET NO. 4339
DISTRIBUTION ADJUSTMENT CHARGE FILING
EARNINGS SHARING MECHANISM
DIRECT TESTIMONY
WITNESS: WILLIAM R. RICHER
SEPTEMBER 4, 2012
PAGE 3 OF 15

1 Attachment WRR-1 Earnings Sharing Mechanism pursuant to Order
2 No. 19563
3 Attachment WRR-2 FERC Form No. 2 Annual Filing

4 I am also sponsoring two attachments that accompanied the August 1, 2012 pre-filed
5 Direct Testimony of Ms. Mariella C. Smith:

6 Attachment MCS-5 Pension and Postretirement Benefits Other Than
7 Pensions Reconciliation (pages 2 and 3 of 3)
8 Attachment MCS-6 Capital Tracker and Accelerated Infrastructure
9 Replacement Program (pages 2, 3 and 4 of 4)

10 **Q. HAS THE COMPANY CALCULATED THE RETURN ON EQUITY FOR**
11 **FY2012?**

12 A. Yes. The Settlement Agreement requires earnings to be calculated each year based on
13 financial results for the 12-month period ending June 30 (Section II.F.1). In
14 accordance with RIPUC NG-GAS No. 101, Section 3, Schedule A, Sheets 11 sub-part
15 5.0 of the Company's tariff, the determination of earnings subject to the ESM is based
16 on a benchmark return on equity of 10.50 percent. The earnings-sharing formula
17 requires that any annual earnings over a 10.50 percent return on equity, up to and
18 including 100 basis points (11.50 percent), will be shared 50 percent with customers
19 and 50 percent with the Company. Any earnings in excess of an 11.50 percent return
20 on equity will be shared 75 percent with customers and 25 percent with the Company.

21 As discussed below, the Company calculated a return on equity for the FY2012 period
22 of 5.03 percent. As reflected on Attachment WRR-1, page 1 of 14, line 6, this return
23 is below the 10.50 percent threshold triggering an earnings sharing calculation.

1 **Q. HOW DID THE COMPANY CALCULATE THE RETURN ON EQUITY FOR**
2 **PURPOSES OF THE ESM?**

3 A. In accordance with the Settlement Agreement, the return on equity is calculated by
4 dividing the net income available for common equity by the common equity
5 applicable to rate base (Section II.F.1).

6 **Q. PLEASE EXPLAIN THE CALCULATION OF NET INCOME AVAILABLE**
7 **FOR COMMON EQUITY FOR PURPOSES OF THE ESM.**

8 A. The Company calculated net income available for common equity based on operating
9 income for FY2012, less applicable interest, and adjusted to reflect established
10 Commission ratemaking principles. The Company's calculation of net income
11 available for common equity is set forth in Attachment WRR-1, page 2 of 14. As
12 shown on line 51 of that page, for FY2012, the Company calculated net income
13 available for common equity of \$7,967,760.

14 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS TO OPERATING**
15 **REVENUES, EXPENSES AND/OR INTEREST CHARGES?**

16 A. Yes. The Company made the following adjustments to operating revenues, expenses
17 and interest charges:

18

1
2 *Operating Revenue Adjustments:*

3 (1) Fiscal 2012 Customer Portion of On System Margins: Under the Settlement
4 Agreement the customer's portion of On System Margins are excluded from
5 the earnings-sharing calculation. (Section II.H). As set forth in Ms. Smith's
6 pre-filed direct testimony in this proceeding, in accordance with Docket No.
7 3943 and Order No. 19528, an annual threshold level for firm and non-firm
8 sales and transportation margins was established at \$2,816,000. In addition,
9 the Commission directed that for the purposes of determining any amounts to
10 be returned to customers, the Company would track margins, exclusive of the
11 Rhode Island gross earnings tax (GET), for the sixty-four (64) Firm and Non-
12 Firm Dual Fuel customers at the time of the most recent rate case filing, as
13 well as any new non-firm customers and non-firm special contracts
14 (collectively "dual-fuel customers"). Beginning in the 2010 DAC, the
15 Company would then calculate the total Dual-Fuel Customer margins,
16 exclusive of the Rhode Island Gross Earnings Tax, for the twelve month period
17 ending June 30 and if those margins exceed the \$2,816,000 threshold, then any
18 excess amount of On-System Credit would be returned to customers.
19 Attachment MCS-7, summarized the dual-fuel customer usage, revenue and

1 margins, net of GET and Energy-Efficiency surcharges, for the period ending
2 June 30, 2012. Based upon this information, the Company collected \$730,576
3 more than the \$2,816,000 threshold. Accordingly, there is \$730,576 of on-
4 system margin to be returned to customers. This amount will be recorded on
5 the Company's books in FY2013 and is reflected as a reduction to operating
6 revenues on Attachment WRR-1, page 2 of 14, line 5.

7 (2) Fiscal 2011 Customer Portion of On System Margins: The Company recorded
8 a decrease to FY2012 operating revenues in the amount of \$778,043 reflecting
9 the FY2011 customer portion of on system margins similar to those described
10 for FY2012. This decrease was reflected as a reduction to operating revenues
11 in the FY2011 ESM filing. Since this revenue related to a prior period, the
12 Company consequently increased operating revenues in the amount of
13 \$778,043 as shown on Attachment WRR-1 page 2 of 14, line 6.

14 (3) Fiscal Year 2011 Revenue Decoupling: The Company recorded a decrease to
15 FY2012 operating revenues in the amount of \$152,754 reflecting the difference
16 in the revenue allowed in the Company's base distribution rates to the revenues
17 actually received for the period April 1, 2011 through June 30, 2011 in
18 accordance with the Revenue Decoupling Plan ("RDM") approved in Docket
19 No. 4206. This decrease was reflected as a reduction to operating revenues in

1 the FY2011 ESM filing. Since this revenue related to a prior period, the
2 Company consequently increased operating revenues in the amount of
3 \$152,754 as shown on Attachment WRR-1 page 2 of 14, line 7.

4 (4) Prior Years GCR Adjustments: On August 1, 2012, the Company filed its
5 2012 Annual Gas Cost Recovery (GCR) Reconciliation report (Docket No.
6 4346) with the Commission. Included in that report were revisions to amounts
7 reflected in the Company's GCR reconciliation filings since FY 2007. The
8 details of the revisions and the associated effects on the Company's general
9 ledger are described in a report prepared by Ernst & Young that was included
10 as Attachment 7 to the GCR Reconciliation report provided in Docket No.
11 4346. The Company recorded a reduction to revenues of \$13,666,887 during
12 FY 2012 to correct revenues that were overstated prior to FY 2012.
13 Consequently, an adjustment to operating revenues of \$13,666,887 has been
14 provided on Attachment WRR-1, page 2, line 11 to add back this correction
15 related to prior periods.

16 (5) Unbilled Revenues: The Company excluded unbilled revenues from the
17 earnings sharing calculation consistent with the methodology applied in
18 Docket No. 3401. This resulted in an increase to operating revenues of
19 \$209,939 as shown on Attachment WRR-1, page 2 of 14, line 12.

(6) FY 2012 ARP Revenue Requirement: For the 2012 DAC, the revenue requirement associated with ARP investments through March 31, 2011 equals \$2,199,383, which is reflected on Attachment MCS-6, page 6, line 37 to Ms. Smith's pre-filed direct testimony dated August 1, 2012. The revenue requirement relates to the period April 1, 2012 to March 31, 2013. The Company did not start recording this revenue requirement until after June 30, 2012, and therefore three months, or 25 percent of the \$2,199,383, or \$549,846, has been added to operating revenue for the ESM to reflect the amount earned in the period April 1, 2012 to June 30, 2012 as shown on Attachment WRR-1 page 2 of 14, line 13.

(5) Inventory Financing: The Company has removed stored gas inventory from rate base and eliminated carrying costs on stored gas inventory from revenues. This resulted in a decrease to operating revenues of \$2,348,833, representing the amount of stored gas inventory carrying costs recorded as revenue during FY2012, as shown on Attachment WRR-1, page 2 of 14, line 14.

Expense and Interest Adjustments:

(1) Unbilled Gas Costs: As with unbilled revenues, the Company also increased operating expenses by \$150,567 to reflect unbilled gas costs as shown on Attachment WRR-1, page 2 of 14, line 27.

1 (2) Savings Imputed in Base Rates: In accordance with Order No. 19563 and the
2 Company's tariff, the Company included the investors' share of annual net
3 merger savings, or \$2,450,000, in operating expenses (Section II.F.3 and
4 RIPUC NG-GAS No. 101, Section 3, Schedule A, Sheet 11. sub-part 5.0), as
5 shown on Attachment WRR-1 page 2 of 14, line 28.

6 (3) Other Interest: For other interest expense, the Company included costs
7 associated with customer deposits. All other charges not considered as a
8 normal part of the gas distribution business were recorded below the line and
9 therefore not included in the ESM calculation.

10 **Q. WHAT WAS THE FEDERAL INCOME TAX RATE USED BY THE**
11 **COMPANY TO CALCULATE OPERATING INCOME BEFORE INTEREST**
12 **EXPENSE?**

13 A. The Company calculated federal income taxes at the statutory rate of 35 percent, as
14 shown on Attachment WRR-1, page 3 of 14, line 20.

15 **Q. HOW DID THE COMPANY CALCULATE LONG-TERM DEBT INTEREST,**
16 **SHORT-TERM DEBT INTEREST AND PREFERRED STOCK DIVIDENDS?**

1 A. The Commission's Order No. 19563 in Docket No. 3943 specifies the capital structure
2 to be used in computing the cost of capital. The imputed capital structure is as
3 follows:

4	Short-term Debt	11.66%
5	Long-term Debt	40.63%
6	Common Equity	47.71%

7 Further, the Settlement Agreement requires the Company to use the actual cost of
8 long-term debt and the most recent 12-month average cost of short-term debt in its
9 ESM calculation. Therefore, as shown on Attachment WRR-1, page 4 of 14, the
10 Company computed the cost of long-term debt by multiplying rate base applicable to
11 long-term debt times the Company's actual long-term debt rate for FY2012, or 5.40
12 percent, as calculated in Attachment WRR-1, page 11 of 14. Likewise, the Company
13 computed the cost of short-term debt by multiplying rate base applicable to short-term
14 debt times the 12-month average cost of short-term debt, or .18 percent, as calculated
15 in Attachment WRR-1, page 12 of 14. This short-term debt rate assumes average
16 monthly National Grid money pool rates as applied to the Company's monthly
17 outstanding short-term debt balances for FY 2012.

18 **Q. DID THE COMPANY MAKE ANY OTHER CALCULATIONS TO DERIVE**
19 **THE TOTAL NET INCOME AVAILABLE FOR COMMON EQUITY?**

1 A. Yes. In accordance with the Settlement Agreement, the Company included its
2 allowance for funds used during construction in calculating operating income (Section
3 II.F.1) as shown on Attachment WRR-1, page 2 of 14.

4 **Q. HOW DID THE COMPANY CALCULATE RATE BASE UNDER THE ESM?**

5 A. As required by the Settlement Agreement, average rate base for the fiscal year ending
6 June 30, 2012 is based on a five-quarter average, as set forth in Attachment WRR-1,
7 page 5 of 14 (Section II.F.1). The Company excluded environmental response costs
8 and prepaid taxes from rate base. However, the Company included construction-
9 work-in-progress in rate base. The Company computed the working capital allowance
10 pursuant to the method approved in Docket No. 3943 (Attachment WRR-1, page 7 of
11 14), consistent with prior ESM calculations. The deferred debits in rate base include
12 Y2K costs amortized at the rate of \$240,000 per year and exclude costs associated
13 with legacy customer-information systems. The Company also excluded stored gas
14 inventory and customer deposits from the rate base calculation. Also, a hold harmless
15 rate base credit is also included as a reduction to rate base.

16 **Q. WOULD YOU EXPLAIN THE “HOLD HARMLESS” ADJUSTMENT THE**
17 **COMPANY HAS MADE TO ITS RATE BASE CALCULATION?**

1 A. As a result of National Grid's purchase of the regulated gas assets in Rhode Island
2 from Southern Union, the Company realized a tax basis step-up for the assets
3 acquired. This step-up in tax basis resulted in a total tax basis for the assets acquired
4 which equaled the net book basis for those same assets. Consequently, at the time of
5 acquisition, the Company's book/tax timing difference, which gives rise to deferred
6 tax liabilities, was equal to zero and therefore the Company recorded no accumulated
7 deferred taxes on its balance sheet. Effective with Southern Union ownership in 2000,
8 all deferred tax provisions associated with New England Gas Company operations
9 were recorded on the books of the parent company and not on the balance sheet of
10 New England Gas Company. However, commencing with the National Grid
11 acquisition on August 24, 2006, the Company began recording deferred tax liabilities,
12 due primarily to the difference in book versus tax depreciation rates. The Company
13 will continue to record deferred tax provisions related to the assets acquired as well as
14 on investments in Company assets post-acquisition. Therefore, the Company's
15 financials for FY2012 include actual deferred tax provisions recorded by the Company
16 through June 30, 2012, as reflected on Attachment WRR-1, page 5 of 14, line 17.

17 Consequently the Hold Harmless adjustment, reflected on Attachment WRR-1, page 5
18 of 14, line 17 is associated with National Grid's purchase of the regulated gas assets in
19 Rhode Island from Southern Union. This hold harmless adjustment provides
20 customers an economically equivalent rate base credit to offset the rate base increase

1 which resulted from National Grid's asset purchase as agreed to and approved by the
2 Commission in the 2007 ESM filing in Docket No. 3859. I have included a copy of
3 revised Schedule-DJE-2, Revised which indicates the annual values of the Hold
4 Harmless rate base adjustment as approved in that docket.

5 **Q. ARE THERE OTHER ADJUSTMENTS TO RATE BASE?**

6 A. Yes. In Docket No. 3943, Order No. 19563, the Commission approved a Pension
7 and PBOP reconciliation mechanism that reconciles both the annual expense and
8 annual funding to the amount allowed for recovery in rates. The reconciliation of
9 annual expense is handled as part of the DAC filing, however the annual funding
10 reconciliation is reflected as an adjustment to rate base in the ESM. In addition during
11 FY 2012, the Company began funding the amount of pension and PBOP costs that
12 were capitalized as part of the construction of the Company's plant assets and charged
13 to other balance sheet accounts. The Company made "catch up" contributions to the
14 plans during FY 2012 to fund capitalized pension and PBOP costs from the inception
15 of the pension and PBOP reconciliation mechanism to FY 2012. Accordingly, the
16 annual funding reconciliation per Attachment WRR-1, page 6 of 14 has been modified
17 from prior year presentations to now include capitalized amounts in the total funding
18 obligation. For the period ended June 30, 2012, the cumulative rate base decrease is
19 \$4,859,984 per Attachment WRR-1, page 6 of 14. The cumulative rate base decrease
20 reflects net pension and PBOP recoveries and capitalized pension and PBOP costs for

1 the quarter ended June 30, 2012 that will be funded to the pension and PBOP plans by
2 the end of the quarter ended September 30, 2012.

3 **Q. HOW DID THE COMPANY DETERMINE COMMON EQUITY**
4 **APPLICABLE TO RATE BASE?**

5 A. In accordance with the capital structure approved in Docket 3943, the Company
6 multiplied the average rate base, as discussed above, times 47.71 percent to determine
7 common equity applicable to rate base of \$331,936,373 as shown on Attachment
8 WRR-1, page 4 of 14.

9 **Q. PLEASE SUMMARIZE THE EARNINGS SHARING CALCULATION ON**
10 **ATTACHMENT WRR-1.**

11 A. Attachment WRR-1, page 1 of 14, calculates the earnings to be shared with customers
12 based on the sharing percentages required in Order No. 19563. Lines 1 through 3
13 summarize the calculation of average common equity. Line 5 is the net loss available
14 for common equity and Line 6 is the return on common equity for FY2012, or 5.03
15 percent. Since Line 6 is less than 10.50 percent, the return threshold above which the
16 Company's regulated earnings are shared with customers, no earnings are available for
17 sharing with customers for FY2012.

1 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

2 **A. Yes.**

National Grid - RI Gas
For the twelve months ended June 30, 2012

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**National Grid - RI Gas
Earnings Sharing Calculation
For the twelve months ended June 30, 2012**

1	Average Rate Base	\$ 331,936,373
2	Equity Component of Rate Base	47.71%
3	Average Common Equity	<u>\$ 158,366,844</u>
4		
5	Net Income Available for Common Stock	\$ 7,967,760
6	Return on Common Equity	<u>5.03%</u>
7		
8	Return on Equity > 10.50% and < 11.50%	0.00%
9	Earnings to be Shared	<u>\$ -</u>
10	Earnings to Customers - 50%	<u>\$ -</u>
11		
12	Return on Equity > 11.50 %	0.00%
13	Earnings to be Shared	<u>\$ -</u>
14	Earnings to Customers - 75%	<u>\$ -</u>
15		
16	Total After tax Earnings Credited to Customers	<u><u>\$ -</u></u>
17		
18	Total Earnings Credited to DAC	<u><u>\$ -</u></u>

Notes:

- 1 From Page 5 of 14 line 28(f)
- 2 From Page 4 of 14 line 8(a)
- 3 Line 1 times line 2
- 5 From Page 2 of 14 line 53
- 6 Line 5 divided by line 3
- 8 Smaller of 11.50% or Line 6 minus 10.50%
- 9 Line 3 times line 8
- 10 Line 9 times 50%
- 12 If Line 6 is greater than 11.50%, line 6 minus 11.50%, if not, 0%
- 13 Line 3 times line 12
- 14 Line 13 times 75%
- 16 Line 10 plus line 14
- 18 Line 16 divided by 65%

**National Grid - RI Gas
Income Statement
For the twelve months ended June 30, 2012**

		<u>2012</u>
1	<u>Operating Revenues</u>	
2	Total Firm Gas	\$ 334,880,975
3	Transportation	\$ 26,410,713
4	Other Revenues	\$ 11,544,369
5	FY12 Customer Portion of On System Non-Firm Margin not booked in FY12	\$ (730,576)
6	FY11 Customer Portion of On System Non-Firm Margin booked in FY12	\$ 778,043
7	Revenue Decoupling April - June 2011	<u>\$ 152,754</u>
8	Total Operating Revenues	373,036,278
9		
10	<i>Adjustment to Operating Revenue:</i>	
11	Prior years GCR adjustments	\$ 13,666,887
12	Unbilled Revenues	\$ 209,939
14	FY 2012 ARP Revenue Requirement not booked in FY 2012	\$ 549,846
15	Inventory Financing	<u>\$ (2,348,833)</u>
16	Total Adjusted Operating Revenues	<u>385,114,116</u>
17		
18	<u>Operating Expenses</u>	
19	Production (Gas Costs)	\$ 214,130,822
20	Storage	1,018,450
21	Transmission	20,346
22	Distribution	27,561,187
23	Customer Accounts	24,710,697
25	Administrative and General	<u>44,238,145</u>
26	Total Operating Expenses	<u>311,679,647</u>
27		
28	<i>Adjustments to Operating Expense:</i>	
29	Unbilled Gas Costs	150,567
30	Savings Imputed in Base Rates	<u>2,450,000</u>
31	Total Operating Expenses	<u>314,280,214</u>
32		
33	<u>Other Expenses</u>	
34	Depreciation and Amortization	26,765,511
35	Local and Other Taxes	15,489,106
36	Revenue Related Taxes (Gross Earnings Tax - GET)	10,175,243
37	Federal Income Taxes @ 35%	<u>4,290,332</u>
38	Total Other Expenses	56,720,192
39		
40	Income Before Interest Expense	<u>\$ 14,113,710</u>
41		
42	<u>Interest Expense</u>	
43	Short-Term Debt	69,667
44	Long-Term Debt	7,282,750
45	Other Interest Expense	72,872
46	AFUDC	<u>(1,279,339)</u>
47	Total Interest Expense	<u>6,145,950</u>
48		
49	Net Income / (Loss)	<u>\$ 7,967,760</u>
50		
51	Preferred Dividends	<u>-</u>
52		
53	Net Income / (Loss) Applicable to Common Equity	<u><u>\$ 7,967,760</u></u>

Notes:

- 4 From Page 8 of 14 line 11
- 5 Docket No. 4339 Attachment MCS-7 Page 1 of 15, Line 3
- 31 Docket No. 3943 (4/4/2008) Attachment NG-MDL-4 Page 1 of 6 Line 7
- 36 From Page 7 of 14 sum of line 3 through line 5
- 38 From Page 3 of 14 line 20
- 44 From Page 4 of 14 line 25(b)
- 45 From Page 4 of 14 line 17(b)
- 46 From Page 9 of 14 line 3
- 52 From Page 4 of 14 line 34(b)

**National Grid - RI Gas
Federal Income Tax Calculation
For the twelve months ended June 30, 2012**

1	Operating Revenues	\$ 385,114,116
2		
3	Less:	
4		
5	Operating Expenses	314,280,214
6	Depreciation and Amortization	26,765,511
7	Local and Other Taxes	15,489,106
8	Revenue Related Taxes (GET)	10,175,243
9	Interest - Short-Term Debt	69,667
10	Interest - Long-Term Debt	7,282,750
11	Other Interest	72,872
12	AFUDC	(1,279,339)
13		
14	Total Deductions	\$ 372,856,024
15		
16	Taxable Income	\$ 12,258,092
17		
18	Federal Income Tax Rate	35%
19		
20	Federal Income Tax Expense	\$ 4,290,332

Notes:

- 1 From Page 2 of 14 line 16
- 5 From Page 2 of 14 line 31
- 6 From Page 2 of 14 line 34
- 7 From Page 2 of 14 line 35
- 8 From Page 2 of 14 line 36
- 9 From Page 2 of 14 line 43
- 10 From Page 2 of 14 line 44
- 11 From Page 2 of 14 line 45
- 12 From Page 2 of 14 line 46

National Grid - RI Gas
Applicable Capital Structure, Interest Expense and Preferred Dividends
For the twelve months ended June 30, 2012

	%	\$
	(a)	(b)
1 Rate Base		\$ 331,936,373
2		
3 Capital Structure		
4		
5 Short-Term Debt	11.66%	\$ 38,703,781
6 Long-Term Debt	40.63%	134,865,748
7 Preferred Stock	0.00%	-
8 Common Equity	47.71%	158,366,844
9	100.0%	\$ 331,936,373
10 Interest Expense		
11		
12		
13 Long-Term Debt Portion	40.63%	\$ 134,865,748
14		
15 Cost of Long-Term Debt June 2012		5.40%
16		
17 Proforma Long-Term Debt Interest for the 12 Months Ended June 2012		\$ 7,282,750
18		
19		
20		
21 Short-Term Debt Portion	11.66%	\$ 38,703,781
22		
23 Cost of Short-Term Debt June 2011		0.18%
24		
25 Proforma Short-Term Debt Interest for the 12 Months Ended June 2012		\$ 69,667
26		
27 Preferred Dividends		
28		
29		
30 Preferred Stock Portion	0.00%	\$ -
31		
32 Cost of Preferred Stock		0.00%
33		
34 Proforma Preferred Stock for the 12 Months Ended June 2011		\$ -

Notes:

- 1(b) From Page 5 of 14 line 28(f)
5(a)-8(a) Imputed capital structure per Docket No. 3943
5(b)-8(b) Line 1(b) times Line 5(a) through Line 8(a)
13 Line 1(b) times Line 13(a)
15 From Page 11 of 14 line 9(b)
23 From Page 12 of 14 line 14(b)
25 Line 21 (b) times line 23 (b)

National Grid - RI Gas
Rate Base
For the twelve months ended June 30, 2012

	June 2011 (a)	September 2011 (b)	December 2011 (c)	March 2012 (d)	June 2012 (e)	Average June 2012 (f)
1 Gas Plant In Service	\$ 659,376,450	\$ 668,481,797	\$ 680,565,745	\$ 698,916,387	\$ 710,787,522	\$ 683,625,580
2 CWIP	45,718,640	58,257,285	66,634,719	50,920,884	55,909,131	55,488,132
3 Less: Accumulated Depreciation	305,632,291	310,098,873	314,350,902	308,505,930	313,391,340	310,395,867
4 Less: Contribution in Aid of Construction	5,212,623	6,124,476	5,584,444	5,587,250	5,586,650	5,619,089
5						
6 Net Plant	394,250,176	410,515,734	427,265,117	435,744,091	447,718,663	423,098,756
7						
8 Materials and Supplies	3,028,911	2,850,745	3,087,476	2,957,930	2,717,318	2,928,476
9 Prepaid Expenses, Excluding Taxes	0	250,000	0	440,375	0	138,075
10 Deferred Debits	900,000	840,000	780,000	720,000	660,000	780,000
11 Unamortized debt expense and Interest Rate Lock	3,909,632	3,827,856	3,746,080	3,664,309	3,582,546	3,746,085
12 Cash Working Capital	28,635,175	22,551,215	22,551,215	22,551,215	22,551,215	23,768,007
13						
14 Subtotal	36,473,718	30,319,816	30,164,772	30,333,829	29,511,079	31,360,643
15						
16 Accumulated Deferred FIT	73,965,612	78,548,236	80,298,900	96,440,213	100,961,060	86,042,804
17 Hold Harmless	27,053,832	26,806,031	26,558,229	26,374,450	26,190,670	26,596,642
18 Customer Deposits	4,574,889	4,445,132	4,620,876	4,718,154	4,718,154	4,615,441
19 Injuries and Damages Reserve	195,000	195,000	115,000	685,387	850,387	408,155
20						
21 Subtotal	105,789,332	109,994,398	111,593,005	128,218,203	132,720,271	117,663,042
22						
23 Rate Base	\$ 324,934,562	\$ 330,841,152	\$ 345,836,884	\$ 337,859,717	\$ 344,509,471	\$ 336,796,357
24						
25						
26 Pension PBOP Internal Funding Ratebase addition/(credit)						(4,859,984)
27						
28 Total Rate Base						331,936,373

Notes:

- 1(a)-4(e) From Company Financial Statements
- 1(f)-4(f) Average of Column (a) through Column (e)
- 6(a)-6(e) Line 1 plus line 2 minus line 3 minus line 4
- 6(f) Average of Column (a) through Column (e)
- 8(a)-11(e) From Company Financial Statements
- 8(f)-11(f) Average of Column (a) through Column (e)
- 10 Reflects the amortization of Y2K related costs per Docket No. 3401
- 12 From Page 7 of 14 Line 13
- 14 Sum of Line 8 through Line 12
- 16(a)-19(e) From Company Financial Statements
- 16(f)-19(f) Average of Column (a) through Column (e)
- 17 Hold Harmless rate base credit per Docket No. 3859
- 21 Sum of Line 16 through Line 19
- 23 Sum of Line 6, 14 and 21
- 26 From Page 6 of 14 Line 37(d)
- 28 Sum of Line 23(f) and Line 26(f)

**National Grid - RI Gas
Pension and PBOP Funding Reconciliation
For the twelve months ended June 30, 2012**

	(a) June 30, 2009	(b) June 30, 2010	(c) June 30, 2011	(d) June 30, 2012
Pension				
<u>Funding Reconciliation:</u>				
Rate Allowance	\$3,368,002	\$5,052,002	\$5,052,002	\$5,052,002
DAC Recovery for Prior Year Expense Reconciliation	-	247,715	1,402,575	2,358,235
Total Rate Allowance	\$3,368,002	\$5,299,717	\$6,454,577	\$7,410,237
Add:				
Pension Costs charged to capital	858,049	2,466,446	1,955,317	3,257,789
Pension Costs charged to other Balance Sheet Accounts	34,743	11,027	34,307	150,437
Total Rate Allowance & Capitalized Costs	4,260,794	7,777,190	8,444,201	10,818,463
Funded Amount	\$5,608,333	\$5,020,292	\$4,634,525	\$13,167,496
Current Year Internal Funding Reserve	\$1,347,539	(\$2,756,898)	(\$3,809,676)	\$2,349,033
Cumulative Internal Funding Reserve - Rate Base Credit	\$1,347,539	(\$1,409,359)	(\$5,219,034)	(\$2,870,001)
PBOP				
<u>Funding Reconciliation:</u>				
Rate Allowance	\$3,045,249	\$4,567,873	\$4,567,873	\$4,567,873
DAC Recovery for Prior Year Expense Reconciliation	-	535,242	649,324	1,179,245
Total Rate Allowance	\$3,045,249	\$5,103,115	\$5,217,197	\$5,747,118
Add:				
Pension Costs charged to capital	918,857	1,542,680	1,435,611	1,648,732
Pension Costs charged to other Balance Sheet Accounts	38,606	5,841	37,859	74,272
Total Rate Allowance & Capitalized Costs	4,002,712	6,651,636	6,690,667	7,470,122
Funded Amount	\$6,030,833	\$1,891,485	\$2,672,434	\$12,230,402
Current Year Internal Funding Reserve	\$2,028,121	(\$4,760,151)	(\$4,018,232)	\$4,760,281
Cumulative Internal Funding Reserve - Rate Base Credit	\$2,028,121	(\$2,732,031)	(\$6,750,263)	(\$1,989,983)
Pension PBOP Internal Funding Ratebase addition/(credit)	\$3,375,660	(\$4,141,389)	(\$11,969,298)	(\$4,859,984)

Notes:

- 4 Attachment NG-MDL-3 page 1 of 2, line 4, Docket 3943
- 5(a) First year, no previous DAC adjustment
- 5 From Company Financial Statements
- 6 Line 4 + Line 5
- 9 From Company Financial Statements
- 10 From Company Financial Statements
- 12 Sum of Line 6 through Line 10
- 14 Contribution to Pension Trust. Excludes contributions to fund early retirement program costs.
- 16 Line 14 - Line 12
- 17 Line 16 + Prior Year Line 17
- 17(d) \$2,870,001 reflects net activity for the quarter ended June 30, 2012 which will be funded to the Pension Trust by the end of the following quarter (September 30, 2012).
- 22 Attachment NG-MDL-3 page 1 of 2 line 4, Docket 3943
- 23(a) First year, no previous DAC adjustment
- 23 From Company Financial Statements
- 24 Line 22 + Line 23
- 27 From Company Financial Statements
- 28 From Company Financial Statements
- 30 Sum of Line 24 through Line 28
- 32 Contribution to PBOP trust. Excludes contributions to fund early retirement program costs.
- 34 Line 32 - Line 30
- 35 Line 34 + Prior Year Line 35
- 37 Line 17 + Line 35

National Grid - RI Gas
Cash Working Capital Calculation
For the twelve months ended June 30, 2012

1	Gas Costs	\$	214,130,822
2	Operating Expenses		97,548,825
3	Payroll Taxes		2,971,933
4	Property Taxes		12,284,146
5	State Taxes Other		233,027
6	Revenue Related Taxes (GET)		10,175,243
7	Total	\$	337,343,996
8			
9	Daily Cash Requirement	\$	924,230
10			
11	Net Lag Days		24.40
12			
13	Total Working Capital	\$	22,551,215

Notes:

- 1 From Page 2 of 14 Line 19
- 2 From Page 2 of 14 Sum of Line 20 through Line 25
- 3-5 From Company Financial Statements
- 6 From Page 2 of 14 Line 36
- 7 Sum of Lines 1 through Line 6
- 9 Line 7 divided by 365 days
- 11 Per Docket No. 3943
- 13 Line 9 times Line 11

National Grid - RI Gas
Detail Other Revenue/(Expense)
For the twelve months ended June 30, 2012

1	Rent from Gas Property	317,864
2	Displacement Revenue	829,836
3	Recovery of Supervision & Administrative Costs	136,100
4	Other Revenue	38,754
5	RDM Revenue	14,656,136
6	LIEAP Revenue	(1,041,715)
7	Misc Revenue	-
8	Interest on Customer Arrears	669,733
9	Excess Sharing Non-Firm Margin	<u>(4,062,339)</u>
10		
11	Total Other Revenue	<u><u>11,544,369</u></u>

Notes:

- 1-9 From Company Financial Statements
- 11 Sum of line 1 through line 9

National Grid - RI Gas
Detail Other Interest Expense
For the twelve months ended June 30, 2012

1	Interest on Customer Deposits	\$	72,872
2			
3	Total Other Interest Expense	\$	<u>72,872</u>

Notes:

- 1 From Company Financial Statements
- 3 Line 1

National Grid - RI Gas
Detail Non-Operating Income / (Expense)
For the twelve months ended June 30, 2012

1	Service Contract Revenue	\$	(601)
2	Share Awards		(809,000)
3	Interest on Over / (Under) Collections, primarily Deferred Gas Costs		610,179
4	Deferred Compensation - Life Insurance		11,891
5	Federal Income Taxes on Non-Operating Income		(225,797)
6	Lobbying / Legal and Political Expense		(222,818)
7	Penalties		(701,674)
8	Total Non-Operating Income/(Expense)	\$	<u>(1,337,820)</u>

Notes:

- 1-7 From Company Financial Statements
8 Sum of line 1 through line 7

National Grid
Calculation of Average Long-Term Debt Interest Rate
For the twelve months ended June 30, 2012

<u>Description</u>	(a) Average Long-Term <u>Debt Balance</u>	(b) <u>Rate</u>	(c) Long-Term <u>Interest Expense</u>
1 Providence Gas FMB S	14,464,000	6.82%	986,445
2 Providence Gas FMB N	10,000,000	9.63%	963,000
3 Providence Gas FMB O	12,500,000	8.46%	1,057,500
4 Providence Gas FMB P (Annual sinking fund 9/30 \$625,000)	7,032,104	8.09%	568,897
5 Providence Gas FMB R (Annual sinking fund 12/15 \$750,000)	10,844,262	7.50%	813,320
6 Narragansett Senior Note \$250M due 3-15-2020 (Issued 3-22-10)	250,000,000	4.53%	11,325,000
7 Narragansett Senior Note \$300M due 3-15-2040 (Issued 3-22-10)	300,000,000	5.64%	16,920,000
8			
9 Totals	\$ 604,840,366	5.40%	\$ 32,634,162

Notes:

1-7 From Financial Statements

9(b) Average of Line 1 through Line 7

*Average amounts represent Narragansett Electric Company
1(a) consolidated amounts as the Gas division is not a legal entity.

National Grid - RI Gas
Calculation of Average Short-Term Debt Interest Rate
For the twelve months ended June 30, 2012

		(a)	(b)	(c)
	<u>Month</u>	<u>Average Short-Term Debt Balance 1\</u>	<u>Weighted Cost Rate</u>	<u>Short-Term Interest Expense</u>
1	Jul-11	46,116,129	0.14%	\$ 5,560
2	Aug-11	54,438,710	0.17%	\$ 7,969
3	Sep-11	62,758,333	0.18%	\$ 9,414
4	Oct-11	89,401,613	0.09%	\$ 6,929
5	Nov-11	114,139,167	0.10%	\$ 9,512
6	Dec-11	130,578,226	0.17%	\$ 19,115
7	Jan-12	170,639,516	0.20%	\$ 29,388
8	Feb-12	159,715,517	0.21%	\$ 27,019
9	Mar-12	181,123,387	0.21%	\$ 32,753
10	Apr-12	175,497,500	0.19%	\$ 27,787
11	May-12	183,440,323	0.17%	\$ 26,854
12	Jun-12	190,861,667	0.16%	\$ 25,448
13				
14	Average	\$ 129,892,507	0.18%	\$ 227,747

Notes:

- 1(a)-12(a) Average amounts represent Narragansett Electric Company consolidated amounts as the Gas division is not a legal entity and participates in the National Grid money pool as a division of Narragansett Electric
- 14(b) Average of Line 1 through Line 12

National Grid - RI Gas
Merger Hold Harmless Rate Base Credit

Attachment NG-MDL-1
Docket No. _____
April 1, 2008
Page 30 of 33

National Grid - RI Gas
Rate Base Adjustments
Merger Hold Harmless Rate Base Credit

Line No.			
1	Balance as of September 30, 2007	\$34,139,677	1/
2			
3	Increase / (Decrease) 12 Months Ended 9/30/08	(2,624,545)	
4			
5	Balance as of: 9/30/08	\$31,515,132	1/
6			
7			
8	10/31/08	31,283,677	
9	11/30/08	31,052,222	
10	12/31/08	30,820,767	1/
11	1/31/09	30,647,907	
12	2/28/09	30,475,046	
13	3/31/09	30,302,186	1/
14	4/30/09	30,129,326	
15	5/31/09	29,956,466	
16	6/30/09	29,783,606	1/
17	7/31/09	29,610,746	
18	8/31/09	29,437,886	
19	9/30/09	29,265,026	1/
20			
21	Rate Year Merger Hold Harmless - Five Quarter Average	\$30,337,343	

1/ Hold Harmless Rate Base Credit Per DJE-2 (Revised) from Docket No. 3859.

@ 12/31/06 per DJE-2 Revised	35,764,025
Imputed 3/31/07	35,222,576
Imputed 6/30/07	34,681,127
Imputed 9/30/07	34,139,677
@ 12/31/07 per DJE-2 Revised	33,598,228
Imputed 3/31/08	32,903,863
Imputed 6/30/08	32,209,497
Imputed 9/30/08	31,515,132
@ 12/31/08 per DJE-2 Revised	30,820,767
Imputed 3/31/09	30,302,186
Imputed 6/30/09	29,783,606
Imputed 9/30/09	29,265,026
@ 12/31/09 per DJE-2 Revised	28,746,445

Schedule DJE-2
 Revised

NATIONAL GRID
 MERGER ADJUSTMENT TO ADIT
 (\$000)

<u>As of</u> <u>31-Dec</u>	<u>Southern</u> <u>Union</u> <u>ADIT</u>	<u>National</u> <u>Grid</u> <u>ADIT</u>	<u>Difference</u>	<u>Southern</u> <u>Union</u> <u>ADITC</u>	<u>ADIT</u> <u>Merger</u> <u>Adjustment</u>
2006	34,845	214	34,631	1,133	35,764
2007	33,908	1,238	32,670	928	33,598
2008	32,170	2,073	30,097	724	30,821
2009	30,086	1,859	28,227	519	28,746
2010	29,473	2,238	27,235	315	27,549
2011	29,632	3,184	26,448	110	26,558
2012	29,583	3,760	25,823		25,823
2013	29,515	4,286	25,229		25,229
2014	29,199	4,628	24,572		24,572
2015	29,095	5,530	23,566		23,566
2016	28,823	6,531	22,292		22,292
2017	28,342	7,568	20,774		20,774
2018	27,627	8,606	19,020		19,020
2019	26,847	9,842	17,005		17,005
2020	25,922	11,305	14,617		14,617
2021	24,732	12,797	11,934		11,934
2022	23,374	14,311	9,064		9,064

ANNUAL REPORT OF NATURAL GAS COMPANIES

(Class A and Class B)

OF

**The Narragansett Electric Company, d/b/a National Grid
Gas Division**

(Exact legal name of respondent)

If name was changed during year, show also the previous name and date of change.

280 Melrose Street, Providence, RI 02907

(Address of principal business office at end of year)

TO THE
Rhode Island Public Utilities Commission

FOR THE
Year Ended June 30, 2012

**Name, title, address and telephone number (including area code), of the person to be
contacted concerning this report:**

.....
.....

**INSTRUCTIONS FOR FILING THE
FERC FORM NO. 2**

GENERAL INFORMATION

I. Purpose

This form is designed to collect financial and operational information from major interstate natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is a nonconfidential public use form.

II. Who Must Submit

Each Major natural gas company which meets the filing requirements of 18 CFR 260.1 must submit this form.

NOTE: Major means having combined gas transported or stored for a fee exceeding 50 million Dth in each of the 3 previous calendar years.

III. What and Where to Submit

- (a) Submit the electronic medium in accordance with the procedures specified in 18 CFR 385.2011 and an original and four (4) copies of this form to:

Office of the Secretary
Federal Energy Regulatory Commission
Washington, DC 20426

Retain one copy of this report for your files.

- (b) Submit immediately upon publication, four (4) copies of the latest annual report to stockholders and *any annual* financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to:

Chief Accountant
Federal Energy Regulatory Commission
Washington, DC 20426

- (c) For the CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with current standards of reporting which will:

- (i) contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

GENERAL INFORMATION

- (ii) be signed by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States (See 18 CFR 158.10-158.12 for specific qualifications.)

<u>Schedules</u>	<u>Reference Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-116
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122

Insert the letter or report immediately following the cover sheet of the original and each copy of this form.

- (d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirement free of charge from:

Public Reference and Files Maintenance Branch
Washington, DC 20426
(202) 208-2356

IV. When to Submit:

Submit this report form on or before April 30th of the year following the year covered by this report.

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for this collection of information is estimated to average 2,475 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, Washington, DC 20426 (Attention: Michael Miller, ED-12.4); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).

You shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.


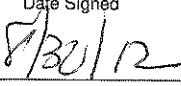
GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use the current year amounts for income accounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, either
 - (a). Enter the words "Not Applicable" on the particular page(s), or
 - (b). Omit the page(s) and enter "NA", "NONE", or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (see VII. below).
- VI. Indicate negative amounts (such as decreases) by enclosing the figures in parenthesis ().
- VII. When making revisions, resubmit the electronic medium and only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the Identification and Attestation, page 1. Mail dated resubmissions to:
 Chief Accountant
 Federal Energy Regulatory Commission
 Washington, DC 20426
- VIII. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 by 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and the page number supplemented.
- IX. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in MMBtu and Dth.
- XII. Respondents may submit computer printed schedules (reduced to 8 1/2 by 11) instead of the schedules in the FERC Form 2 if they are in substantially the same format.
- XIII. Report footnotes on pages 551 and 552. Sort data on page 551 by page number. Sort data on page 552 by footnote number. The page number component of the footnote reference is the first page of a schedule whether it is a single page schedule or a multi-page schedule. Even if a footnote appears on a later page of a multi-page schedule the footnote will only reference the first page of the schedule. The first page of a multi-page schedule now becomes a proxy for the entire schedule. For example, Gas Plant in Service ranges across pages 204 through 209. A footnote on page 207 would contain a page reference of 204.

DEFINITIONS	
I.	<u>Btu per cubic foot</u> -- The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32F, and under standard gravitational force (980.665 cm. per sec.) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called the gross heating value or total heating value).
II.	<u>Commission Authorization</u> -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
III.	<u>Dekatherm</u> -- A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
IV.	<u>Respondent</u> -- The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.
EXCERPTS FROM THE LAW	
<p align="center">(Natural Gas Act; 15 U.S.C. 717-717w)</p> <p>"Sec 10(a). Every natural gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, costs of facilities, cost of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas...."</p> <p>"Sec. 16. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary and appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within which they shall be filed...."</p>	
GENERAL PENALTIES	
<p>"Sec. 21(b). Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this act, shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding \$500 for each and every day during which such offense occurs."</p>	

National Grid

FERC FORM NO. 2:
ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION		
01 Exact Legal Name of Respondent The Narragansett Electric Company, d/b/a National Grid	02 Year of Report June 30, 2012	
03 Previous Name and Date of Change (If name changed during year) N/A		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 280 Melrose Street Providence, RI 02907		
05 Name of Contact Person Sumeet Sikka	06 Title of Contact Person Director of External Reporting	
07 Address of Contact Person (Street, City, State, Zip Code) One Metrotech Center Brooklyn, NY 11201		
08 Telephone of Contact Person, including Area Code (718) 403-2414	09 This Report Is <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr)
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.		
11 Name David H. Campbell	12 Title Vice-President	
13 Signature 	14 Date Signed 	
Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012	Year of Report June 30, 2012
LIST OF SCHEDULES (Natural Gas Company)				
Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS				
1	General Information			
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Retained Earnings for the Year	118-119		
9	Statements of Cash Flows	120-121		
10	Notes to Financial Statements	122		
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)				
11	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
12	Gas Plant in Service	204-209		
13	Gas Property and Capacity Leased from Others	212		
14	Gas Property and Capacity Leased to Others	213		
15	Gas Plant Held for Future Use	214		
16	Construction Work in Progress -- Gas	216		
17	General Description of Construction Overhead Procedure	218		
18	Accumulated Provision for Depreciation of Gas Utility Plant	219		
19	Gas Stored	220		
20	Investments	222-223		
21	Investments in Subsidiary Companies	224-225		
22	Prepayments	230		
23	Extraordinary Property Losses	230		
24	Unrecovered Plant and Regulatory Study Costs	230		
25	Other Regulatory Assets	232		
26	Miscellaneous Deferred Debits	233		
27	Accumulated Deferred Income Taxes	234-235		
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)				
28	Capital Stock	250-251		
29	Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock	252		
30	Other Paid-in Capital	253		
31	Discount on Capital Stock	254		
32	Capital Stock Expense	254		
33	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
34	Long-Term Debt	256-257		
35	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		
36	Unamortized Loss and Gain on Reacquired Debt	260		
37	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
LIST OF SCHEDULES (Natural Gas Company) (Continued)				
Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)				
38	Taxes Accrued, Prepaid and Charged During the Year	262-263		
39	Miscellaneous Current and Accrued Liabilities	268		
40	Other Deferred Credits	269		
41	Accumulated Deferred Income Taxes-Other Property	274-275		
42	Accumulated Deferred Income Taxes-Other	276-277		
43	Other Regulatory Liabilities	278		
INCOME ACCOUNT SUPPORTING SCHEDULES				
44	Gas Operating Revenues	300-301		
45	Revenue from Transportation of Gas of Others Through Gathering Facilities	302-303		
46	Revenue from Transportation of Gas of Others Through Transmission Facilities	304-305		
47	Revenue from Storage Gas of Others	306-307		
48	Other Gas Revenues	308		
49	Gas Operation and Maintenance Expenses	317-325		
50	Exchange and Imbalance Transactions	328		
51	Gas Used in utility Operations	331		
52	Transmission and Compression of Gas by Others	332		
53	Other Gas Supply Expenses	334		
54	Miscellaneous General Expenses-Gas	335		
55	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
56	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
COMMON SECTION				
57	Regulatory Commission Expenses	350-351		
58	Distribution of Salaries and Wages	354-355		
59	Charges for Outside Professional and Other Consultative Services	357		
GAS PLANT STATISTICAL DATA				
60	Compressor Stations	508-509		
61	Gas Storage Projects	512-513		
62	Transmission Lines	514		
63	Transmission System Peak Deliveries	518		
64	Auxiliary Peaking Facilities	519		
65	Gas Account-Natural Gas	520		
66	System Map	522		
67	Footnote Reference	551		
68	Footnote Text	552		
69	Stockholders' Reports (check appropriate box)	-		
70	<input checked="" type="checkbox"/> Four copies will be submitted.			
71	<input type="checkbox"/> No annual report to stock holders is prepared.			

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[Next page is 101]

Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>Bradley B. White, Vice-President One Metrotech Center Brooklyn, NY 11201</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p>On August 23, 2006, National Grid completed its acquisition of the RI regulated gas assets of Southern Union Company and is operating those assets as a regulated gas division.</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>N/A</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>State of Rhode Island: Natural Gas</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements as an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes...Enter the date when such independent accountant was initially engaged:_____.</p> <p>(2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
CORPORATIONS CONTROLLED BY RESPONDENT					
<p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.</p>					
DEFINITIONS					
<p>1. \S National Grid</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p>					
Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Ref. (e)
1	N/A				
2					
3					
4					
5					
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11					
12					
13					
14					
15					
16					

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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report June 30, 2012	
SECURITY HOLDERS AND VOTING POWERS							
<p>1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of the trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.</p> <p>3. If any class or issue of security has any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method, explain briefly in a footnote.</p> <p>4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.</p>							
<p>1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:</p> <p>Stock book not closed</p>				<p>2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.</p> <p>Total: By proxy:</p>		<p>3. Give the date and place of such meeting:</p>	
VOTING SECURITIES							
Line No.		Name (Title) and Address of Security Holder (a)	4. Number of votes as of (date): November 14, 2001				
			Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)	
5	N/A						
6							
7							
8							
9							
10							
11							
12							
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)
1	UTILITY PLANT			
2	Utility Plant (101-106,114)	200-201	946,487,579	894,940,507
3	Construction Work in Progress (107)	200-201	55,909,131	45,718,640
4	TOTAL Utility Plant (Total of Lines 2 and 3)	200-201	1,002,396,710	940,659,147
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		313,391,340	305,632,291
6	Net Utility Plant (Total of line 4 less 5)		689,005,370	635,026,856
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)			
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)			
9	Nuclear Fuel (Total of line 7 less 8)			
10	Net Utility Plant (Total of Lines 6 and 9)		689,005,370	635,026,856
11	Utility Plant Adjustments (116)	122		
12	Gas Stored - Base Gas (117.1)	220		
13	System Balancing Gas (117.2)	220		
14	Gas Stored in Reservoirs and Pipelines - Noncurrent (117.3)	220		
15	Gas Owned to System Gas (117.4)	220		
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)			
18	(Less) Accum. Provision for Depreciation and Amortization (122)			
19	Investments in Associated Companies (123)	222-223		
20	Investments in Subsidiary Companies (123.1)	224-225		
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances			
23	Other Investments (124)	222-223	57,495	57,495
24	Special Funds (125 thru 128)			
25	TOTAL Other Property and Investments (Total of lines 17-20, 22-24)		57,495	57,495
26	CURRENT AND ACCRUED ASSETS			
27	Cash (131)		604,335	4,928,080
28	Special Deposits (132-134)		26,341,090	28,275,802
29	Working Funds (135)		500	500
30	Temporary Cash Investments (136)	222-223		
31	Notes Receivable (141)			
32	Customer Accounts Receivable (142)		61,363,887	59,840,629
33	Other Accounts Receivable (143)		6,200,729	6,843,279
34	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		21,996,044	22,234,169
35	Notes Receivable from Associated Companies (145)			
36	Accounts Receivable from Associated Companies (146)		111,635,622	103,461,905
37	Fuel Stock (151)			
38	Fuel Stock Expenses Undistributed (152)			
39	Residuals (Elec) and Extracted Products (Gas) (153)			
40	Plant Materials and Operating Supplies (154)		2,716,989	2,922,860
41	Merchandise (155)			
42	Other Materials and Supplies (156)			
43	Nuclear Materials Held for Sale (157)			

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)					
Line No.	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)	
44	Allowances (158.1 and 158.2)				
45	(Less) Noncurrent Portion of Allowances				
46	Stores Expense Undistributed (163)		(3,731)	34,580	
47	Gas Stored Underground - Current (164.1)	220	15,668,503	14,732,691	
48	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	3,738,318	4,975,591	
49	Prepayments (165)	230			
50	Advances for Gas (166 thru 167)				
51	Interest and Dividends Receivable (171)		(69,153)	-	
52	Rents Receivable (172)		4,361	6,111	
53	Accrued Utility Revenues (173)		4,225,632	4,435,571	
54	Miscellaneous Current and Accrued Assets (174)		146,589	352,505	
55	Derivative Instruments Assets - Hedges (176)		1,203,543	141,675	
56	TOTAL Current and Accrued Assets (Total of lines 27 thru 55)		211,781,170	208,717,610	
57	DEFERRED DEBITS				
58	Unamortized Debt Expense (181)		207,061	229,986	
59	Extraordinary Property Losses (182.1)	230			
60	Unrecovered Plant and Regulatory Study Costs (182.2)	230			
61	Other Regulatory Assets (182.3)	232	188,138,604	158,669,864	
62	Preliminary Survey and Investigation Charges (Electric) (183)				
63	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)		81,724	57,914	
64	Clearing Accounts (184)		615,528	(352,778)	
65	Temporary Facilities (185)				
66	Miscellaneous Deferred Debits (186)	233	532,853	152,250	
67	Deferred Losses from Disposition of Utility Plant (187)				
68	Research, Development, and Demonstration Expend. (188)				
69	Unamortized Loss on Reaquired Debt (189)				
70	Accumulated Deferred Income Taxes (190)	234-235	52,039,781	45,352,554	
71	Unrecovered Purchase Gas Costs (191)				
72	TOTAL Deferred Debits (Total of lines 58 thru 71)		241,615,551	204,109,790	
73	TOTAL Assets and Other Debits (Total of lines 10-15,25,56,and 72)		1,142,459,586	1,047,911,751	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251		
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid-In Capital (208-211)	253		
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 215.1, 216)	118-119	40,798,541	26,121,234
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119		
13	(Less) Reaquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (219)		2,614,432	2,614,432
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		43,412,973	28,735,666
16	LONG TERM DEBT			
17	Bonds (221)	256-257	54,339,000	55,714,000
18	(Less) Reacquired Bonds (222)	256-257		
19	Advances from Associated Companies (223)	256-257		
20	Other Long-Term Debt (224)	256-257		
21	Unamortized Premium on Long-Term Debt (225)	258-259		
22	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	258-259		
23	(Less) Current Portion of Long-Term Debt			
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		54,339,000	55,714,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)			
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		850,387	507,661
29	Accumulated Provision for Pensions and Benefits (228.3)			
30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
31	Asset Retirement Obligations (230)		2,836,146	3,045,130
32	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 31)		3,686,533	3,552,791

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued)				
Line No.	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)
33	CURRENT AND ACCRUED LIABILITIES			
34	Current Portion of Long-Term Debt			
35	Notes Payable (231)			
36	Accounts Payable (232)		16,498,129	20,645,489
37	Notes Payable to Associated Companies (233)		493,138,390	493,138,390
38	Accounts Payable to Associated Companies (234)		258,383,487	188,820,218
39	Customer Deposits (235)		4,718,154	4,574,889
40	Taxes Accrued (236)	262-263	(42,553,178)	(35,867,156)
41	Interest Accrued (237)		795,362	1,543,152
42	Dividends Declared (238)			
43	Matured Long-Term Debt (239)			
44	Matured Interest (240)			
45	Tax Collections Payable (241)		916,483	725,531
46	Miscellaneous Current and Accrued Liabilities (242)	268	33,224,930	39,967,044
47	Obligations Under Capital Leases-Current (243)			
48	TOTAL Current and Accrued Liabilities (Total of lines 34 thru 47)		765,121,757	713,547,557
49	DEFERRED CREDITS			
50	Customer Advances for Construction (252)		5,586,650	5,212,623
51	Accumulated Deferred Investment Tax Credits (255)			
52	Deferred Gains from Disposition of Utility Plant (256)			
53	Other Deferred Credits (253)	269	112,236,092	116,500,146
54	Other Regulatory Liabilities (254)	278	9,789,194	11,180,555
55	Unamortized Gain on Reacquired Debt (257)	260		
55.1	Contributions in aid of Construction (271)			
56	Accumulated Deferred Income Taxes (281-283)	276-277	148,287,387	113,468,413
57	Operating Reserves			
58	TOTAL Deferred Credits (Total of lines 50 thru 57)		275,899,323	246,361,737
59	TOTAL Liabilities and Other Credits (Total of lines 15, 24,32,48, and 58)		1,142,459,586	1,047,911,751

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
STATEMENT OF INCOME FOR THE YEAR				
1. Report amounts for accounts 412 and 413, <i>Revenue and Expenses from Utility Plant Leased to Others</i> , in another utility column (i,j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.		2. Report amounts in discount 414, <i>Other Utility Operating Income</i> , in the same manner as accounts 412 and 413 above. 3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.		
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)
1	UTILITY OPERATING INCOME			
2	Gas Operating Revenues (400)	300-301	390,944,127	467,966,543
3	Operating Expenses			
4	Operation Expenses (401)	317-325	296,094,111	391,789,068
5	Maintenance Expenses (402)	317-325	16,689,893	14,692,154
6	Depreciation Expense (403)	336-338	22,726,424	19,962,347
7	Amortization & Depletion of Utility Plant (404-405)	336-338	2,060,580	2,408,545
8	Amortization of Utility Plant Acu. Adjustment (406)	336-338		
9	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)			
10	Amortization of Conversion Expenses (407.2)			
11	Regulatory Debits (407.3)		1,978,507	1,993,277
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263	25,658,051	24,389,406
14	Income Taxes -- Federal (409.1)	262-263	(20,124,580)	(13,533,718)
15	Income Taxes -- Other (409.1)	262-263		
16	Provision of Deferred Income Taxes (410.1)	234-235	41,602,692	20,298,071
17	(Less) Provision for Deferred Income Taxes -- Credit (411.1)	234-235	13,922,938	5,734,510
18	Investment Tax Credit Adjustment -- Net (411.4)			
19	(Less) Gains from Disposition of Utility Plant (411.6)			
20	Losses from Disposition of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	Income from Utility Plant leased to others			
24	TOTAL Utility Operating Expenses (Total of lines 4 thru 22)		372,762,740	456,264,640
25	Net Utility Operating Income (Total of lines 2 less 23) (Carry forward to page 116, line 25)		18,181,387	11,701,903

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report June 30, 2012	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
4. Explain in a footnote if the previous year's figures are different from those reported in prior reports.				5. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.			
ELEC UTILITY		GAS UTILITY		OTHER UTILITY			
Current Year (in dollars) (e)	Previous Year (in dollars) (f)	Current Year (in dollars) (g)	Previous Year (in dollars) (h)	Current Year (in dollars) (i)	Previous Year (in dollars) (j)	Line No.	
						1	
		390,944,127	467,966,543			2	
						3	
		296,094,111	391,789,068			4	
		16,689,893	14,692,154			5	
		22,726,424	19,962,347			6	
		2,060,580	2,408,545			7	
						8	
						9	
						10	
		1,978,507	1,993,277			11	
						12	
		25,658,051	24,389,406			13	
		(20,124,580)	(13,533,718)			14	
		-				15	
		41,602,692	20,298,071			16	
		13,922,938	5,734,510			17	
						18	
						19	
						20	
						21	
						22	
						23	
		372,762,740	456,264,640			24	
		18,181,387	11,701,903			25	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
STATEMENT OF INCOME FOR THE YEAR (Continued)				
Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)
25	Net Utility Operating Income (Carried forward from page 114)		18,181,387	11,701,903
26	OTHER INCOME AND DEDUCTIONS			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing, and Contract Work (415)			
30	(Less) Costs and Expense of Merchandising, Job & Contract Work			
31	Revenues From Nonutility Operations (417)		118	(36,363)
32	(Less) Expenses of Nonutility Operations (417.1)		809,040	635,332
33	Nonoperating Rental Income			
34	Equity in Earnings of Subsidiary Companies (418.1)	119		
35	Interest and Dividend Income (419)		1,279,912	1,750,187
36	Allowance for Other Funds Used During Construction (419.1)		1,111,484	821,663
37	Miscellaneous Nonoperating Income (421)		33,302	101,099
38	Gain on Disposition of Property (421.1)			
39	TOTAL Other Income (Total of lines 29 thru 38)		1,615,776	2,001,254
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)			
42	Miscellaneous Amortization (425)	340		
43	Miscellaneous Income Deduction (426.1-426.5)	340	(185,543)	512,102
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)		(185,543)	512,102
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (406.2)	262-263		
47	Income Taxes -- Federal (409.2)	262-263	(504,785)	(986,190)
48	Income Taxes -- Other (409.2)	262-263		
49	Provision for Deferred Income Taxes (410.2)	234-235	278,988	278,404
50	(Less) Provision for Deferred Income Taxes -- Credit (411.2)	234-235		
51	Investment Tax Credit Adjustments -- Net (411.5)			
52	(Less) Investment Tax Credits (420)			
53	TOTAL Taxes on Other Income and Deductions (Total of lines 46 - 52)		(225,797)	(707,786)
54	Net Other Income and Deductions (Total of lines 39, 44, 53)		1,204,436	1,805,570
55	INTEREST CHARGES			
56	Interest on Long-Term Debt (427)		4,418,101	4,498,210
57	Amortization of Debt Disc. and Expense (428)	258-259	22,925	22,925
58	Amortization of Loss on Reacquired Debt (428.1)			
59	(Less) Amortization of Premium on Debt-Credit (429)	258-259		
60	(Less) Amortization of Gain on Reacquired Debit-Credit (429.1)			
61	Interest on Debt to Associated Companies (430)	340		
62	Other Interest Expense (431)	340	435,345	481,342
63	(Less) Allowance for Borrowed Funds Used During Construction-Credit		167,855	157,047
64	Net Interest Charges (Total of lines 56 thru 63)		4,708,516	4,845,430
65	Income Before Extraordinary Items (Total of lines 25, 54, and 64)		14,677,307	8,662,043
66	EXTRAORDINARY ITEMS			
67	Extraordinary Income (434)			
68	(Less) Extraordinary Deductions (435)			
69	Net Extraordinary Items (Total of line 67 less line 68)			
70	Income Taxes -- Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes (Total of line 69 less line 70)			
72	Net Income (Total of lines 65 and 71)		14,677,307	8,662,043

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
STATEMENT OF RETAINED EARNINGS FOR THE YEAR				
<p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 Inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first account 439, <i>Adjustments to Retained Earnings</i>, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items.</p>				
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Year Amount (in dollars) (c)	Previous Year Amount (in dollars) (d)
UNAPPROPRIATED RETAINED EARNINGS				
1	Balance -- Beginning of Year		26,121,234	17,459,191
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
3.01				
3.02			-	-
3.03				
3.04				
3.05				
4	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 3.01 thru 3.05)		-	-
4.01				
4.02				
4.03				
4.04				
4.05				
5	TOTAL Debits to Retained Earnings (Account 439) (Enter total of lines 4.01 thru 4.05)		-	-
6	Balance Transferred from Income (Account 433 less Account 418.1)		14,677,307	8,662,043
7	Appropriations of Retained Earnings (Account 436)			
7.01				
7.02				
7.03				
7.04				
8	TOTAL Appropriations of Retained Earnings (Account 436) (Total of lines 7.01 thru 7.04)			
9	Dividends Declared -- Preferred Stock (Account 437)			
9.01				
9.02				
9.03				
9.04				
10	TOTAL Dividends Declared -- Preferred Stock (Account 437) (Total of lines 9.01 thru 9.04)			
11	Dividends Declared -- Common Stock (Account 438)			
11.01				
11.02				
11.03				
11.04				
12	TOTAL Dividends Declared -- Common Stock (Account 438) (Total of lines 11.01 thru 11.04)		-	-
13	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance -- End of Year (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		40,798,541	26,121,234

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
STATEMENT OF RETAINED EARNINGS FOR THE YEAR				
6. Show separately the State and Federal income tax effect of items shown in Account 439, <i>Adjustment to Retained Earnings</i> .		7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent; state the number and annual amounts to be reserved or appropriate as well as the totals eventually to be accumulated. 8. At lines 3, 4, 7, 9, 11, and 15, add rows as necessary to report follow in sequence, e.g., 3.01, 3.02, etc.		
Line No.	Item (a)	Current Year Amount (in dollars) (b)	Previous Year Amount (in dollars) (c)	
APPROPRIATED RETAINED EARNINGS (Account 215)				
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.				
15.01 15.02 15.03 15.04 15.05 15.06 15.07 15.08				
16	TOTAL Appropriated Retained Earnings (Account 215)			
APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)				
State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.				
17	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
18	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines 16 and 17)			
19	TOTAL Retained Earnings (Account 215, 215.1, 216) (Total of lines 14 and 18)	40,798,541	26,121,234	
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)				
20	Balance -- Beginning of Year (Debit or Credit)			
21	Equity in Earnings for Year (Credit) (Account 418.1)			
22	(Less) Dividends Received (Debit)			
23	Other Changes (Explain)			
24	Balance - End of Year			

Name of Respondent National Grid		This Report Is: (1) <u>X</u> An Original (2) <u> </u> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012
PART VI: STATEMENT OF CASH FLOWS			
Line No.	Description (See Instructions for Explanation of Codes) (a)	Current Year to Date (b)	Previous Year to Date (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 63(b) on page 8)	14,677,307	8,662,043
3	Noncash Charges (Credits) to Income:		
4	Depreciation, depletion and amortization	24,787,004	22,370,892
5	Amortization of Regulatory Debits	1,978,507	1,993,277
6	Amortization of Debt Discount and Expense	22,925	22,925
7			
8	Deferred Income Taxes (Net)	27,958,742	14,841,965
9	Investment Tax Credit Adjustments (Net)		
10	Net (Increase) Decrease in Receivables	(9,011,708)	26,751,949
11	Net (Increase) Decrease in Inventory	545,643	5,846,035
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	50,169,616	(25,239,755)
14	Net (Increase) Decrease in Other Regulatory Assets	(37,425,546)	15,466,800
15	Net Increase (Decrease) in Other Regulatory Liabilities	1,920,245	(12,581,730)
16	(Less) Allowance for Other Funds Used During Construction	1,111,484	821,663
17	Contributions and Advances from Assoc. and Subsidiary Companies		
18	Other, Net	1,527,672	(717,067)
19	Accumulated provision for injuries and damages	342,726	(139,179)
20			
21			
22			
23			
24	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 23)	76,381,649	56,456,492
25			
26	Cash Flows from Investment Activities:		
27	Construction and Acquisition of Plant (including land):		
28	Gross Additions to Utility Plant (less nuclear fuel)	(77,903,667)	(68,120,379)
29	Gross Additions to Nuclear Fuel		
30	Gross Additions to Common Utility Plant		
31	Gross Additions to Nonutility Plant		
32	(Less) Allowance for Other Funds Used During Construction	(1,111,484)	(821,663)
33	Other: Plant Retirement Costs Net Of Salvage	(4,472,923)	(4,284,163)
34			
35			
36	Cash Outflows for Plant (Total of lines 28 thru 35)	(81,265,106)	(71,582,879)
37			
38	Acquisition of Other Noncurrent Assets (d)		
39	Proceeds from Disposal of Noncurrent Assets (d)		
40	Acquisition of NE Gas Distribution Assets		
41	Proceeds from Sale of Fixed Assets		
42	Investments in and Advances to Assoc. and Subsidiary Companies		
43	Contributions and Advances from Assoc. and Subsidiary Companies		
44	Disposition of Investments in (and Advances to)		
45	Associated and Subsidiary Companies		
46			
47	Purchase of Investment Securities (a)		
48	Proceeds from Sales of Investment Securities (a)		
1	Loans Made or Purchased		
2	Collections on Loans		

Name of Respondent National Grid		This Report Is: (1) <u>X</u> An Original (2) <u> </u> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report June 30, 2012
PART VI: STATEMENT OF CASH FLOWS				
Line No.	Description (See Instructions for Explanation of Codes) (a)	Current Year to Date (b)	Previous Year to Date (c)	
3				
4	Net (Increase) Decrease in Receivables			
5	Net (Increase) Decrease in Inventory			
6	Net (Increase) Decrease in Allowances Held for Speculation			
7	Net Increase (Decrease) in Payables and Accrued Expenses			
8	Other investing activities (provide details in footnotes):			
9	Changes in special deposits	1,934,712	17,021,379	
10				
11	Net Cash Provided by (Used in) Investing Activities			
12	(Total of lines 36 thru 58)	(79,330,394)	(54,561,500)	
13				
14	Cash Flows from Financing Activities:			
15	Proceeds from Issuance of:			
16	Long-Term Debt (b)			
17	Preferred Stock			
18	Common Stock			
19	Capital Contribution from Parent Company (NGUSA)			
20	Other: Debt Expense			
21				
22	Net Increase in Short-Term Debt (c)			
23	Other:			
24				
25				
26	Cash Provided by Outside Sources (Total of lines 64 thru 73)			
27				
28	Payments for Retirement of:			
29	Long-Term Debt (b)	(1,375,000)	(1,375,000)	
30	Preferred Stock			
31	Common Stock			
32	Other: Return of Capital to Parent			
33				
34	Net Decrease in Short-Term Debt (c)			
35				
36	Dividends on Preferred Stock			
37	Dividends on Common Stock			
38	Net Cash Provided by (Used in) Financing Activities			
39	(Total of lines 74 thru 85)	(1,375,000)	(1,375,000)	
40				
41	Net Increase (Decrease) in Cash and Cash Equivalents			
42	(Total of lines 24, 60 and 87)	(4,323,745)	519,992	
43				
44	Cash and Cash Equivalents at Beginning of Year	4,928,580	4,408,588	
45				
46	Cash and Cash Equivalents at End of Year	604,835	4,928,580	

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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION, AND DEPLETION				
Line No.	Item (a)	Total (b)		
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	680,897,548		
4	Property Under Capital Leases	-		
5	Plant Purchased or Sold	-		
6	Completed Construction not Classified	30,531,974		
7	Experimental Plant Unclassified	-		
8	TOTAL Utility Plant (Total of lines 3 thru 7)	711,429,522		
9	Leased to Others	-		
10	Held for Future Use	-		
11	Construction Work in Progress	55,909,131		
12	Acquisition Adjustments	235,058,057		
13	TOTAL Utility Plant (Total of lines 8 thru 12)	1,002,396,710		
14	Accumulated Provision for Depreciation, Amortization, & Depletion	(313,391,340)		
15	Net Utility Plant (Total of lines 13 and 14)	689,005,370		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION, AND DEPLETION			
17	In Service:			
18	Depreciation	(302,126,743)		
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	-		
20	Amortization of Underground Storage Land and Land Rights	-		
21	Amortization of Other Utility Plant	(11,264,597)		
22	TOTAL In Service (Total of lines 18 thru 21)	(313,391,340)		
23	Leased to Others			
24	Depreciation	-		
25	Amortization and Depletion	-		
26	TOTAL Leased to Others (Total of lines 24 and 25)	-		
27	Held for Future Use			
28	Depreciation	-		
29	Amortization	-		
30	TOTAL Held for Future Use (Total of lines 28 and 29)	-		
31	Abandonment of Leases (Natural Gas)	-		
32	Amortization of Plant Acquisition Adjustment	-		
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	(313,391,340)		

Name of Respondent National Grid	This Report Is: <u>X</u> An Original <u> </u> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i>	Year Ending June 30, 2012	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION, AND DEPLETION (Continued)				
Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)	Line
				1
				2
-	680,897,548	-	-	3
-	-	-		4
-	-	-	-	5
-	30,531,974	-	-	6
-	-	-	-	7
-	711,429,522	-	-	8
-	-	-	-	9
-	-	-	-	10
-	55,909,131	-	-	11
-	235,058,057	-	-	12
-	1,002,396,710	-	-	13
-	(313,391,340)	-	-	14
-	689,005,370	-	-	15
				16
				17
-	(302,126,743)	-	-	18
	-			19
	-			20
-	(11,264,597)	-	-	21
-	(313,391,340)	-	-	22
				23
-	-	-	-	24
-	-	-	-	25
-	-	-	-	26
				27
-	-	-	-	28
-	-	-	-	29
-	-	-	-	30
	-			31
-	-	-	-	32
-	(313,391,340)	-	-	33

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending June 30, 2012
GAS PLANT IN SERVICE (ACCOUNTS 101,102,103, and 106)				
<p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, <i>Gas Plant in Service(Classified)</i>, this page and the next include Account 102, <i>Gas Plant Purchased or Sold</i>, Account 103, <i>Experimental Gas Plant Unclassified</i>, and Account 106, <i>Completed Construction Not Classified -- Gas</i>.</p> <p>3. Include in column (c) or (d), as appropriate corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).</p>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
1	INTANGIBLE PLANT			
2	301 Organization	-	-	
3	302 Franchises and Consents	213,499	-	
4	303 Miscellaneous Intangible Plant	28,484,425	14,560,043	
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	28,697,924	14,560,043	
6	PRODUCTION PLANT			
7	Natural Gas Production and Gathering Plant			
8	304 Land and Land Rights	221,334	(13,138)	
9	305 Structures and Improvements	1,252,347	228,010	
10	306 Boiler Plant Equipment	-		
11	307 Other Power Equipment	45,873		
12	311 Liquefied Petroleum Gas Equipment	1,086,294	24,123	
13	313 Generating Equipment- Other Processes	-		
14	320 Other Equipment	385,894	(60,424)	
15	325.1 Producing Lands	-	-	
16	325.2 Producing Leaseholds	-	-	
17	325.3 Gas Rights	-	-	
18	325.4 Rights-of-Way	-	-	
19	325.5 Other Land and Land Rights	-	-	
20	326 Gas Well Structures	-	-	
21	327 Field Compressor Station Structures	-	-	
22	328 Field Measuring and Regulating Station Equipment	-	-	
23	329 Other Structures	-	-	
24	330 Producing Gas Wells -- Well Construction	-	-	
25	331 Producing Gas Wells -- Well Equipment	-	-	
26	332 Field Lines	-	-	
27	333 Field Compressor Station Equipment	-	-	
28	334 Field Measuring and Regulating Station Equipment	-	-	
29	335 Drilling and Cleaning Equipment	-	-	
30	336 Purification Equipment	-	-	
31	337 Other Equipment	-	-	
32	338 Unsuccessful Exploration and Development Costs	-	-	
33	TOTAL Production and Gathering Plant (Enter Total of lines 8 thru 25)	2,991,742	178,571	
34	PRODUCTS EXTRACTION PLANT			
35	340 Land and Land Rights	-	-	
36	341 Structures and Improvements	-	-	
37	342 Extraction and Refining Equipment	-	-	
38	343 Pipe Lines	-	-	
39	344 Extracted Products Storage Equipment	-	-	
40	345 Compressor Equipment	-	-	

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Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
<p>including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.</p> <p>6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc.,</p>		<p>and show in column (f) only the offset to the debits or credits to primary account classifications.</p> <p>7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.</p> <p>8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.</p>		
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
			213,499	3
13,699,344			29,345,124	4
13,699,344	-	-	29,558,623	5
				6
				7
			208,196	8
34,007			1,446,350	9
			-	10
			45,873	11
28,882			1,081,535	12
			-	13
			325,470	14
			-	15
			-	16
			-	17
			-	18
			-	19
			-	20
			-	21
			-	22
			-	23
			-	24
			-	25
			-	26
			-	27
			-	28
			-	29
			-	30
			-	31
			-	32
62,889			3,107,424	33
				34
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS PLANT IN SERVICE (Accounts 101,102,103, and 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
34	346 Gas Measuring and Regulating Equipment	-	-	
35	347 Other Equipment	-	-	
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	-	-	
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)	-	-	
38	Manufactured Gas Production Plant (<i>Submit Supplementary Statement</i>)	-	-	
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	-	-	
40	NATURAL GAS STORAGE AND PROCESSING PLANT			
41	Underground Storage Plant			
42	350.1 Land	-	-	
43	350.2 Rights-of-Way	-	-	
44	351 Structures and Improvements	-	-	
45	352 Wells	-	-	
46	352.1 Storage Leaseholds and Rights	-	-	
47	352.2 Reservoirs	-	-	
48	352.3 Non-recoverable Natural Gas	-	-	
49	353 Lines	-	-	
50	354 Compressor Station Equipment	-	-	
51	355 Measuring and Regulating Equipment	-	-	
52	356 Purification Equipment	-	-	
53	357 Other Equipment	-	-	
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	-	-	
55	Other Storage Plant			
56	360 Land and Land Rights	249,472	-	
57	361 Structures and Improvements	3,200,312	(53,071)	
58	362 Gas Holders	5,559,514	(19,578)	
59	363 Purification Equipment	9,085,227	570,392	
60	363.1 Liquefaction Equipment	-	-	
61	363.2 Vaporizing Equipment	-	-	
62	363.3 Compressor Equipment	-	-	
63	363.4 Measuring and Regulating Equipment	-	-	
64	363.5 Other Equipment	-	-	
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	18,094,525	497,743	
66	Base Load Liquefied Natural Gas Terminating and Processing Plant			
67	364.1 Land and Land Rights	-	-	
68	364.2 Structures and Improvements	-	-	
69	364.3 LNG Processing Terminal Equipment	-	-	
70	364.4 LNG Transportation Equipment	-	-	
71	364.5 Measuring and Regulating Equipment	-	-	
72	364.6 Compressor Station Equipment	-	-	
73	364.7 Communications Equipment	-	-	
74	364.8 Other Equipment	-	-	
75	TOTAL Base Load Liquefied Nat'l Gas, Terminating and Processing Plant (lines 67-74)	-	-	
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	18,094,525	497,743	
77	TRANSMISSION PLANT			
78	365.1 Land and Land Rights	-	-	
79	365.2 Rights-of-Way	-	-	
80	366 Structures and Improvements	-	-	

Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				34
				35
				36
				37
				38
				39
				40
				41
				42
				43
				44
				45
				46
				47
				48
				49
				50
				51
				52
				53
				54
				55
			249,472	56
			3,147,241	57
			5,539,936	58
-			9,655,619	59
			-	60
			-	61
			-	62
			-	63
			-	64
-		-	18,592,268	65
				66
				67
				68
				69
				70
				71
				72
				73
				74
				75
-		-	18,592,268	76
				77
				78
				79
				80

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS PLANT IN SERVICE (ACCOUNTS 101,102,103, and 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
81	367 Mains	-	-	
82	368 Compressor Station Equipment	-	-	
83	369 Measuring and Regulating Station Equipment	-	-	
84	370 Communication Equipment	-	-	
85	371 Other Equipment	-	-	
86	TOTAL Transmission Plant (Enter Total of lines 78 thru 85)	-	-	
87	DISTRIBUTION PLANT			
88	374 Land and Land Rights	768,799	21,733	
89	375 Structures and Improvements	8,357,767	105,258	
90	376 Mains	287,303,727	27,194,638	
91	377 Compressor Station Equipment	248,656	-	
92	378 Measuring and Regulating Station Equipment-General	4,564,278	(113,153)	
93	379 Measuring and Regulating Station Equipment-City Gate	7,256,404	55,254	
94	380 Services	180,526,749	19,303,531	
95	381 Meters	49,045,681	4,338,620	
96	382 Meter Installations	50,025,046	1,377	
97	383 House Regulators	469,616	-	
98	384 House Regulator Installations	614,691	22,045	
99	385 Industrial Measuring and Regulating Station Equipment	317,555	-	
100	386 Other Property on Customers' Premises	381,896	-	
101	387 Other Equipment	534,429	-	
102	TOTAL Distribution Plant (Enter Total of lines 88 thru 101)	590,415,293	50,929,303	
103	GENERAL PLANT			
104	389 Land and Land Rights	285,357	-	
105	390 Structures and Improvements	326,917	3,429,492	
106	391 Office Furniture and Equipment	7,692,254	360,242	
107	392 Transportation Equipment	2,106,980	-	
108	393 Stores Equipment	56,255	-	
109	394 Tools, Shop, and Garage Equipment	2,511,400	124,209	
110	395 Laboratory Equipment	338,873	-	
111	396 Power Operated Equipment	-	-	
112	397 Communication Equipment	3,040,369	(157,219)	
113	398 Miscellaneous Equipment	2,818,561	381,943	
114	Subtotal (Enter Total of lines 104 thru 113)	19,176,966	4,138,667	
115	399 Other Tangible Property	-	-	
116	399.1 Asset Retirement Costs for General Plant	506,000	-	
117	TOTAL General Plant (Enter Total of lines 114 and 115)	19,682,966	4,138,667	
118	TOTAL (Accounts 101 and 106)	659,882,450	70,304,327	
119	Gas Plant Purchased (See Instruction 8)			
120	(Less) Gas Plant Sold (See Instruction 8)			
121	Experimental Gas Plant Unclassified			
122	TOTAL Gas Plant in Service (Enter Total of lines 117 thru 120)	659,882,450	70,304,327	

Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
GAS PLANT IN SERVICE (ACCOUNTS 101,102,103, and 106) (Continued)				
Retirements	Adjustments	Transfer	Balance at End of Year (g)	Line No.
				81
				82
				83
				84
				85
				86
				87
			790,532	88
			8,463,024	89
2,111,600		569,408	312,956,173	90
			248,656	91
1,196			4,449,929	92
499			7,311,159	93
1,894,242		(569,408)	197,366,630	94
187,563			53,196,737	95
933,093			49,093,330	96
			469,616	97
			636,736	98
			317,555	99
			381,896	100
			534,429	101
5,128,193	-	-	636,216,401	102
				103
			285,357	104
			3,756,409	105
			8,052,496	106
			2,106,980	107
			56,255	108
			2,635,609	109
			338,873	110
			-	111
			2,883,150	112
2,827			3,197,677	113
2,827			23,312,806	114
		-	-	115
-	136,000	-	642,000	116
18,893,253	136,000		23,954,806	117
	-	-	711,429,522	118 (1)
				119
				120
				121
-	-	-	711,429,522	122

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012
GAS PROPERTY AND CAPACITY LEASED FROM OTHERS					
1. Report below the information called for concerning gas property and capacity leased from others for gas operations.			2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).		
Line No.	Name of Lessor (a)	*	Description of Lease (c)	Lease Payments For Current Year (d)	
1	N/A				
2					
3					
4					
5					
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43					
44					
45	TOTAL				

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS PROPERTY AND CAPACITY LEASED TO OTHERS					
<p>1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility of leased capacity that is classified as gas plant in service, and is leased to others for gas operations.</p> <p>2. In column (d) provide the lease payments received from others.</p> <p>3. Designate associated companies with an asterick in column (b).</p>					
Line No.	Name of Lessor (a)	*	Description of Lease (c)	Lease Payments For Current Year (d)	
1	N/A				
2					
3					
4					
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6					
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42					
43					
44					
45	TOTAL			-	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS PLANT HELD FOR FUTURE USE (ACCOUNT 105)				
<p>1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.</p> <p>2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.</p>				
Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	N/A			
2				
3				
4				
5				
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44				
45	TOTAL			

Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
CONSTRUCTION WORK IN PROGRESS-GAS (ACCOUNT 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (Account 107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development,		and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$1,000,000) may be grouped.	
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1			1
2			2
3	CON030 Leak repair - schedules / Unscheduled	11,966,047	3
4	CON034 Rhode Island Gas main replace age - Rhode Island blanket	8,237,140	4
5	CON038 Rhode Island Gas Regltr stat replace - Rhode Island blanket	7,488,929	5
6	CON054 Rhode Island Gas new service install - Rhode Island blanket	5,718,500	6
7	C31892 Service replacement program	5,336,418	7
8	C42145 170 Adams Ave. - Property purchase	4,004,092	8
9	CON058 Rhode Island Gas new meter small - Rhode Island blanket	3,510,334	9
10	C39267 CI joint encapsulation	2,244,053	10
11	CON040 Rhode Island Gas replace service install - Rhode Island blanket	1,298,361	11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23
24	Minor projects (less than \$1,000,000)	6,105,257	24
25	sub-total	55,909,131	-
26			26
27			27
28			28
29	TOTAL	55,909,131	-

Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE			
1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.		2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts. 3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.	
Construction Overhead 1. Administrative and General and Engineering and Supervision: (A) Components of overhead cost are considered to be administrative salaries and expenses, employee fringe benefits and certain other general costs devoted to general planning and administration of construction program. (B) The proportion of such overhead costs charged to construction is based upon an analysis made annually. (C) The applicable monthly construction overhead is recorded in a clearing account and then capitalized to construction as a percent of direct costs to construction exclusive of overhead previously allocated. (D) Overhead costs are spread equitably to all construction except certain specific work orders which may be exempted based upon circumstances of construction. (E) Certain specific jobs may be exempted as company personnel may be directly assigned for the project. In those cases, all salaries and expenses are charged direct. (F) Overhead charges are indirectly assigned except for those projects described in (E). 2. Allowance for Funds Used During Construction: (A) AFUDC is charged to all classes of property for those specific jobs requiring more than 30 days to complete except those for purchases of equipment which are available for service upon request. (B) AFUDC is compounded monthly. (C) AFUDC is computed during the period of physical construction and terminates at inservice. (D) Allowance for Funds Rate is calculated in accordance with Order No. 561.			
COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES			
For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.			
1. Components of Formula (Derived from actual book balances and actual cost rates):			
Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
(1) Average Short-Term Debt	S		
(2) Short-Term Interest		0.00%	s 0.17%
(3) Long-Term Debt	D	51.03%	d 5.40%
(4) Preferred Stock	P	0.21%	p 4.50%
(5) Common Equity	C	48.76%	c 10.15%
(6) Total Capitalization		100%	
(7) Average Construction Work in Progress Balance	W		
2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D + P + C))(1-(S/W))]$ 3.29%			
3. Rate for Other Funds $[1-(S/W)][p(P/(D + P + C)) + c(C/D + P + C)]$			
4. Weighted Average Rate Actually Used for the Year: a. Rate for Borrowed Funds - b. Rate for Other Funds -			

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ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)					
1. Explain in a footnote any important adjustments during year. 2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property. 3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a		significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications. 4. Show separately interest credits under a sinking fund or similar method of depreciation accounting. 5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g. 7.01, 7.02, etc.			
Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
Section A. BALANCE AND CHANGES DURING YEAR					
1	Balance Beginning of Year	286,386,510	286,386,510	-	-
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	22,726,424	22,726,424	-	-
4	(413) Expense of Gas Plant Leased to Others				-
5	Transportation Expenses - Clearing	-			
6	Other Clearing Accounts	-	-	-	-
7	Other (Specify): <i>New England Division beg.bal.</i>			-	-
7.01	Reclass of conversion balances	-		-	-
8	TOTAL Deprec. Prov. for Year	22,726,424	22,726,424	-	-
9	Net Charges for Plant Retired:				
10	Book Cost of Plant Retired	(4,306,782)	(4,306,782)	-	-
11	Cost of Removal	(2,679,409)	(2,679,409)	-	-
12	Salvage (Credit)	-	-	-	-
13	TOTAL Net Chrgs for Plant Ret. (Total of lines 10 thru 12)	(6,986,191)	(6,986,191)	-	-
14	Other Debit or Credit Items (Describe): Net Environmental Remediation	-	-	-	-
14.01a	Contributions	-	-	-	-
14.01b	Cost of Removal - Environmental net of accrual	-	-	-	-
14.02	Transfers	-	-	-	-
14.03	Transfer of accumulated Reserve	-	-	-	-
14.04	Prior period adjustments	-	-	-	-
14.05	Out of period adjustment	-	-	-	-
15	Balance End of Year	302,126,743	302,126,743	-	-
Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS					
16	Production-Manufactured Gas	2,996,730	2,996,730	-	-
17	Production and Gathering- Natural Gas	-	-	-	-
18	Products Extraction- Natural Gas	-	-	-	-
19	Underground Gas Storage	-	-	-	-
20	Other Storage Plant	11,381,373	11,381,373	-	-
21	Base Load LNG Terminaling and Processing Plant	-	-	-	-
22	Transmission	-	-	-	-
23	Distribution	276,568,334	276,568,334	-	-
24	General	11,180,306	11,180,306	-	-
25	TOTAL (Total of lines 16 thru 24)	302,126,743	302,126,743	-	-

Name of Respondent National Grid				This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission			Date of Report (Mo, Da, Yr)		Year Ending June 30, 2012	
GAS STORED (ACCOUNTS 117.1, 117.2, 117.3, 117.4, 164.1, 164.2 AND 164.3)										
<p>1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustment, the Dth and dollar amount of adjustment, and account charged or credited.</p> <p>2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.</p> <p>3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e. fixed assets method or inventory method).</p>										
Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	PROPANE (Account 164.3) (h)	Total (i)	
1	Balance at Beginning of Year (2)					\$ 14,732,691	\$ 4,975,591		\$ 19,708,282	
2	Gas Delivered to Storage					13,776,036	1,782,387		15,558,423	
3	Gas Withdrawn from Storage					12,784,628	3,042,093		15,826,721	
4	Other Debits or Credits					(55,596)	22,433		(33,163)	
5	Balance at End of Year					\$ 15,668,503	\$ 3,738,318		\$ 19,406,821	
6	Mcf					4,049,503	738,548		4,788,051	
7	Amount Per Mcf					\$ 3.869	\$ 5.062		\$ 4.053	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
INVESTMENTS (ACCOUNT 123, 124, AND 136)				
<p>1. Report below investments in Accounts 123, <i>Investments in Associated Companies</i>, 124, <i>Other Investments</i>, and 136, <i>Temporary Cash Investments</i>.</p> <p>2. Provide a subheading for each account and list thereunder the information called for:</p> <p>(a) Investment in Securities - List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, <i>Other Investments</i>, state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, <i>Temporary Cash Investments</i>, also may be grouped by classes.</p> <p>(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or open account.</p>				
Line No.	Description of Investment	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.)	Purchases or Additions During Year
	(a)	(b)	(c)	(d)
1				
2	30 Acres Land - Warren		57,495	0
3				
4				
5				
6	Total		57,495	-
7			-	
8				
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Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012		
INVESTMENTS (ACCOUNT 123, 124, AND 136) (Continued)					
<p>List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.</p> <p>3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.</p> <p>4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.</p>		<p>5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.</p> <p>6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).</p>			
Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)	Line No.
	0	57,495			1
		-			2
		-			3
		-			4
		-			5
-		57,495			6
					7
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
INVESTMENTS IN SUBSIDIARY COMPANIES (ACCOUNT 123.1)					
<p>1. Report below investments in Accounts 123.1, <i>Investments In Subsidiary Companies</i>.</p> <p>2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g), and (h).</p> <p>(a) Investment In Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.</p> <p>(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.</p> <p>3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.</p>					
Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	
1	N/A				
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3					
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39					
40	TOTAL Cost of Account 123.1 \$ _____			TOTAL	-

Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
INVESTMENTS IN SUBSIDIARY COMPANIES (ACCOUNT 123.1) (Continued)				
<p>4. Designate in a footnote any securities, notes, or accounts that were pledged, and state the name of pledges and purpose of the pledge.</p> <p>5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustment includible in column (f).</p> <p>8. Report on Line 40, column (a) the total cost of Account 123.1.</p>				
Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
N/A				1
				2
				3
				4
				5
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				9
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PREPAYMENTS (ACCOUNT 165)							
1. Report below the particulars (details) on each prepayment.							
Line No.	Nature of Prepayment (a)						Balance at End of Year (in dollars) (b)
1	Prepaid Insurance						-
2	Prepaid Rents						-
3	Prepaid Taxes						-
4	Prepaid Interest						-
5	Miscellaneous Prepayments						-
6	TOTAL						-
EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)							
Line No.	Description of Extraordinary Loss [Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
7	NONE						
8							
9							
10							
11							
12							
13							
14							
15	TOTAL						
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)							
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
16	NONE						
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	TOTAL						

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012		
OTHER REGULATORY ASSETS ACCOUNTS (182.3)							
1. Reporting below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts). 2. For regulatory assets being amortized, show period of amortization in column (a).				3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes. 4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.			
Line No.	Description and Purpose of Other Regulatory Assets	Account	Balance at Beginning of Year	Debits	WRITTEN OFF DURING YEAR		Balance at End of Year
	(a)		(b)	(c)	Account Charged (d)	Amount (e)	(f)
1							
2							
3	Environmental Response Fund	182305	27,836,602	2,159,442	182	2,374,819	27,621,225
4							
5	Hazardous Waste	182327	5,593,057	1,505,971	131, 182, 405	1,271,186	5,827,842
6							
7	Asset Retirement Obligation	182343	2,539,130	2,920,269	230	1,362,853	4,096,546
8							
9	Year 2000	182348	1,402,422	-	405	373,979	1,028,443
10							
11	NEG & Keyspan Costs to Achieve	182365	7,070,132	703,462	407	1,735,758	6,037,836
12							
13	Gas Futures - Gas Supply	182370	28,965,551	195,440,650	804	189,237,636	35,168,565
14							
15	Advantage System Book Value	182383	-	3,881,300	407	294,037	3,587,263
16							
17	Pension / Financial Accounting Standard # 158	182458	33,452,792	20,047,377	190, 253, 283	2,834,669	50,665,500
18							
19	PBOP / Financial Accounting Standard # 158	182459	10,394,791	2,040,470	190, 253, 283	10,961,910	1,473,351
20							
21	Pension / Financial Accounting Standard # 106	182550	36,593,666	-	926	5,854,992	30,738,674
22							
23	PBOP Expense Deferred	182561	1,602,755	1,446,288	926	2,100,654	948,389
24							
25	Pension Expense Deferred	182562	2,719,293	4,342,579	926	2,179,873	4,881,999
26							
27	Revenue Decoupling Mechanism	182573	-	20,246,207	495	5,264,064	14,982,143
28							
29	Rate Mitigation	182369	149,827	-	407	149,827	-
30							
31	Deferred Financial Accounting Standard # 109 Expense	182302	349,846	1,462,071	282, 283	731,089	1,080,828
32							
33							
34							
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36							
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43							
44	TOTAL		158,669,864	256,196,086		226,727,346	188,138,604

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MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186)							
1. Report below the details called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a). 3. Minor items (less than \$250,000) may be grouped by classes.							
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits	CREDITS		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1							
2							
3	Misc Def Dr-Exp Property Sales	35,896	7,000			42,896	
4							
5	Suspense Account	10,909	177,770	Various	132,153	56,526	
6							
7	KS-Deriv gas Cont-Reg-LT	105,445	477,613	Various	149,627	433,431	
8							
9							
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41						-	
42		152,250	662,383		281,780	532,853	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending June 30, 2012
ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190)				
<p>1. Report the information called for below concerning the respondent's accounting for deferred income taxes.</p> <p>2. At Other (Specify), include deferrals relating to other income and deductions.</p> <p>3. At lines 4 and 6, add rows as necessary to report all data. Number the additional rows in sequence 4.01, 4.02, etc. and 6.01, 6.02, etc.</p>				
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190 N/A			
2	Electric			
3	Gas	45,352,554	38,740,850	45,428,077
4	Other (Define)	-		
5	Total (Total of lines 2 thru 4)	45,352,554	38,740,850	45,428,077
6	Other (Specify)			
6.01				
6.02				
7	TOTAL Account 190 (Total of lines 5 thru 6)	45,352,554	38,740,850	45,428,077
8	Classification of TOTAL			
9	Federal Income Tax	45,352,554	38,740,850	45,428,077
10	State Income Tax			
11	Local Income Tax			

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012		
ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190) (Continued)							
4. If more space is needed, use separate pages as required.			5. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under "Other".				
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct No. (g)	Amount (h)	Acct No. (i)	(j)		
							1
							2
						52,039,781	3
							4
-	-		-		-	52,039,781	5
							6
							6.01
							6.02
-	-		-		-	52,039,781	7
							8
-	-		-		-	52,039,781	9
							10
							11

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012
CAPITAL STOCK (ACCOUNTS 201 and 204)				
<p>1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.</p> <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p> <p>3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.</p>				
Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	N/A			
2				
3				
4				
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report	Year Ending June 30, 2012	
CAPITAL STOCK (ACCOUNTS 201 and 204) (Continued)						
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative. 5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.			6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.			
OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent.)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
N/A						1
						2
						3
						4
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (ACCOUNTS 202, 203, 205, 206, 207, and 212)				
<p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, <i>Common Stock Subscribed</i>, and Account 205, <i>Preferred Stock Subscribed</i>, show the subscription price and the balance due on each class at the end of year.</p> <p>3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, <i>Common Stock Liability for Conversion</i>, or Account 206, <i>Preferred Stock Liability for Conversion</i>, at the end of year.</p> <p>4. For Premium on Account 207, <i>Capital Stock</i>, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.</p>				
Line No.	Name of Account and Description of Item (a)	*	Number of Shares (c)	Amount (d)
1	N/A			
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40	TOTAL		-	-

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
OTHER PAID-IN CAPITAL (ACCOUNTS 208-211)				
<p>1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) <i>Donations Received from Stockholders</i> (Account 208) - State amount and briefly explain the origin and purpose of each donation.</p> <p>(b) <i>Reduction in Par of stated Value of Capital Stock</i> (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) <i>Gain or Resale or Cancellation of Reacquired Capital Stock</i> (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.</p> <p>(d) <i>Miscellaneous Paid-In Capital</i> (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.</p>				
Line No.	Item (a)	Amount (b)		
1	N/A			
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)				
<p>1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.</p> <p>2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.</p>				
Line No.	Class and Series of Stock (a)			Balance at End of Year (b)
1	N/A			
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15	TOTAL			
CAPITAL STOCK EXPENSE (ACCOUNT 214)				
<p>1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.</p> <p>2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.</p>				
Line No.	Class and Series of Stock (a)			Balance at End of Year (b)
16	N/A			
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28				
29	TOTAL			

Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR			
<p>1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.</p> <p>2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses, relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.</p>		<p>3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.</p> <p>5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.</p>	
N/A			

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
LONG-TERM DEBT (ACCOUNTS 221, 222, 223, and 224)				
<p>1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, <i>Bonds</i>, 222, <i>Reacquired Bonds</i>, 223, <i>Advances from Associated Companies</i>, and 224, <i>Other Long-Term Debt</i>.</p> <p>2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p>				
Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)
1	Account 221			
2	Series N - 9.63%	06/01/1990	05/30/2020	10,000,000
3	Series O - 8.46%	09/01/1992	09/30/2022	12,500,000
4	Series P - 8.09%	09/01/1992	09/20/2022	6,875,000
5	Series R - 7.50%	12/01/1995	12/15/2025	10,500,000
6	Series S - 6.82%	04/01/1998	04/01/2018	14,464,000
7				
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40	TOTAL			54,339,000

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012	
LONG-TERM DEBT (ACCOUNT 221, 222, 223 and 224) (Continued)					
<p>5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.</p> <p>6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.</p> <p>7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.</p> <p>8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, <i>Interest on Long-Term Debt</i> and Account 430, <i>Interest on Debt to Associated Companies</i>.</p> <p>9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.</p>					
INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price Per \$100 at End of Year (i)	Line No.
Rate (In %) (e)	Amount (f)	Reacquired Bonds (Account 222) (g)	Sinking and Other Funds (h)		
		-	-	-	1
		-	-	-	2
		-	-	-	3
		-	-	-	4
		-	-	-	5
		-	-	-	6
		-	-	-	7
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012	
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (ACCOUNTS 181, 225, 226)					
<p>1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.</p> <p>2. Show premium amounts by enclosing the figures in parentheses.</p> <p>3. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally</p>					
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense, Premium or Discount (c)	AMORTIZATION PERIOD	
				Date From (d)	Date To (e)
1					
2					
3	Series N - 9.63%	10,000,000	4,062	06/01/1990	05/30/2020
4	Series O - 8.46%	12,500,000	4,314	09/01/1992	09/30/2022
5	Series P - 8.09%	6,875,000	3,451	09/01/1992	09/30/2022
6	Series R - 7.50%	10,500,000	4,065	12/01/1995	12/15/2025
7	Series S - 6.82%	14,464,000	7,033	04/01/1998	04/01/2018
8					
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44	TOTAL	54,339,000	22,925		

[illegible]

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (ACCOUNTS 189, 257)						
<p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform System of Accounts.</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, <i>Amortization of Loss on Reacquired Debt</i>, or credited to Account 429.1, <i>Amortization of Gain on Reacquired Debt-Credit</i>.</p>						
Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	N/A					
2						
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Name of Respondent National Grid		This Report Is: <u> X </u> An Original <u> </u> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR				
<p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this</p> <p>page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such a manner that the total tax for each State and subdivision can readily be ascertained.</p>				
Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		
		Taxes Accrued (b)	Prepaid Taxes (c)	
1	Income Taxes			
2	Federal	(35,655,222)		
3	State	(13,275)		
4	City	-		
5	Taxes Other than Income			
6	Municipal Property Tax	3,689,456		
7	Gross Receipts Tax	(4,086,104)		
8	FUTA	(22,642)		
9	SUTA	(9,638)		
10	FICA	206,567		
11	Use Taxes	23,702		
12				
13				
14				
15				
16				
17				
18	TOTAL	(35,867,156)	-	
DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)				
Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Department Act 163,187 & 184 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	Income Taxes			
2	Federal (409151,409160)	(20,124,580)		
3	State (409121,409123)			
4	City			
5	Taxes Other than Income			
6	Payroll (408100,408110,408130)	3,113,109		
7	Ad Valorem (408140,408195)	12,284,146		
8	Gross Receipts Tax	10,260,796		
9	Other	-		(504,785)
10				
11				
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16		-		
17				
18	TOTAL	5,533,471	0	(504,785)

Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012		
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)					
<p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p>					
Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes Included in Acct. 165) (h)	
(19,619,794)	13,650,352		(41,624,664) (13,275)		1
					2
					3
					4
					5
12,284,146	(11,001,307)		4,972,295		6
10,168,945	(11,820,942)		(5,738,101)		7
33,448	(22,093)		(11,287)	-	8
166,203	(144,166)		12,399		9
2,676,151	(3,091,118)		(208,400)		10
888,967	(854,814)		57,855		11
					12
					13
					14
					15
					16
					17
6,598,066	(13,284,088)	-	(42,553,178)	-	18
DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)					
Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	Line	
					1
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCOUNT 242)				
1. Describe and report the amount of other current and accrued liabilities at the end of year. 2. Minor items (less than \$250,000) may be grouped under appropriate title.				
Line No.	Item (a)	Balance at End of Year (b)		
1	FT2 STORAGE BALANCING	1,511,008		
2	ACCRUED PAYROLL	102,350		
3	ACCRUED HEALTH CARE	374,577		
4	ACCRUED VACATIONS	1,654,500		
5	NGUSA INCENTIVE ACCRUAL	677,844		
6	DERIVATIVE INSTRUMENTS	26,389,030		
7	FINANCIAL ACCOUNTING STANDARDS # 106 RECOVERY	(1,527)		
8	ACCRUED ACCOUNTS PAYABLE	227,768		
9	ACCRUED NON-QUALIFIED PENSION	172,000		
10	DEFERRED ENERGY EFFICIENCY	4,581,799		
11	DEFERRED REVENUE GAS COSTS	(2,656,726)		
12	DEFERRED REVENUE WEATHER	787,436		
13	RECONCILIATION FACTOR	(595,129)		
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45	TOTAL	33,224,930		

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012		
OTHER DEFERRED CREDITS (ACCOUNT 253)							
1. Report below the details called for concerning other deferred credits. 2. For any deferred credits being amortized, show the period of amortization. 3. Minor items (less than \$250,000) may be grouped by classes.							
Line No.	Description of Other Deferred Credits (a)	Accounts	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
				Contra Account (c)	Amount (d)		
1	MISCELLANEOUS	253000	(1,006)	Various	165,283	315	(165,974)
2	DELAYED PROGRESSION OF WORK ORDERS	253000	718,345				718,345
3	HIGHWAY RELOCATION BILLED	253002	1,625,410	Various	936,157	1,286,683	1,975,936
4	INCENTIVE COMP	253003	12,533	Various	12,533	-	-
5	PENSION COSTS	253027	37,036,704	Various	13,965,758	22,187,592	45,258,538
6	DEMAND SIDE MANAGEMENT REBATE	253045	1,684,392	Various	44,270	552,018	2,192,140
7	HAZARDOUS WASTE	253006	26,017,579	Various	7,314,667	10,068,243	28,771,155
8	FINANCIAL ACCOUNTING STANDARDS # 106	253106	44,368,424	Various	23,556,903	5,549,342	26,360,863
9	FINANCIAL ACCOUNTING STANDARDS # 112	253112	1,405,115		-	745,952	2,151,067
10	DERIVATIVE - MARK TO MARKET	253509	2,141,941	Various	33,717,437	36,024,589	4,449,093
11	FIN48 - INTEREST PAYABLE	253480	314,267	431	84,139	118,130	348,258
12	DEFERRED INCENTIVE - PENSION	253031	(15,485)		-	25,943	10,458
13	HAZARDOUS WASTE PROVISION	253941	1,191,927	Various	1,191,927	-	0
14	SALES TAX ACCRUAL	253001	-	Various	1,628,396	1,794,609	166,213
15							
16							
17							
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42							
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44							
45							
46							
47			116,500,146		82,617,470	78,353,416	112,236,092

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012
ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (ACCOUNT 282)				
<div>1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.</div> <div>2. For Other, include deferrals relating to other income and deductions.</div>				
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282 N/A			
2	Electric			
3	Gas	64,691,668	29,178,900	
4	Other (Define)			
5	Total (Enter Total of lines 2 thru 4)	64,691,668	29,178,900	-
6	Other (Specify)			
6.01				
6.02				
7	TOTAL Account 282 (Enter Total of lines 5 thru 6)	64,691,668	29,178,900	-
8	Classification of TOTAL			
9	Federal Income Tax	64,691,668	29,178,900	-
10	State Income Tax			
11	Local Income Tax			

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012		
ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (ACCOUNT 282) (Continued)							
3. Add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, 4.01, 4.02 and 6.01, 6.02, etc. Use separate pages as required.							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct No. (g)	Amount (h)	Acct No. (i)	Amount (j)		
							1
		182	(475,138)		-	93,395,430	2
							3
							4
		182	(475,138)		-	93,395,430	5
							6
							6.01
							6.02
		182	(475,138)		-	93,395,430	7
							8
		182	(475,138)		-	93,395,430	9
							10
							11

148,287,387

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
<div>1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.</div> <div>2. For Other, include deferrals relating to other income and deductions.</div>					
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3	Gas	48,776,745	24,267,962	(17,896,906)	
4	Other (Define)				
5	Total (Total of lines 2 thru 4)	48,776,745	24,267,962	(17,896,906)	
6	Other (Specify)				
6.01					
6.02					
6.03					
6.04					
6.05					
6.06					
6.07					
6.08					
6.09					
6.10					
7	TOTAL Account 283 (Total of lines 5 thru 6)	48,776,745	24,267,962	(17,896,906)	
8	Classification of TOTAL				
9	Federal Income Tax	48,776,745	24,267,962	(17,896,906)	
10	State Income Tax				
11	Local Income Tax				

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012		
ACCUMULATED DEFERRED INCOME TAXES-OTHER (ACCOUNT 283) (Continued)							
3. Provide in a footnote explanations for pages 276 and 277. Include amounts relating to insignificant items listed under Other.			4. Add additional rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, 4.01, 4.02, and 6.01, 6.02, etc. Use separate pages as required.				
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account No. (g)	Amount (h)	Account No. (i)	(j)		
							1
							2
		182	(255,844)			54,891,957	3
						-	4
-	-	182	(255,844)		-	54,891,957	5
						-	6
					-	-	6.01
					-	-	6.02
			-			-	6.03
			-			-	6.04
			-		-	-	6.05
			-		-	-	6.06
			-			-	6.07
			-			-	6.08
			-			-	6.09
					-	-	6.10
-	-		(255,844)		-	54,891,957	7
							8
			(255,844)		-	54,891,957	9
						-	10
							11

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year Ending June 30, 2012	
OTHER REGULATORY LIABILITIES (ACCOUNT 254)							
1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).				2. For regulatory liabilities being amortized, show period of amortization in column (a). 3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.			
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Accounts	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
				Account Credited (c)	Amount (d)		
1	DEFERRED REVENUE NON-FIRM MARGIN	254034	26,816	480/431	662,662	856,602	220,756
2	EARNINGS SHARING	254105	750,000	498/804	20,702,707	21,004,039	1,051,332
3	GAS FUTURES - GAS SUPPLY	254569	227,026	182/176	1,029,784	2,398,185	1,595,427
4	CAPITAL TRACKER	254232	(373,819)	480	3,488,486	3,658,043	(204,262)
5	STORAGE DEFERRAL	254237	(3,116,664)	804	6,999,983	4,747,793	(5,368,854)
6	FINANCIAL ACCOUNTING STANDARD # 109	254000	308		-	-	308
7	GAS COSTS RESERVE	254080	13,666,888		7,129,752	5,957,351	12,494,487
8							
9							
10							
11							
12							
14							
15							
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42							
43							
44							
45	TOTAL		11,180,555		40,013,374	38,622,013	9,789,194

Name of Respondent National Grid		This Report Is: <u> X </u> An Original <u> </u> A Resubmission		Date of Report (Mo, Da, Yr)		Year Ending June 30, 2012	
GAS OPERATING REVENUES							
1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages. 2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.				3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.			
Line No.	Title of Account (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GRI and ACA			
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)		
1	480-484 Sales						
2	485 Intracompany Transfers	-	-	-	-		
3	487 Forfeited Discounts	-	-	-	-		
4	488 Miscellaneous Service Revenues	-	-	-	-		
5	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities	-	-	-	-		
6	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities	-	-	-	-		
7	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities	-	-	-	-		
8	489.4 Revenues from Storing Gas of Others	-	-	-	-		
9	490 Sales of Prod. Ext. from Natural Gas	-	-	-	-		
10	491 Revenues form Natural Gas Proc. by Others	-	-	-	-		
11	492 Incidental Gasoline and Oil Sales	-	-	-	-		
12	493 Rent from Gas Property	-	-	-	-		
13	494 Interdepartmental Rents	-	-	-	-		
14	495 Other Gas Revenues	-	-	-	-		
15	Subtotal:	-	-	-	-		
16	496 (Less) Provision for Rate Refunds	-	-	-	-		
17	TOTAL:	-	-	-	-		

Name of Respondent National Grid			This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS OPERATING REVENUES (Continued)						
4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote. 5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.				6. Report the revenues from transportation services that are bundled with storage services as transportation service revenue.		
OTHER REVENUES			TOTAL OPERATING REVENUES		MCF OF NATURAL GAS	
Line No.	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amounts for Current Year (j)	Amount for Previous Year (k)
1	348,547,862	440,182,444	348,547,862	440,182,444	20,856,778	25,522,016
2	-	-	-	-		
3			-			
4	-	(3,085)	-	(3,085)		
5						
6			-			
7	36,930,320	24,549,447	36,930,320	24,549,447	10,021,666	10,567,617
8	-	-	-	-	-	-
9	-	-	-	-		
10	-	-	-	-		
11	-	-	-	-		
12	419,663	262,750	419,663	262,750		
13			-			
14	5,046,282	2,974,987	5,046,282	2,974,987		
15	390,944,127	467,966,543	390,944,127	467,966,543		
16	-	-	-	-		
17	390,944,127	467,966,543	390,944,127	467,966,543		

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (ACCOUNT 489.1)					
1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system). 2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.					
Line No.	Rate Schedule and Zone of Receipt (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	N/A				
2					
3					
4					
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6					
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Name of Respondent National Grid		This Report Is: <u> X </u> An Original <u> </u> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (Continued)						
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e).				4. Delivered Dth of gas must not be adjusted for discounting.		
OTHER REVENUES		TOTAL OPERATING REVENUES		MCF OF NATURAL GAS		
Amount for Current Year	Amount for Previous Year	Amount for Current Year	Amount for Previous Year	Amount for Current Year	Amount for Previous Year	
(f)	(g)	(h)	(i)	(j)	(k)	
N/A						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (ACCOUNT 489.2)					
<p>1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.</p> <p>2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.</p> <p>3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).</p>					
Line No.	Zone of Delivery, Rate Schedule (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	N/A				
2					
3					
4					
5					
6					
7					
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Name of Respondent National Grid		This Report Is: <u> X </u> An Original <u> </u> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (Continued)						
4. Delivered Dth of gas must not be adjusted for discounting. 5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.						
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.						
OTHER REVENUES		TOTAL OPERATING REVENUES		MCF OF NATURAL GAS		
Amount for Current Year	Amount for Previous Year	Amount for Current Year	Amount for Previous Year	Amount for Current Year	Amount for Previous Year	
(f)	(g)	(h)	(i)	(j)	(k)	
N/A						1
						2
						3
						4
						5
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						9
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
REVENUES FROM STORING GAS OF OTHERS (ACCOUNT 489.4)					
1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total. 2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308. 3. Other Revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).					
Line No.	Rate Schedule (a)	REVENUES for Transition Cost and Take-or-Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	N/A				
2					
3					
4					
5					
6					
7					
8					
9					
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12					
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
REVENUES FROM STORING GAS OF OTHERS (ACCOUNT 489.4) (Continued)						
4. Dth of gas withdrawn from storage must not be adjusted for discounting.			5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.			
OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS		Line No.
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	
N/A						1
						2
						3
						4
						5
						6
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
OTHER GAS REVENUES (ACCOUNT 495)				
1. For transactions with annual revenues of \$250,000 or more, describe, for each transaction, commissions on sales of distributions of gas of others, compensation for minor or incidental services provided for others, penalties, profit or loss on sales of material and supplies, sales of steam, water, or electricity, miscellaneous royalties, revenues from dehydration, other processing of gas of others, and gains on settlements of imbalance receivables. Separately report revenues from cash-out penalties.				
Line No.	Description of Transaction (a)	Revenues (in dollars) (b)		
1				
2				
3	OTHER REVENUE - DISPLACEMENT REVENUE	495,374		
4	OTHER REVENUE - CELL TOWER RENTAL	42,589		
5	OTHER REVENUE	(361,388)		
6	1MM 4/10-3/11 - EXCESS SHARING	(4,135,325)		
7	OTHER REVENUE - 1MM GUARANTEE - April, 2012 @ (1,000,000)	(1,000,000)		
8	OTHER REVENUE - REVENUE DECOUPLING	10,005,032		
9				
10				
11				
12				
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22				
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24				
25	TOTAL	5,046,282		

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS OPERATION AND MAINTENANCE EXPENSES				
1. Report operation and maintenance expenses. If the amount for previous year is not derived from previously reported figures, explain in footnote. 2. Provide in footnotes the source of the index used to determine the price for gas supplied by shippers as reflected on line 74.				
Line No.	Account (a)	Amount for Current Year	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
3	Manufactured Gas Production (<i>Submit Supplemental Statement Page 317a</i>)	70,226	36,201	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation	-	-	
7	750 Operation Supervision and Engineering	-	-	
8	751 Production Maps and Records	-	-	
9	752 Gas Well Expenses	-	-	
10	753 Field Lines Expenses	-	-	
11	754 Field Compressor Station Expenses	-	-	
12	755 Field Compressor Station Fuel and Power	-	-	
13	756 Field Measuring and Regulating Station Expenses	-	-	
14	757 Purification Expenses	-	-	
15	758 Gas Well Royalties	-	-	
16	759 Other Expenses	-	-	
17	760 Rents	317	-	
18	TOTAL Operation (Total of lines 7 thru 17)	317	-	
19	Maintenance			
20	761 Maintenance Supervision and Engineering	-	-	
21	762 Maintenance of Structures and Improvements	-	-	
22	763 Maintenance of Producing Gas Wells	-	-	
23	764 Maintenance of Field Lines	-	-	
24	765 Maintenance of Field Compressor Station Equipment	-	-	
25	766 Maintenance of Field Measuring and Regulating Station Equipment	-	-	
26	767 Maintenance of Purification Equipment	-	-	
27	768 Maintenance of Drilling and Cleaning Equipment	-	-	
28	769 Maintenance of Other Equipment	-	-	
29	TOTAL Maintenance (Total of lines 20 thru 28)	-	-	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	317	-	

NATIONAL GRID
MANUFACTURED GAS PRODUCTION
SUPPLEMENTAL STATEMENT

FERC ACCOUNT	DESCRIPTION	AMOUNT	AMOUNT
		CURRENT YEAR June 30, 2012	PREVIOUS YEAR June 30, 2011
1 717	Liquid Petroleum Gas Expense	-	57
2 728	Liquid Petroleum Gas	-	-
3 735	Miscellaneous Production Expense	5,690	22,443
4 741	Maintenance of Structures & Improvements	(15,563)	13,540
5 742	Maintenance of Production Equipment	-	161
6 586	Dist. Oper-Electric Meters	-	-
7 723	Fuel Liquefied Petro Gas Proc	-	-
8 718	Other Process Prod Expenses	80,099	-
9	Total	<u>70,226</u>	<u>36,201</u>

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering	-	-	
34	771 Operation Labor	-	-	
35	772 Gas Shrinkage	-	-	
37	774 Power	-	-	
38	775 Materials	-	-	
39	776 Operation Supplies and Expenses	-	-	
40	777 Gas Processed by Others	-	-	
41	778 Royalties on Products Extracted	-	-	
42	779 Marketing Expenses	-	-	
43	780 Products Purchased for Resale	-	-	
44	781 Variation in Products Inventory	-	-	
45	(Less) 782 Extracted Products Used by the Utility - Credit	-	-	
46	783 Rents	-	-	
47	TOTAL Operation (Total of lines 33 thru 46)	-	-	
48	Maintenance			
49	784 Maintenance Supervision and Engineering	-	-	
50	785 Maintenance of Structures and Improvements	-	-	
51	786 Maintenance of Extraction and Refining Equipment	-	-	
52	787 Maintenance of Pipe Lines	-	-	
53	788 Maintenance of Extracted Products Storage Equipment	-	-	
54	789 Maintenance of Compressor Equipment	-	-	
55	790 Maintenance of Gas Measuring and Regulating Equipment	-	-	
56	791 Maintenance of Other Equipment	-	-	
57	TOTAL Maintenance (Total of lines 49 thru 56)	-	-	
58	TOTAL Products Extraction (Total of lines 47 and 57)	-	-	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development			
60	Operation			
61	795	Delay Rentals	-	-
62	796	Nonproductive Well Drilling	-	-
63	797	Abandoned Leases	-	-
65	TOTAL Exploration and Development (Total of lines 61 thru 64)		-	-
66	D. Other Gas Supply Expenses			
67	Operation			
68	800	Natural Gas Well Head Purchases	-	-
69	800.1	Natural Gas Well Head Purchases, Intracompany Transfers	-	-
70	801	Natural Gas Field Line Purchases	-	-
71	802	Natural Gas Gasoline Plant Outlet Purchases	-	-
72	803	Natural Gas Transmission Line Purchases	-	-
73	804	Natural Gas City Gate Purchases	196,525,190	277,239,239
74	804.1	Liquefied Natural Gas Purchases	-	-
75	805	Other Gas Purchases	(101,608)	(45,521)
76	(Less)	805.1 Purchased Gas Cost Adjustments	-	-
77	TOTAL Purchased Gas (Total of lines 68 thru 76)		196,423,582	277,193,718
78	806	Exchange Gas	-	-
79	Purchased Gas Expenses			
80	807.1	Well Expense - Purchased Gas	-	-
81	807.2	Operation of Purchased Gas Measuring Stations	-	-
82	807.3	Maintenance of Purchased Gas Measuring Stations	-	-
83	807.4	Purchased Gas Calculations Expenses	-	-
84	807.5	Other Purchased Gas Expenses	-	-
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)		-	-

Name of Respondent National Grid			This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)					
Line No.	Account (a)			Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1	Gas Withdrawn from Storage - Debit		-	-
87	(Less)	808.2	Gas Delivered to Storage - Credit	13,393,531	18,719,323
88	809.1	Withdrawals of Liquefied Natural Gas for Processing - Debit		2,969,470	2,528,926
89	(Less)	809.2	Deliveries of Natural Gas for Processing - Credit	6,320	(6,919)
90	Gas Used in Utility Operations - Credit				
91	810	Gas Used for Compressor Station Fuel - Credit		-	-
92	811	Gas Used for Products Extraction - Credit		-	-
93	812	Gas Used for Other Utility Operations - Credit		1,829,870	(1,152,974)
94	TOTAL Gas Used in Utility Operations - Credit (Total of lines 91 thru 93)			1,829,870	(1,152,974)
95	813	Other Gas Supply Expenses		(562,494)	(352,669)
96	TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86 thru 89, 94,95)			214,060,279	296,929,406
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)			214,130,822	296,965,607
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES				
99	A. Underground Storage Expense				
100	Operation				
101	814	Operation Supervision and Engineering		-	-
102	815	Maps and Records		-	-
103	816	Wells Expenses		-	-
104	817	Lines Expenses		-	-
105	818	Compressor Station Expenses		-	-
106	819	Compressor Station Fuel and Power		-	-
107	820	Measuring and Regulating Station Expenses		-	-
108	821	Purification Expenses		-	-
109	822	Exploration and Development		-	-
110	823	Gas Losses		-	-
111	824	Other Expenses		-	-
112	825	Storage Well Royalties		-	-
113	826	Rents		-	-
114	TOTAL Operation (Total of lines 101 thru 113)			-	-

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	-	-	
117	831 Maintenance of Structures and Improvements	-	-	
118	832 Maintenance of Reservoirs and Wells	-	-	
119	833 Maintenance of Lines	-	-	
121	835 Maintenance of Measuring and Regulating Station Equipment	-	-	
122	836 Maintenance of Purification Equipment	-	-	
123	837 Maintenance of Other Equipment	-	-	
124	TOTAL Maintenance (Total of lines 116 thru 123)	-	-	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	-	-	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering	(5,727)	936,478	
129	841 Operation Labor and Expenses	-	-	
130	842 Rents	-	-	
131	842.1 Fuel	-	-	
132	842.2 Power	-	-	
133	842.3 Gas Losses	-	-	
134	TOTAL Operation (Total of lines 128 thru 133)	(5,727)	936,478	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering	-	-	
137	843.2 Maintenance of Structures and Improvements	-	-	
138	843.3 Maintenance of Gas Holders	-	-	
139	843.4 Maintenance of Purification Equipment	-	-	
140	843.5 Maintenance of Liquefaction Equipment	-	-	
141	843.6 Maintenance of Vaporizing Equipment	-	-	
142	843.7 Maintenance of Compressor Equipment	-	-	
143	843.8 Maintenance of Measuring and Regulating Equipment	-	-	
144	843.9 Maintenance of Other Equipment	-	-	
145	TOTAL Maintenance (Total of lines 136 thru 144)	-	-	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	(5,727)	936,478	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering	-	-	
150	844.2 LNG Processing Terminal Labor and Expenses	624,280	601,961	
151	844.3 Liquefaction Processing Labor and Expenses	-	-	
153	844.5 Measuring and Regulating Labor and Expenses	-	-	
154	844.6 Compressor Station Labor and Expenses	-	-	
155	844.7 Communication System Expenses	-	-	
156	844.8 System Control and Load Dispatching	-	-	
157	845.1 Fuel	(7,984)	11,227	
158	845.2 Power	4,995	3,849	
159	845.3 Rents	5,817	17,352	
160	845.4 Demurrage Charges	-	-	
161	(Less) 845.5 Wharfage Receipts - Credit	-	-	
162	845.6 Processing Liquefied or Vaporized Gas by Others	-	-	
163	846.1 Gas Losses	-	-	
164	846.2 Other Expenses	-	-	
165	TOTAL Operation (Total of lines 149 thru 164)	627,108	634,389	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering	-	-	
168	847.2 Maintenance of Structures and Improvements	70,657	40,496	
169	847.3 Maintenance of LNG Processing Terminal Equipment	148,538	74,030	
170	847.4 Maintenance of LNG Transportation Equipment	-	-	
171	847.5 Maintenance of Measuring and Regulating Equipment	-	66	
172	847.6 Maintenance of Compressor Station Equipment	-	-	
173	847.7 Maintenance of Communication Equipment	-	-	
174	847.8 Maintenance of Other Equipment	177,874	113,691	
175	TOTAL Maintenance (Total of lines 167 thru 174)	397,069	228,283	
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	1,024,177	862,672	
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	1,018,450	1,799,150	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	1,047	-	
181	851 System Control and Load Dispatching	-	-	
182	852 Communication System Expenses	-	-	
184	854 Gas for Compressor Station Fuel	-	-	
185	855 Other Fuel and Power for Compressor Stations	-	-	
186	856 Mains Expenses	-	-	
187	857 Measuring and Regulating Station Expenses	-	-	
188	858 Transmission and Compression of Gas by Others	-	-	
189	859 Other Expenses	-	-	
190	860 Rents	-	-	
191	TOTAL Operation (Total of lines 180 thru 190)	1,047	-	
192	Maintenance			
193	861 Maintenance Supervision and Engineering	-	-	
194	862 Maintenance of Structures and Improvements	-	-	
195	863 Maintenance of Mains	19,299	-	
196	864 Maintenance of Compressor Station Equipment	-	-	
197	865 Maintenance of Measuring and Regulating Station Equipment	-	-	
198	866 Maintenance of Communication Equipment	-	-	
199	867 Maintenance of Other Equipment	-	-	
200	TOTAL Maintenance (Total of lines 193 thru 199)	19,299	-	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	20,346	-	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	1,134,969	870,657	
205	871 Distribution Load Dispatching	(106,640)	866,430	
206	872 Compressor Station Labor and Expenses	-	-	
207	873 Compressor Station Fuel and Power	66,231	117,618	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
208	874	Mains and Services Expenses	2,162,529	2,932,836
209	875	Measuring and Regulating Station Expenses - General	744,195	674,025
210	876	Measuring and Regulating Station Expenses - Industrial	236,899	333,479
211	877	Measuring and Regulating Station Expenses - City Gas Check Station	-	-
212	878	Meter and House Regulator Expenses	3,723,966	3,999,417
213	879	Customer Installations Expenses	2,057	43,355
214	880	Other Expenses	3,695,918	5,241,680
215	881	Rents	332	-
216	TOTAL Operation (Total of lines 204 thru 215)		11,660,457	15,079,497
217	Maintenance			
218	885	Maintenance Supervision and Engineering	1,041,194	1,646,195
219	886	Maintenance of Structures and Improvements	-	-
220	887	Maintenance of Mains	6,343,677	6,408,786
221	888	Maintenance of Compressor Station Equipment	-	-
222	889	Maintenance of Measuring and Regulating Station Equipment - General	149,309	500,934
223	890	Maintenance of Meas. and Reg. Station Equipment - Industrial	7,887	15
224	891	Maintenance of Meas. and Reg. Station Equip. - City Gate Check Station	118,369	131,477
225	892	Maintenance of Services	6,584,358	3,866,881
226	893	Maintenance of Meters and House Regulators	1,603,874	1,714,926
227	894	Maintenance of Other Equipment	52,063	95,191
228	TOTAL Maintenance (Total of lines 218 thru 227)		15,900,730	14,364,405
229	TOTAL Distribution Expenses (Total of lines 216 and 228)		27,561,187	29,443,902
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901	Supervision	294,366	380,133
233	902	Meter Reading Expenses	577,731	839,627
234	903	Customer Records and Collection Expenses	6,953,677	8,905,730

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
235	904	Uncollectible Accounts	8,924,104	14,778,646
236	905	Miscellaneous Customer Accounts Expenses	(372,804)	400,467
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)		16,377,074	25,304,603
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907	Supervision	6,350	7,908
241	908	Customer Assistance Expenses	7,314,820	4,847,881
242	909	Information and Instructional Expenses	405,646	107,952
243	910	Miscellaneous Customer Service and Informational Expenses	606,808	427,734
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)		8,333,623	5,391,475
245	7. SALES EXPENSES			
246	Operation			
247	911	Supervision	1,232	-
248	912	Demonstrating and Selling Expenses	2,697,048	2,496,830
249	913	Advertising Expenses	15,588	470,758
250	916	Miscellaneous Sales Expenses	(1,289,625)	(321,592)
251	TOTAL Sales Expenses (Total of lines 247 thru 250)		1,424,243	2,645,996
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920	Administrative and General Salaries	5,787,182	10,659,615
255	921	Office Supplies and Expenses	6,999,659	8,534,492
256	(Less) 922	Administrative Expenses Transferred - Credit	6	80
257	923	Outside Services Employed	3,926,896	2,298,631
258	924	Property Insurance	6,708	36,983
259	925	Injuries and Damages	2,146,596	2,105,945
260	926	Employee Pensions and Benefits	18,432,404	15,561,337
261	927	Franchise Requirements	-	1,226
262	928	Regulatory Commission Expenses	2,886,894	1,972,944
263	(Less) 929	Duplicate Charges - Credit	54	3,074
264	930.1	General Advertising Expenses	174,080	26,496
265	930.2	Miscellaneous General Expenses	2,168,163	2,349,132
266	931	Rents	1,314,430	1,281,147
267	932	Maintenance of General Plant	-	10,607
268	TOTAL Operation (Total of lines 254 thru 267)		43,843,072	44,841,709
269				
270	935	Maintenance of General Plant	75,186	88,781
271	TOTAL Administrative and General Expenses (Total of lines 267 and 269)		43,918,258	44,930,490
272	TOTAL Gas O&M Expenses (Total of lines 97, 177, 201, 229, 237, 244, 251, and 270)		312,784,004	406,481,222

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
EXCHANGE AND IMBALANCE TRANSACTIONS					
1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amounts of imbalance associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges.				If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.	
Line No.	Zone/Rate Schedule (a)	Gas Received From Others		Gas Delivered to Others	
		Amount (b)	Mcf (c)	Amount (d)	Mcf (e)
1	N/A				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	TOTAL	-	-	-	-

Name of Respondent National Grid			This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS USED IN UTILITY OPERATIONS						
1. Report below details of credits during the year to Accounts 810, 811, and 812.				2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).		
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas			
			Gas Used (Mcf) (c)	Amount of Credit (in dollars) (d)	Gas Used (Dth) (e)	Amount of Credit (f)
1	810 Gas Used for Compressor Station Fuel - Credit					
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)	Various	178,003	(1,829,870)		
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	TOTAL		178,003	(1,829,870)	-	-

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (ACCOUNT 858)				
<p>1. Report below details concerning gas transported or compressed for respondent by others equaling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.</p> <p>2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.</p> <p>3. Designate associated companies with an asterisk in column (b).</p>				
Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1	N/A			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25		TOTAL		

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012
OTHER GAS SUPPLY EXPENSES (ACCOUNT 813)				
1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account		117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.		
Line No.	Description (a)	Amount (in dollars) (b)		
1	System Pressure	(562,494)		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTAL	(562,494)		

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
MISCELLANEOUS GENERAL EXPENSES (ACCOUNT 930.2)				
1. Provide the information requested below on miscellaneous general expenses.		2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.		
Line No.	Description (a)	Amount (in dollars) (b)		
1	Industry association dues.	-		
2	Experimental and general research expenses. a. Gas Research Institute (GRI) b. Other			
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	-		
4	Other expenses			
5	Other Miscellaneous General Expenses (no items > \$250,000)	14,823		
6	Corporate Matters / Contracts	4,536		
7	Low Income Assistance Expense	1,866,171		
8	Environmental Matters	21,434		
9	Meter Data Services	261,199		
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	Total	2,168,163		

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)				
1. Report in Section A the amounts of depreciation expense, depletion, and amortization for the accounts indicated and classified according to the plant functional groups shown.		2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are		
Section A. Summary of Depreciation, Depletion, and Amortization Charges				
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)
1	Intangible plant	-	-	-
2	Production plant, manufactured gas	(269,295)	-	-
3	Production and gathering plant, natural gas	-	-	-
4	Environmental	-	-	-
5	Products extraction plant	-	-	-
6	Underground gas storage plant	-	-	-
7	Other storage plant	342,883	-	-
8	Base load LNG terminaling and processing plant	-	-	-
9	Transmission plant	-	-	-
10	Distribution plant	18,617,961	-	-
11	General plant	4,034,875	-	-
12	Common plant - gas	-	-	-
13	TOTAL	22,726,424	-	-

Name of Respondent National Grid	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012	
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (Continued)				
<p>obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.</p> <p>3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in footnote the amounts and nature of the provisions and the plant items to which related.</p>				
Section A. Summary of Depreciation, Depletion, and Amortization Charges				
Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
2,060,580	-	2,060,580	Intangible plant	1
-	-	(269,295)	Production plant, manufactured gas	2
-	-	-	Production and gathering plant, natural gas	3
-	-	-	Environmental	4
-	-	-	Products extraction plant	5
-	-	-	Underground gas storage plant	6
-	-	342,883	Other storage plant	7
-	-	-	Base load LNG terminaling and processing plant	8
-	-	-	Transmission plant	9
-	-	18,617,961	Distribution plant	10
-	-	4,034,875	General plant	11
-	-	-	Common plant - gas	12
2,060,580	-	24,787,004	TOTAL	13

Name of Respondent National Grid	This Report Is: <u> X </u> Original <u> </u> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)			
DEPRECIATION, DEPLETION AND AMORTIZATION OF GAS PLANT June 30, 2011			
Account Number	Depreciable Plant Base	Applied Depreciation Rates (Percent)	
Intangible Plant			
302	213,499		
303	25,074		
303	320,230	33.30%	STL
303	2,421,675	20.00%	STL
303	2,451,169	10.00%	STL
303	566,861	7.20%	
303	12,709,031	5.56%	STL
303	9,991,374	4.43%	STL
Total	28,698,913	1	
Production Plant			
304	208,196	0.00%	
305	1,446,351	-5.25%	
307	45,873	-12.46%	
311	1,069,473	-16.58%	
320	325,470	-10.26%	
360	249,472	0.00%	
361	3,147,241	1.63%	
362	5,539,934	-0.45%	
363	9,655,619	2.26%	
Total	21,687,629	2	
Distribution Plant			
3740	790,532	0.00%	
3750	8,463,024	0.99%	
3760	45,969,932	1.03%	
37603, 37606, 37611, 37615, 37616	63,650,091	2.17%	
37604	296	0.00%	
37612	170,234,676	1.62%	
37613	7,978,701	0.32%	
37617	24,277,627	3.33%	
3770	248,656	0.25%	
3780	4,446,937	1.22%	
3790	5,911,573	1.79%	
37901	98,846	0.00%	
3800	196,985,643	1.52%	
3810, 38130	36,489,432	1.53%	
38140, 3820	19,487,007	6.66%	
38220, 38230	45,930,001	2.11%	
3830	469,616	5.53%	
3840	625,713	1.71%	
3850	61,634	-0.72%	
38501	18,075	0.00%	
3860	271,765	-1.53%	
3870	534,429	-3.33%	
Total	632,944,206	3	
General Plant			
3890	285,357	0.00%	
3900	3,756,410	2.45%	
3910	2,909,542	2.59%	
39101	303,429	0.00%	
3911	4,510,593	19.84%	
3920	21,187	19.84%	STL
3922	2,085,793	36.36%	
3930	56,255	0.87%	
3940	2,635,609	3.79%	
3950	338,874	5.59%	
3970	2,247,403	10.05%	
3981	3,197,676	3.52%	
3991	506,000	2.33%	STL
Total	22,854,128	4	
Grand Total	706,184,876		

Note: Depreciation Base is the Average of the beginning and ending balance of gross plant cost less salvage value.

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS				
<p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.</p> <p>(a) <i>Miscellaneous Amortization</i> (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortizations charges for the year, and the period of amortization.</p> <p>(b) <i>Miscellaneous Income Deductions</i> - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, <i>Donations</i>; 426.2, <i>Life Insurance</i>; 426.3, <i>Penalties</i>; 426.4, <i>Expenditures for Certain Civic, Political and Related Activities</i>; and 426.5, <i>Other Deductions</i>, of the Uniform System of Accounts.</p> <p>Amounts of less than \$250,000 may be grouped by classes within the above accounts.</p> <p>(c) <i>Interest on Debt to Associated Companies</i> (Account 430) - For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) <i>Other Interest Expense</i> (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.</p>				
Line No.	Item (a)	Amount (b)		
1				
2				
3				
4	426 Miscellaneous Income (Deductions)			
5	Community Service	(3,080)		
6	Donations	(311,175)		
7	Moves & Relocations	(174)		
8	Scholarships	(5,458)		
9	Executive Life Insurance	11,891		
10	Penalties	(71,500)		
11	Civil and Political Activities	18,010		
12	Lobbying	(5,334)		
13	Federal Government Affairs	(108,639)		
14	State Government Affairs	(106,959)		
15	Gas Purchase Incentive	226,102		
16	Other Deductions	170,773		
17	Total Account 426	(185,543)		
18				
19	431 Other Interest Expense			
20	FIN 48 expense	33,991		
21	Customers deposits	72,872		
22	Deferred Gas Cost	76,138		
23	Rhode Island Property Tax	168,599		
24	Energy Efficiency	54,896		
25	Distributed Adjustment Clause	23,910		
26	Other	4,939		
27	Total Account 431	435,345		
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
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40				
41				

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012	
REGULATORY COMMISSION EXPENSES (Account 928)					
<p>1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.</p> <p>2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.</p>					
Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.)	Assessed by Regulatory Commission	Expenses of Utility	Total Expenses to Date	Deferred in Account 182.3 at Beginning of Year
	(a)	(b)	(c)	(d)	(e)
1	Public Utilities Commission Assessment Fee		2,514,558	2,514,558	
2	Outside Legal and Consulting		92,337	92,337	
3	Payroll		279,999	279,999	
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Sub-Total	-	2,886,894	2,886,894	-

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending June 30, 2012
DISTRIBUTION OF SALARIES AND WAGES				
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to <i>Utility Departments, Construction, Plant Removals, and Other Accounts</i> , and enter such amounts in the appropriate lines and columns provided.		In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 74.01, 74.02, etc.		
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	-	-	-
4	Transmission	-	-	-
5	Distribution	-	-	-
6	Customer Accounts	-	-	-
7	Customer Service and Informational	-	-	-
8	Sales	-	-	-
9	Administrative and General	-	-	-
10	TOTAL Operation (Total of lines 3 thru 9)	-	-	-
11	Maintenance			
12	Production	-	-	-
13	Transmission	-	-	-
14	Distribution	-	-	-
15	Administrative and General	-	-	-
16	TOTAL Maintenance (Total of lines 12 thru 15)	-	-	-
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)	-	-	-
19	Transmission (Total of lines 4 and 13)	-	-	-
20	Distribution (Total of lines 5 and 14)	-	-	-
21	Customer Accounts (line 6)	-	-	-
22	Customer Service and Informational (line 7)	-	-	-
23	Sales (line 8)	-	-	-
24	Administrative and General (Total of lines 9 and 15)	-	-	-
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	-	-	-
26	Gas			
27	Operation			
28	Production - Manufactured Gas	-	-	-
29	Production - Natural Gas (Including Exploration and Development)	-	-	-
30	Other Gas Supply	-	-	-
31	Storage, LNG Terminaling and Processing	669,431		669,431
32	Transmission			-
33	Distribution	8,351,061		8,351,061
34	Customer Accounts	4,284,187		4,284,187
35	Customer Service and Informational	773,369		773,369
36	Sales	-		-
37	Administrative and General	6,330,234		6,330,234
38	TOTAL Operation (Total of lines 28 thru 37)	20,408,282	-	20,408,282
39	Maintenance			
40	Production - Manufactured Gas	1,435	-	1,435
41	Production - Natural Gas (Including Exploration and Development)		-	-
42	Other Gas Supply	-	-	-
43	Storage, LNG Terminaling and Processing	51,347	-	51,347
44	Transmission		-	-
45	Distribution	7,653,580		7,653,580

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending June 30, 2012
DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
46	Administrative and General	-		-
47	TOTAL Maint. (Total of lines 40 thru 46)	7,706,362		7,706,362
48	Gas (Continued)			
49	Total Operation and Maintenance			
50	Production - Manufactured Gas (Total of lines 28 and 40)	1,435	-	1,435
51	Production - Natural Gas (Including Expl. and Dev.)(lines 29 and 41)	-	-	-
52	Other Gas Supply (Total of lines 30 and 42)	-	-	-
53	Storage, LNG Terminating and Processing (Total of lines 31 and 43)	720,778	-	720,778
54	Transmission (Total of lines 32 and 44)	-	-	-
55	Distribution (Total of lines 33 and 45)	16,004,641	-	16,004,641
56	Customer Accounts (Total of line 34)	4,284,187	-	4,284,187
57	Customer Service and Informational (Total of line 35)	773,369	-	773,369
58	Sales (Total of line 36)	-	-	-
59	Administrative and General (Total of lines 37 and 46)	6,330,234	-	6,330,234
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL ALL Utility Dept. (Total of lines 25, 59, and 61)	6,330,234	-	6,330,234
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant	12,510,932		12,510,932
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	12,510,932	-	12,510,932
69	Plant Removal (By Utility Department)			
70	Electric Plant			
71	Gas Plant	1,094,058		1,094,058
72	Other			-
73	TOTAL Plant Removal (Total of lines 70 thru 72)	1,094,058	-	1,094,058
74	Other Accounts (Specify):			
74.01	163 Stores expense undistributed		528,858	528,858
74.02	184 Clearing Account - *unworked time		4,504,075	4,504,075
74.03	Other		52,625	52,625
74.04				
74.05				
74.06				
74.07				
74.08				
74.09				
74.10				
74.11				
74.12				
74.13				
74.14				
74.15				
75	TOTAL Other Accounts	-	5,085,558	5,085,558
76	TOTAL SALARIES AND WAGES	41,719,634	5,085,558	46,805,192

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
COMPRESSOR STATIONS				
<p>1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.</p> <p>2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.</p>				
Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	N/A			
2				
3				
4				
5				
6				
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Name of Respondent National Grid		This Report Is: <u> X </u> An Original <u> </u> A Resubmission	Date of Report (Mo, Da, Yr) June 30, 2012	Year Ending June 30, 2012		
COMPRESSOR STATIONS (Continued)						
Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size.		and the date the unit was placed in operation. 3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.				
Expenses (Except depreciation and taxes)		Gas for Compressor Fuel in Dth (g)	Operation Data			Line No.
Fuel or Power (e)	Other (f)		Total Compressor Hours of Operation During Year (h)	Number of Compressors Operated at Time of Station Peak (i)	Date of Station Peak (j)	
N/A						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS STORAGE PROJECTS					
1. Report injections and withdrawals of gas for all storage projects used by respondent.					
Line No.	Item (a)	Gas Belonging to Respondent (Dth) MMBTU (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)	
	STORAGE OPERATIONS (in Dth)				
1	Gas Delivered to Storage				
2	July-11	247,610		247,610	
3	August-11	737,247		737,247	
4	September-11	663,840		663,840	
5	October-11	358,206		358,206	
6	November-11	113,581		113,581	
7	December-11	186,291		186,291	
8	January-12	249,388		249,388	
9	February-12	118,365		118,365	
10	March-12	297,135		297,135	
11	April-12	278,549		278,549	
12	May-12	412,711		412,711	
13	June-12	227,893		227,893	
14	TOTAL (Total of lines 2 thru 13)	3,890,816		3,890,816	
15	Gas Withdrawn from Storage				
16	July-11	221,922		221,922	
17	August-11	116,425		116,425	
18	September-11	20,049		20,049	
19	October-11	128,440		128,440	
20	November-11	248,355		248,355	
21	December-11	402,125		402,125	
22	January-12	658,165		658,165	
23	February-12	325,618		325,618	
24	March-12	412,945		412,945	
25	April-12	59,284		59,284	
26	May-12	76,936		76,936	
27	June-12	127,863		127,863	
28	TOTAL (Total of lines 16 thru 27)	2,798,127		2,798,127	

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS STORAGE PROJECTS (Continued)				
1. On line 4, enter the total storage capacity certificated by FERC. 2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.				
Line No.	Item (a)	Total Amount (b)		
	STORAGE OPERATIONS			
1	Top or Working Gas End of Year	N/A		4,049,503
2	Cushion Gas (Including Native Gas)			
3	Total Gas in Reservoir (Total of line 1 and 2)			4,049,503
4	Certificated Storage Capacity			4,731,591
5	Number of Injection - Withdrawal Wells			11
6	Number of Observation Wells			
7	Maximum Days' Withdrawal from Storage			
8	Date of Maximum Days' Withdrawal			
9	LNG Terminal Companies (in Dth)			
10	Number of Tanks			3
11	Capacity of Tanks			906,000
12	LNG Volume			
13	Received at "Ship Rail"			
14	Transferred to Tanks			
15	Withdrawn from Tanks			
16	"Boil Off" Vaporization Loss			

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
TRANSMISSION LINES				
<p>1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.</p> <p>2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.</p> <p>3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.</p> <p>4. Report the number of miles of pipe to one decimal point.</p>				
Line No.	Designation (Identification) of Line or Group of Lines (a)	*	Total Miles of Pipe (c)	
1	N/A			
2				
3				
4				
5				
6				
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
TRANSMISSION SYSTEM PEAK DELIVERIES				
1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the		heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of peak information required on this page. Add rows as necessary to report all date. Number additional rows 6.01, 6.02, etc.		
Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
SECTION A: SINGLE DAY PEAK DELIVERIES				
1	Date: 01-15-11			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation		245,362	245,362
5	Interruptible Transportation			
6	Other (Describe)			
6.01				
7	TOTAL		245,362	245,362
8	Volumes of gas Withdrawn form Storage under Storage Contracts			
9	No-Notice Storage			
10	Other Firm Storage		37,771	37,771
11	Interruptible Storage			
12	Other (Describe)			
12.01				
13	TOTAL		37,771	37,771
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack			
17	Other (Describe)			
18	TOTAL			
SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES				
20	Dates: 01-14-11 - 01-16-11			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation		618,657	618,657
24	Interruptible Transportation			
25	Other (Describe)			
25.01				
26	TOTAL		618,657	618,657
27	Volumes of Gas Withdrawn from Storage under Storage Contracts			
28	No-Notice Storage			
29	Other Firm Storage		111,077	111,077
30	Interruptible Storage			
31	Other (Describe)			
31.01				
32	TOTAL		111,077	111,077
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack			
36	Other (Describe)			
37	TOTAL			

Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year Ending June 30, 2012	
AUXILIARY PEAKING FACILITIES							
<p>1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.</p> <p>2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted.</p>				<p>For other facilities, report the rated maximum daily delivery capacities.</p> <p>3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.</p>			
Line No.	Location of Facility	Type of Facility	Maximum Daily Delivery Capacity of Facility Dth	Cost of Facility (in dollars)	Was Facility Operated on Day of Highest Transmission Peak Delivery?		
					Yes (e)	No (f)	
1	Pennsylvania, Wyoming, New York	UG STG-DOMINION	25,740	\$ 1,188,377	X		
2	Pennsylvania, Wyoming, New York	UG STG-COLUMBIA	2,545	120,958	X		
3	Pennsylvania, Wyoming, New York,	UG STG-TETCO	15,746	1,109,637	X		
4	Maryland						
5	Pennsylvania	UG STG-TENNESSEE	21,169	\$ 655,044	X		
6							
7							
8							
9							
10							
11							
12							
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14							
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Name of Respondent National Grid		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending June 30, 2012
GAS ACCOUNT - NATURAL GAS				
<p>1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>4. Indicate in a footnote report the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.</p> <p>5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.</p> <p>6. Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline and, (3) the gathering line quantities that were not destined for interstate market or which were not transported through any interstate portion of the reporting pipeline.</p> <p>that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year and which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.</p> <p>8. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.</p>				
01 NAME OF SYSTEM				
Line No.	Item	Ref. Page No.	Amount of Mcf	
	(a)	(b)	(c)	
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		21,536,477	
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	-	
6	Gas of Others Received for Distribution (Account 489.3)	301	10,021,666	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	-	
8	Exchanged Gas Received from Others (Account 806)	328	-	
9	Gas Received as Imbalances (Account 806)	328	-	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	-	
11	Other Gas Withdrawn from Storage (Explain) Page 512 Line 28		2,798,127	
12	Gas Received from Shippers as Compressor Station Fuel		-	
13	Gas Received from Shippers as Lost and Unaccounted for		-	
14	Other Receipts (Specify)		-	
15	Total Receipts (Total of lines 3 thru 14)		34,356,270	
16	GAS DELIVERED			
17	Gas Sales (Account 480-484)	301	23,199,242	
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	-	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	-	
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	10,021,666	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	-	
22	Exchanged Gas Delivered to Others (Account 806) Manchester Street	328	-	
23	Gas Delivered as Imbalances (Account 806)	328	-	
24	Deliveries of Gas to Others for Transportation (Account 858)	332		
25	Other Gas Delivered to Storage (Explain)			
26	Gas Used for Compressor Station Fuel - Company Use	509	-	
27	Other Deliveries (Specify)			
28	Total Deliveries (Total of lines 17 thru 27)		33,220,908	
29	GAS UNACCOUNTED FOR			
30	Production System Losses			
31	Gathering System Losses			
32	Transmission System Losses			
33	Distribution System Losses		1,135,362	
34	Storage System Losses			
35	Other Losses (Specify)-Imbalances			
36	Total Unaccounted For (Total of lines 30 thru 35)		1,135,362	
37	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		34,356,270	

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