

October 12, 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 - 2012 Distribution Adjustment Charge ("DAC")
Responses to Division Data Requests – Set 2**

Dear Ms. Massaro:

Enclosed is National Grid's¹ response to Division 2-5 in the above-referenced proceeding.

This transmittal completes the Company's responses to the Division's Second Set of Data Requests in this proceeding.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7685.

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Docket 4339 Service List
Leo Wold, Esq.
Steve Scialabba
Bruce Oliver

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

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been electronically transmitted, sent via U.S. mail or hand-delivered to the individuals listed below.



Joanne M. Scanlon

October 12, 2012

Date

**Docket No. 4339 – National Grid –2012 Annual Distribution Adjustment
Charge Filing (“DAC”) - Service List as of 8/28/12**

Name/Address	E-mail	Phone
Thomas R. Teehan, Esq. National Grid 280 Melrose St. Providence, RI 02907	Thomas.teehan@nationalgrid	401-784-7667
	Joanne.scanlon@nationalgrid	
Mariella Smith National Grid 40 Sylvan Road Waltham, MA 02541	Mariella.smith@nationalgrid.com	781-907-5554 781-907-1836
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Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	LWold@riag.ri.gov	401-222-2424
	Sscialabba@ripuc.state.ri.us	
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Bruce Oliver Revilo Hill Associates 7103 Laketree Drive Fairfax Station, VA 22039	Boliver.rha@verizon.net	703-569-6480
David Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	Djeffron@aol.com	603-964-6526
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Lmassaro@puc.state.ri.us	401-780-2107
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The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C. Docket No. 4339
2012 Distribution Adjustment Charge Filing
Responses to Division's Second Set of Data Requests
Issued on September 15, 2012

Division 2-5

Request:

Please provide actuarial reports supporting the pension and PBOP expense for the 12 months ended June 30, 2012.

Response:

Please see Attachment DIV 2-5.

Total Narragansett Gas Pension Expense, net

Line No.		Page Number	Per Actuary Report	Number of Months	12 Months Ended June 2012
	(a)	(b)	(c)	(d)	(e)
1	<u>April 1, 2011 through March 31, 2012</u>				
2					
3	Preliminary Actuary Report Dated May 13, 2011				
4	Final Average Pay Pension Plan	Page 13 of 173	\$ 3,623,200	2	\$ 603,867
5	Updated Actuary Report Dated September 26, 2011				
6	Final Average Pay Pension Plan	Page 85 of 173	3,542,396	7	2,066,398
7	Less:				
8	Adjustment for the months of April 2011 through August 2011				(33,668)
9					
10	Adjusted Total				2,636,596
11					
12	<u>April 1, 2012 through March 31, 2013</u>				
13					
14	Preliminary Actuary Report Dated April 27, 2012				
15	Final Average Pay Pension Plan	Page 104 of 173	5,062,000	3	1,265,500
16					
17	Rounding				2
18					
19	Total per Attachment DIV 2-1, Page 1 of 2 at line 1				\$ 3,902,098

Line Notes:

- 8 Reverse April 2011 - August 2011 per the report dated May 13, 2011 and record the revised Pension expense per the report dated September 26, 2011 $(-\$3,623,200/12*5 + \$3,542,396/12*5)$
- 10 L.4 + L.6 + L.8
- 19 L.10 + L.15 + L.17

Total Narragansett Gas PBOP Expense, net

Line No.		Page Number	Per Actuary Report	Number of Months	12 Months Ended June 2012
	(a)	(b)	(c)	(d)	(e)
1	<u>April 1, 2011 through March 31, 2012</u>				
2					
3	Preliminary Actuary Report Dated May 13, 2011				
4	Retired Health and Welfare Plan - Nonunion	Page 59 of 173	\$ 2,811,000	2	\$ 468,500
5	Retired Health and Welfare Plan - Union	Page 75 of 173	1,013,000	2	168,833
6	Updated Actuary Report Dated September 26, 2011				
7	Retired Health and Welfare Plan - Nonunion	Page 90 of 173	2,045,334	7	1,193,112
8	Retired Health and Welfare Plan - Union	Page 91 of 173	192,884	7	112,516
9	Less:				
10	Adjustment for the months of April 2011 through August 2011				
11	Retired Health and Welfare Plan - Nonunion				(319,028)
12	Retired Health and Welfare Plan - Union				(341,715)
13					
14	Adjusted Total				1,282,218
15					
16	<u>April 1, 2012 through March 31, 2013</u>				
17					
18	Preliminary Actuary Report Dated April 27, 2012				
19	Retired Health and Welfare Plan - Nonunion	Page 150 of 173	1,546,000	3	386,500
20	Retired Health and Welfare Plan - Union	Page 166 of 173	798,000	3	199,500
21					
22	Adjusted Total				586,000
23					
24	Rounding				2
25					
26	Total per Attachment DIV 2-1, Page 2 of 2 at line 1				\$ 1,868,220

Line Notes:

- 11 Reverse April 2011 - August 2011 per the report dated May 13, 2011 and record the revised PBOP expense per the report dated September 26, 2011 $(-\$2,811,000/12*5 + \$2,045,334/12*5)$
- 12 Reverse April 2011 - August 2011 per the report dated May 13, 2011 and record the revised PBOP expense per the report dated September 26, 2011 $(-\$1,013,000/12*5 + \$192,884/12*5)$
- 14 L.4 + L.5 + L.7 + L.8 + L.11 + L.12
- 22 L.19 + L.20
- 26 L.14 + L.22 + L.24



May 13, 2011

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

Dear Mari,

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

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

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

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

The estimates reflect the following:

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



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

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

Enclosed are summaries by plan and by company.

Mari, please call if you have any questions.

Sincerely,

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

Stephen F. Doucette

SFD:chf

Enclosures

4844L881

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

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

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

Aon Hewitt

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Aon Hewitt

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

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

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

Aon Hewitt

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

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

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

Aon Hewitt

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

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

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

Aon Hewitt

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

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

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

Aon Hewitt

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

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

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

Aon Hewitt

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

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

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

Aon Hewitt

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

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

Assumptions:

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

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

Aon Hewitt

National Grid USA
ESRP
Estimated ASC 715 Expense

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (82,359,052)	\$ (84,734,000)
Fair Value of Assets	0	0
Funded Status	\$ (82,359,052)	\$ (84,734,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(311,140)	(153,000)
• Net (Gain) or Loss	30,761,221	30,325,000
(Accrued) / Prepaid Pension Cost	\$ (51,908,971)	\$ (54,562,000)
Net Periodic Pension Cost		
Service Cost	\$ 884,200	\$ 937,000
Interest Cost	4,871,982	4,845,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(120,496)	(96,000)
• Net (Gain) or Loss	2,241,325	2,185,000
ASC 715 Pension Expense	\$ 7,877,011	\$ 7,871,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ (38,000)	\$ 0
Total Pension Expense	\$ 7,839,011	\$ 7,871,000
Expected Benefit Payments	\$ 4,981,000	\$ 5,230,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH 20	RP2000CH 20
Aon Hewitt		

National Grid USA
ESRP
Estimated IAS 19 Expense

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

National Grid USA
ESRP
Estimated ASC 715 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (127,636)	\$ (131,000)
Fair Value of Assets	0	0
Funded Status	\$ (127,636)	\$ (131,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	7,267	8,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	3,473	3,000
ASC 715 Pension Expense	\$ 10,740	\$ 11,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 10,740	\$ 11,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH 20	RP2000CH 20
Aon Hewitt		

National Grid USA
ESRP
Estimated ASC 715 Expense - Mass Electric

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

National Grid USA
ESRP
Estimated ASC 715 Expense - Nantucket Electric

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

National Grid USA

ESRP

Estimated ASC 715 Expense - Narragansett Electric

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

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

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

National Grid USA
ESRP
Estimated ASC 715 Expense - NGUSCO

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

National Grid USA
ESRP
Estimated IAS 19 Expense - Granite State

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (127,636)	\$ (131,000)
Assets at Bid Value	0	0
Funded Status	\$ (127,636)	\$ (131,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 7,267	\$ 8,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 7,267	\$ 8,000
Total P&L Expense	\$ 7,267	\$ 8,000
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH 20	RP2000CH 20
Aon Hewitt		

National Grid USA
ESRP
Estimated IAS 19 Expense - Mass Electric

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

National Grid USA
ESRP
Estimated IAS 19 Expense - Nantucket Electric

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

National Grid USA
ESRP
Estimated IAS 19 Expense - Narragansett Electric

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

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

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

National Grid USA
ESRP
Estimated IAS 19 Expense - NGUSCO

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

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

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

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

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

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

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (20,424,248)	\$ (19,910,000)
Fair Value of Assets	0	0
Funded Status	\$ (20,424,248)	\$ (19,910,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (20,424,248)	\$ (19,910,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 1,183,507	\$ 1,114,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 1,183,507	\$ 1,114,000
Total P&L Expense	\$ 1,183,507	\$ 1,114,000
Expected Benefit Payments	\$ 2,045,000	\$ 2,050,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH 20	RP2000CH 20
Aon Hewitt		

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

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

Assumptions:

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

Aon Hewitt

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

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

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

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

National Grid USA
Executive Life Insurance Plan
Estimated IAS 19 Expense

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

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

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

Assumptions:

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

Aon Hewitt

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

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,900,816)	\$ (2,665,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,900,816)	\$ (2,665,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(2,085,287)	(1,943,000)
(Accrued) / Prepaid Pension Cost	\$ (4,986,103)	\$ (4,608,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	163,774	145,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(110,203)	(104,000)
ASC 715 Pension Expense	\$ 53,571	\$ 41,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 53,571	\$ 41,000
Assumptions:		
Expected Benefit Payments	\$ 432,000	\$ 415,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Discount Rate	6.10%	5.90%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	RP2000CH_20
Aon Hewitt		

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

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

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

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

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

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

Assumptions:

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

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National Grid USA
EUA KEIP
Estimated ASC 715 Expense

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

National Grid USA
EUA KEIP
Estimated IAS 19 Expense

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

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

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

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

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

National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense

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

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National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Actual 4/2010-3/2011	Estimated 4/2011-3/2012
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (5,589,503)	\$ (5,628,000)
Assets at Bid Value	3,083,879	3,292,000
Funded Status	\$ (2,505,624)	\$ (2,336,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 20,808	\$ 19,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(13,567)	(14,600)
Curtailment Costs	0	0
Total Operating Expense	\$ 7,241	\$ 4,400
Financing Expense		
Interest Cost	\$ 328,094	\$ 323,000
Expected Return on Assets	(198,017)	(244,000)
Total Financing Expense	\$ 130,077	\$ 79,000
Total P&L Expense	\$ 137,318	\$ 83,400
Assumptions:		
Discount Rate	6.10%	5.90%
Expected Return on Assets	6.75%	7.75%
Initial Trend - Pre-65	8.50%	8.50%
Initial Trend - Post-65	8.50%	8.00%
Initial Prescription Drug Trend	9.25%	8.75%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	RP2000CH_20
Aon Hewitt		

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Assumptions:

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

Aon Hewitt

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

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

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

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

Aon Hewitt

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

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

Aon Hewitt

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

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

Aon Hewitt

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

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

Aon Hewitt

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

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

Aon Hewitt

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

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

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

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

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

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

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

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

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

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

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

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



September 26, 2011

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

Dear Mari:

Subject: Updated FAPP Pension Expense Results under US GAAP and IFRS—
April 1, 2011 through March 31, 2012

We have updated the preliminary Fiscal Year 2012 ASC 715 and IAS 19 expense results for the National Grid USA Companies' Final Average Pay Pension Plan. The updated results reflect the impact due to the workforce reduction. Based on the information provided by National Grid, 259 employees were impacted by the workforce reduction program.

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

- 5.9 percent discount rate assumption
- 3.5 percent salary increase assumption
- 7.75 percent expected long-term rate of return on assets
- RP2000 mortality table projected 20 years for nonunion employees
- RP2000 mortality table projected 10 years for union employees
- The April 1, 2011 market value of assets for ASC 715 purposes
- The April 1, 2011 bid value of assets for IAS 19 purposes
- Actual contributions made through August 2011 and expected contributions made for the remainder of fiscal year 2012

US GAAP

ASC 715 expense for the period April 1, 2011 through March 31, 2012 (by company) is shown below. Total expense is \$68.2 million. Based on the workforce reduction data we received, curtailment accounting is not required because the reduction in the average remaining service is 4.3%, less than National Grid's threshold of 10%.

	ASC 715 Expense/(Income)
Granite State	\$ 737,870
Mass Electric	22,069,142
Nantucket	292,174
Narragansett	9,104,049
New England Power	3,260,038
NGUSCO	29,195,487
New England Gas	<u>3,542,396</u>
Total	<u>\$ 68,201,156</u>



Ms. Mari-Louise Messuri
Page 2
September 26, 2011

IFRS

Total IAS 19 expense is \$13.0 million. We have also determined the true-up of the March 31, 2011 curtailment income estimate. Actual curtailment income (\$4.3 million) is less than our estimate (\$9.0 million) due to a higher number of retirement eligible employees being impacted. Expense by company for the period April 1, 2011 through March 31, 2012 is as follows:

	IAS 19 Total Expense	Estimated Curtailment (Income) at 3/31/2011	Actual Curtailment (Income)
Granite State	\$ 78,720	\$ 0	\$ 0
Mass Electric	4,692,908	(1,657,333)	(807,854)
Nantucket	99,434	(51,333)	(233,652)
Narragansett	1,331,800	(552,000)	(70,278)
New England Power	(1,220,191)	(9,333)	0
NGUSCO	7,017,764	(6,429,335)	(3,103,013)
New England Gas	967,595	(331,333)	(59,997)
Total	\$ 12,968,030	\$ (8,970,667)	\$ (4,274,794)

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

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

Enclosed is a summary of the results.

Mari, if you have any questions, please call.

Sincerely,

Stephen F. Doucette

SFD:chf

Enclosures

4844L916

cc: Mr. James Allen, National Grid USA
Mr. Charles DeRosa, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Ms. Francine Kollydas, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Lorraine Lynch, National Grid USA
Mr. Joseph Marrese, National Grid USA
Mr. Mark Merzbacher, National Grid USA
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Ms. Lori Santoro, National Grid USA
Ms. Tara Sullivan, National Grid USA
Mr. Martin Wheatcroft, National Grid USA
Mr. Jon Brophy, Aon Hewitt
Ms. Kimberly Gallagher, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

National Grid USA
ASC 715 Expense for NG FAPP Plan
April 1, 2011 through March 31, 2012

	Granite St	Mass Elec	Narr Elec	NE Power	NGUSCO	Nantucket	NE Gas	Total
Reconciliation of Funded Status, 4/1/2011								
Projected Benefit Obligation	(18,775,388)	(494,822,408)	(220,507,727)	(126,170,504)	(639,907,192)	(5,588,279)	(185,134,509)	(1,690,906,007)
Assets at Fair Value *	16,213,892	427,314,594	190,424,218	108,957,288	552,605,699	4,825,879	159,876,910	1,460,218,460
Funded Status	(2,561,496)	(67,507,814)	(30,083,509)	(17,213,236)	(87,301,493)	(762,400)	(25,257,599)	(230,687,547)
Unrecognized:								
Net Transition Obligation								0
Prior Service Cost								6,704,345
Net (Gain)/Loss								628,360,197
(Accrued)/Prepaid Cost								404,376,995
ASC 715 Expense, 4/1/2011 - 3/31/2012								
Service Cost	253,977	9,295,482	3,434,684	10,580	12,785,317	146,647	2,709,697	28,636,384
Interest Cost	1,075,298	28,351,648	12,583,533	7,172,955	36,751,170	324,752	10,587,993	96,847,349
Expected Return on Assets *	(1,157,919)	(30,516,763)	(13,599,186)	(7,781,206)	(39,464,454)	(344,641)	(11,417,644)	(104,281,813)
Amortization of								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	23,462	626,716	307,135	208,400	615,016	3,783	149	1,784,661
Net (Gain)/Loss *	543,052	14,312,059	6,377,883	3,649,309	18,508,438	161,633	1,662,201	45,214,575
Net Periodic Pension Cost	737,870	22,069,142	9,104,049	3,260,038	29,195,487	292,174	3,542,396	68,201,156
VERO STB Expense	0	0	0	0	0	0	0	0
Total Expense/(Income)	737,870	22,069,142	9,104,049	3,260,038	29,195,487	292,174	3,542,396	68,201,156
Assumptions								
Discount Rate								5.90%
Expected Return on Assets								7.75%
Average Salary Scale								
Nonunion								3.50%
Union								3.50%
Market Related Value of Assets								1,352,497,270
Expected Benefit Payments								98,851,000
Expected Contributions								60,000,000

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

National Grid USA
IAS 19 Expense for FAPP Plan
April 1, 2011 through March 31, 2012

	Granite St	Mass Elec	Narr Elec	NE Power	NGUSCO	Nantucket	NE Gas	Total
Reconciliation of Funded Status, 4/1/2011								
Projected Benefit Obligation	(18,775,388)	(494,822,408)	(220,507,727)	(126,170,504)	(639,907,192)	(5,588,279)	(185,134,509)	(1,690,906,007)
Assets at Bid Value *	16,213,098	427,293,662	190,414,890	108,951,931	552,578,629	4,825,643	159,869,079	1,460,146,932
Funded Status	(2,562,290)	(67,528,746)	(30,092,837)	(17,218,573)	(87,328,563)	(762,636)	(25,265,430)	(230,759,075)
Prior Service Costs	0	5,745	1,077	0	149,003	359	1,436	157,620
(Accrued)/Prepaid Cost	(2,562,290)	(67,523,001)	(30,091,760)	(17,218,573)	(87,179,560)	(762,277)	(25,263,994)	(230,601,455)
P&L Pension Expense, 4/1/2011 - 3/31/2012								
Operating Expense								
Service Cost	253,977	9,295,482	3,434,684	10,580	12,785,317	146,647	2,709,697	28,636,384
Exceptional Costs (STBs)	0	0	0	0	0	0	0	0
Prior Service Costs - On-going cost	0	3,971	744	0	103,002	248	993	108,958
Prior Service Costs - One-time charge	0	0	0	0	0	0	0	0
Curtailment/Settlement Costs	0	0	0	0	0	0	0	0
Total Operating Expense	253,977	9,299,453	3,435,428	10,580	12,888,319	146,895	2,710,690	28,745,342
Financing Expense								
Interest Cost	1,075,298	28,351,648	12,583,533	7,172,955	36,751,170	324,752	10,587,993	96,847,349
Expected Return on Assets *	(1,250,555)	(32,958,193)	(14,687,161)	(8,403,726)	(42,621,725)	(372,213)	(12,331,088)	(112,624,661)
Total Financing Expense	(175,257)	(4,606,545)	(2,103,628)	(1,230,771)	(5,870,555)	(47,461)	(1,743,095)	(15,777,312)
Total P&L Expense	78,720	4,692,908	1,331,800	(1,220,191)	7,017,764	99,434	967,595	12,968,030
Assumptions								
Discount Rate								5.90%
Expected Return on Assets								7.75%
Average Salary Scale								
Nonunion								3.50%
Union								3.50%
Expected Benefit Payments								98,851,000
Expected Contributions								60,000,000

* Allocation in proportion to the projected benefit obligation



September 26, 2011

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

Dear Mari,

Subject: Updated New England Retiree Welfare ASC 715 and IAS 19 Expense Results—
April 1, 2011 through March 31, 2012

We have updated the preliminary April 1, 2011 through March 31, 2012 ASC 715 and IAS 19 valuation results for the New England retiree welfare plans. The updated results reflect the impact due to the workforce reduction. Based on the information provided by National Grid, 259 employees were impacted by the workforce reduction program. Our results are based on the following:

- 5.9 percent discount rate assumption
- Delay of retiree medical and life insurance changes until April 1, 2012
- Initial pre-65 medical trend assumption of 8.5 percent decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- Initial post-65 medical trend assumption of 8.0 percent decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- Initial prescription drug trend assumption of 8.75 percent decreasing by 0.50 percent each year to an ultimate trend of 5.0 percent
- 7.75 percent expected long-term rate of return on union and nonunion assets
- RP2000 Mortality Table projected 10 years for union employees
- RP2000 Mortality Table projected 20 years for nonunion employees
- The April 1, 2011 market value of assets for ASC 715 purposes
- The April 1, 2011 bid value of assets for IAS 19 purposes
- Expected Fiscal Year 2012 contributions of \$8.0 million for the nonunion plan and \$10.5 million for the union plan

We have not reflected any savings associated with the possible adoption of an Employer Group Waiver Plan (EGWP) plus Wrap.



Ms. Mari-Louise Messuri
Page 2
September 26, 2011

US GAAP

Total ASC 715 expense for fiscal year 2012 is \$38.3 million. Based on the workforce reduction data we received, curtailment accounting is not required because the reduction in the average remaining service is 9.6%, less than National Grid's threshold of 10%. The results include the plan amendment for the delay in nonunion plan design changes. Below is the company allocation of ASC 715 expense.

2011/2012 ASC 715 Expense		
Granite State	\$	0.4 million
Mass Electric		12.1 million
Nantucket		0.2 million
Narragansett		6.5 million
New England Power		0.5 million
NGUSCO		16.4 million
New England Gas		<u>2.2 million</u>
Total	\$	38.3 million

IFRS

Total IAS 19 expense for fiscal year 2012 is \$22.1 million. The results include a one-time charge of \$502,734 due to the delay in the nonunion plan design changes. We have also determined the true-up of the March 31, 2011 estimated curtailment charge due to the workforce reduction. Actual curtailment income (\$3.7) is less than our (\$13.4) million estimate due to a higher number of retirement eligible employees being impacted. IAS 19 expense for the period April 1, 2011 through March 31, 2012 (by company) is as follows:

	2011/2012 IAS 19 Expense	Estimated Curtailment (Income) at 3/31/2011	Actual Curtailment (Income)/Charge
Granite State	\$ 0.2 million	\$ 0	\$ 0
Mass Electric	5.6 million	(2,522,000)	(210,278)
Nantucket	0.1 million	(45,333)	(247,721)
Narragansett	3.2 million	(972,667)	(306,784)
New England Power	(0.8) million	(20,000)	0
NGUSCO	10.5 million	(9,239,333)	(3,150,264)
New England Gas	<u>3.3 million</u>	<u>(621,333)</u>	<u>246,736</u>
Total	\$ 22.1 million	\$ (13,420,666)	\$ (3,668,311)

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



Ms. Mari-Louise Messuri
Page 3
September 26, 2011

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

Enclosed are summaries of our results.

Mari, if you have any questions please call.

Sincerely,

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

Stephen F. Doucette

SFD:chf
Enclosures
4844L917

cc: Mr. James Allen, National Grid USA
Mr. Charles DeRosa, National Grid USA
Ms. Maureen Heaphy, National Grid USA
Ms. Francine Kollydas, National Grid USA
Mr. David Kelmer, National Grid USA
Ms. Lorraine Lynch, National Grid USA
Mr. Mark Merzbacher, National Grid USA
Ms. Maria Napenas, National Grid USA
Ms. Lori Santoro, National Grid USA
Ms. Tara Sullivan, National Grid USA
Mr. Martin Wheatcroft, National Grid USA
Mr. Jon Brophy, Aon Hewitt
Ms. Kimberly Gallagher, Aon Hewitt
Ms. Carol MacDonald, Aon Hewitt
Ms. Ditah Rimer, Aon Hewitt

**National Grid USA
Retiree Health and Welfare Plan - Nonunion
ASC 715 Expense April 1, 2011 through March 31, 2012**

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2011								
Accumulated Postretirement Benefit Obligation	(5,067,961)	(95,517,786)	(593,095)	(44,886,470)	(22,145,376)	(213,268,171)	(39,309,843)	(420,788,702)
Assets at Fair Value	3,291,778	61,666,543	0	28,652,467	21,395,317	90,201,574	8,787,812	213,995,491
Funded Status	(1,776,183)	(33,851,243)	(593,095)	(16,234,003)	(750,059)	(123,066,597)	(30,522,031)	(206,793,211)
Unrecognized:								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(71,229)	(1,997,060)	(24,050)	(786,842)	98,871	(7,675,028)	(362,285)	(10,817,623)
Net (Gain)/Loss	1,126,249	21,314,605	257,915	11,212,278	1,388,855	66,003,581	5,334,205	106,637,688
(Accrued)/Prepaid Cost	(721,163)	(14,533,698)	(359,230)	(5,808,567)	737,667	(64,738,044)	(25,550,111)	(110,973,146)
Market Related Value of Assets	3,030,779	56,777,117	0	26,380,666	19,698,922	83,049,657	8,091,043	197,028,184
Net Postretirement Benefit Cost								
Service Cost	18,796	891,486	14,241	322,331	6,676	4,273,677	229,093	5,756,300
Interest Cost	288,331	5,454,570	26,887	2,548,811	1,251,265	12,200,818	2,256,645	24,027,327
Expected Return on Assets	(222,560)	(4,234,674)	1,046	(1,953,249)	(1,467,150)	(6,211,844)	(555,430)	(14,643,861)
Amortization of								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(14,861)	(340,148)	(4,125)	(125,612)	(10,500)	(923,722)	(32,201)	(1,451,169)
Net (Gain)/Loss	61,727	1,167,465	13,924	630,656	61,044	3,633,633	147,227	5,715,676
Net Postret. Benefit Cost	131,433	2,938,699	51,973	1,422,937	(158,665)	12,972,562	2,045,334	19,404,273
Total Expense / (Income)	131,433	2,938,699	51,973	1,422,937	(158,665)	12,972,562	2,045,334	19,404,273
Expected Benefit Payments								
Gross	395,000	6,270,000	27,000	3,305,000	2,070,000	10,283,000	2,467,000	24,817,000
Net	362,000	5,922,000	24,000	3,062,000	1,875,000	9,760,000	2,370,000	23,375,000
Expected Contributions	71,000	1,844,000	0	877,000	493,000	4,144,000	571,000	8,000,000
Assumptions								
Discount Rate	5.90%							
Expected Return on Assets	7.75%							
Initial Pre-65 Medical Trend Rate	8.50%							
Initial Post-65 Medical Trend Rate	8.00%							
Initial Prescription Drug	8.75%							
Ultimate Trend Rate	5.00%							
Mortality								
	RP2000CH Proj. 20 years							9/26/2011

National Grid USA
Retiree Health and Welfare Plan - Union
ASC 715 Expense April 1, 2011 through March 31, 2012

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2011								
Accumulated Postretirement Benefit Obligation	(6,135,129)	(190,877,530)	(1,196,329)	(91,585,899)	(20,536,506)	(67,460,993)	(12,814,474)	(390,606,860)
Assets at Fair Value	3,975,550	121,881,294	0	50,467,776	20,755,895	44,657,869	9,673,866	251,412,250
Funded Status	(2,159,579)	(68,996,236)	(1,196,329)	(41,118,123)	219,389	(22,803,124)	(3,140,608)	(139,194,610)
Unrecognized:								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(33,128)	(1,265,442)	2,397	(475,630)	66,818	(77,869)	140,130	(1,642,724)
Net (Gain)/Loss	1,967,782	52,919,662	501,602	29,500,638	10,368,110	21,217,871	(5,090,413)	111,385,252
(Accrued)/Prepaid Cost	(224,925)	(17,342,016)	(692,330)	(12,093,115)	10,654,317	(1,663,122)	(8,090,891)	(29,452,082)
Market Related Value of Assets	3,383,858	103,741,360	0	42,956,516	17,666,737	38,011,314	8,234,077	213,993,862
Net Postretirement Benefit Cost								
Service Cost	91,152	2,831,086	33,284	1,272,713	0	1,041,972	401,963	5,672,170
Interest Cost	354,804	10,980,256	69,964	5,260,316	1,157,846	3,887,628	735,994	22,446,808
Expected Return on Assets	(259,188)	(7,862,962)	891	(3,236,085)	(1,295,964)	(2,886,325)	(628,215)	(16,167,848)
Amortization of								
Net Transition Obligation	0	0	0	0	0	0	0	0
Prior Service Cost	(5,724)	(201,955)	212	(79,312)	3,411	(39,454)	12,217	(310,605)
Net (Gain)/Loss	129,838	3,467,644	0	1,858,417	760,867	1,409,048	(329,075)	7,296,739
Net Postret. Benefit Cost	310,882	9,214,069	104,351	5,076,049	626,160	3,412,869	192,884	18,937,264
Total Expense / (Income)	310,882	9,214,069	104,351	5,076,049	626,160	3,412,869	192,884	18,937,264
Expected Benefit Payments								
Gross	261,000	10,358,000	23,000	5,285,000	2,016,000	3,385,000	800,000	22,128,000
Net	243,000	9,543,000	21,000	4,856,000	1,824,000	3,138,000	680,000	20,305,000
Expected Contributions	168,000	5,345,000	0	2,662,000	117,000	1,706,000	502,000	10,500,000
Assumptions								
Discount Rate	5.90%							
Expected Return on Assets	7.75%							
Initial Pre-65 Medical Trend Rate	8.50%							
Initial Post-65 Medical Trend Rate	8.00%							
Initial Prescription Drug	8.75%							
Ultimate Trend Rate	5.00%							
Mortality	RP2000CH Proj. 10 years							9/26/2011

National Grid USA
Retiree Health and Welfare Plan - Nonunion
IAS 19 Expense April 1, 2011 through March 31, 2012

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2011								
Accumulated Postretirement Benefit Obligation	(5,067,961)	(95,517,786)	(593,095)	(44,886,470)	(22,145,376)	(213,268,171)	(39,309,843)	(420,788,702)
Assets at Bid Value	3,291,778	61,666,543	0	28,652,467	21,395,317	90,201,573	8,787,812	213,995,490
Funded Status	(1,776,183)	(33,851,243)	(593,095)	(16,234,003)	(750,059)	(123,066,598)	(30,522,031)	(206,793,212)
Prior Service Cost	(89,713)	(2,202,326)	(12,580)	(829,505)	(29,861)	(6,708,975)	4,385,363	(5,487,597)
(Accrued)/Prepaid Cost	(1,865,896)	(36,053,569)	(605,675)	(17,063,508)	(779,920)	(129,775,573)	(26,136,668)	(212,280,809)
P&L Expense								
Operating Expense								
Service Cost	18,796	891,486	14,241	322,331	6,676	4,273,677	229,093	5,756,300
Exceptional Costs (STBs)	0	0	0	0	0	0	0	0
Prior Service Costs - One-time	0	96,618	0	30,253	0	338,967	36,896	502,734
Prior Service Costs - Ongoing	(14,590)	(299,883)	(1,774)	(112,548)	(8,848)	(757,195)	974,634	(220,204)
Curtailment/Settlement Costs	0	0	0	0	0	0	0	0
Total Operating Expense	4,206	688,221	12,467	240,036	(2,172)	3,855,449	1,240,623	6,038,830
Financing Expense								
Interest Cost	288,331	5,454,570	26,887	2,548,811	1,251,265	12,200,818	2,256,645	24,027,327
Expected Return on Assets	(245,309)	(4,679,105)	1,046	(2,160,465)	(1,616,132)	(6,913,316)	(629,712)	(16,242,993)
Total Financing Expense	43,022	775,465	27,933	388,346	(364,867)	5,287,502	1,626,933	7,784,334
Total P&L Expense	47,228	1,463,686	40,400	628,382	(367,039)	9,142,951	2,867,556	13,823,164
Expected Benefit Payments								
Gross	395,000	6,270,000	27,000	3,305,000	2,070,000	10,283,000	2,467,000	24,817,000
Net	362,000	5,922,000	24,000	3,062,000	1,875,000	9,760,000	2,370,000	23,375,000
Expected Contributions	71,000	1,844,000	0	877,000	493,000	4,144,000	571,000	8,000,000
Assumptions								
Discount Rate	5.90%							
Expected Return on Assets	7.75%							
Initial Pre-65 Medical Trend Rate	8.50%							
Initial Post-65 Medical Trend Rate	8.00%							
Initial Prescription Drug	8.75%							
Ultimate Medical Trend Rate	5.00%							
Mortality	RP2000CH Proj. 20 years							

9/26/2011

**National Grid USA
Retiree Health and Welfare Plan - Union
IAS 19 Expense April 1, 2011 through March 31, 2012**

	Granite St	Mass Elec	Nantucket	Narr Elec	NE Power	NGUSCO	NE Gas	Total
Reconciliation of Funded Status, 4/1/2011								
Accumulated Postretirement Benefit Obligation	(6,135,129)	(190,877,530)	(1,196,329)	(91,585,899)	(20,536,506)	(67,460,993)	(12,814,474)	(390,606,860)
Assets at Bid Value	3,975,415	121,877,165	0	50,466,065	20,755,192	44,656,356	9,673,538	251,403,732
Funded Status	(2,159,714)	(69,000,365)	(1,196,329)	(41,119,834)	218,686	(22,804,637)	(3,140,936)	(139,203,128)
Prior Service Cost	(21,864)	(720,392)	1,080	(274,815)	5,044	(263,779)	24,382	(1,250,344)
(Accrued)/Prepaid Cost	(2,181,578)	(69,720,757)	(1,195,249)	(41,394,649)	223,730	(23,088,416)	(3,116,554)	(140,453,472)
P&L Expense								
Operating Expense								
Service Cost	91,152	2,831,086	33,284	1,272,713	0	1,041,972	401,963	5,672,170
Exceptional Costs (STBs)	0	0	0	0	0	0	0	0
Prior Service Costs	(6,479)	(208,736)	147	(84,763)	(3,519)	(74,976)	2,126	(376,200)
Curtailment/Settlement Costs	0	0	0	0	0	0	0	0
Total Operating Expense	84,673	2,622,350	33,431	1,187,950	(3,519)	966,996	404,089	5,295,970
Financing Expense								
Interest Cost	354,804	10,980,256	69,964	5,260,316	1,157,846	3,887,628	735,994	22,446,808
Expected Return on Assets	(311,001)	(9,458,345)	891	(3,912,631)	(1,539,475)	(3,461,914)	(757,604)	(19,440,079)
Total Financing Expense	43,803	1,521,911	70,855	1,347,685	(381,629)	425,714	(21,610)	3,006,729
Total P&L Expense	128,476	4,144,261	104,286	2,535,635	(385,148)	1,392,710	382,479	8,302,700
Expected Benefit Payments								
Gross	261,000	10,358,000	23,000	5,285,000	2,016,000	3,385,000	800,000	22,128,000
Net	243,000	9,543,000	21,000	4,856,000	1,824,000	3,138,000	680,000	20,305,000
Expected Contributions	168,000	5,345,000	0	2,662,000	117,000	1,706,000	502,000	10,500,000
Assumptions								
Discount Rate	5.90%							
Expected Return on Assets	7.75%							
Initial Pre-65 Medical Trend Rate	8.50%							
Initial Post-65 Medical Trend Rate	8.00%							
Initial Prescription Drug	8.75%							
Ultimate Medical Trend Rate	5.00%							
Mortality	RP2000CH Proj. 10 years							9/26/2011



April 27, 2012

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

Dear Mari,

Subject: Estimated Pension/Retiree Welfare Expense for Fiscal Year 2013—
National Grid New England

As requested, we have estimated fiscal year 2013 expense for the New England pension and retiree welfare plans by company. Estimates are based on a 5.10 percent discount rate assumption for US GAAP and IFRS purposes.

Estimated Fiscal Year 2013 Expense/(Income) (\$ Millions)

	US GAAP ASC 715	IFRS IAS 19
Qualified Pension	\$ 86.5	\$ 16.3
Nonqualified Pension	10.6	7.2
Nonunion Retiree Welfare	16.3	10.9
Union Retiree Welfare	<u>18.9</u>	<u>8.1</u>
Total	\$ 132.3	\$ 42.5

The estimates reflect the following:

- An estimated June 30, 2012 spinoff date for Granite State
- Initial pre-65 medical trend of 8.0 percent with an ultimate trend of 5.0 percent
- Initial post-65 medical trend of 7.5 percent with an ultimate trend of 5.0 percent
- Initial prescription drug trend of 8.25 percent with an ultimate trend of 5.0 percent
- 3.5 percent salary increase
- 7.25 percent expected return on assets for the qualified plan and nonunion retiree welfare plan
- 7.50 percent expected return on assets for the union retiree welfare plan
- The March 31, 2012 market and bid value of assets
- Expected fiscal 2013 company contributions of \$89.0 million for the qualified pension plan
- Expected fiscal 2012 company contributions of \$82.5 million for nonunion and union retiree welfare plans



Ms. Mari-Louise Messuri
Page 2
April 27, 2012

Enclosed are summaries by plan and by company.

Mari, please call if you have any questions.

Sincerely,

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

Stephen F. Doucette

SFD:chf
Enclosures

4844L977

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

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,690,906,007)	\$ (1,931,274,000)
Fair Value of Assets	1,460,218,460	1,566,492,000
Funded Status	\$ (230,687,547)	\$ (364,782,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	6,704,345	4,920,000
• Net (Gain) or Loss	628,360,197	759,951,000
(Accrued) / Prepaid Pension Cost	\$ 404,376,995	\$ 400,089,000
Net Periodic Pension Cost		
Service Cost	\$ 28,636,384	\$ 34,674,000
Interest Cost	96,847,349	95,143,000
Expected Return on Assets	(104,281,813)	(102,553,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	1,784,661	1,785,000
• Net (Gain) or Loss	45,214,575	57,407,000
ASC 715 Pension Expense/(Income)	\$ 68,201,156	\$ 86,456,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense/(Income)	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 68,201,156	\$ 86,456,000
Expected Benefit Payments	\$ 98,851,000	\$ 100,136,000
Expected Contributions	\$ 65,200,000	\$ 89,000,000
Market Related Value of Assets	\$ 1,352,497,270	\$ 1,413,433,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Actual Return on Assets for Projection	9.69%	7.25%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,690,906,007)	\$ (1,931,274,000)
Assets at Bid Value	1,460,146,933	1,566,395,000
Funded Status	\$ (230,759,074)	\$ (364,879,000)
Prior Service Costs	157,620	49,000
(Accrued) / Prepaid Pension Cost	\$ (230,601,454)	\$ (364,830,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 28,636,384	\$ 34,674,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	108,958	49,000
Curtailment Costs	4,767,707	0
Total Operating Expense	\$ 33,513,049	\$ 34,723,000
Financing Expense		
Interest Cost	\$ 96,847,349	\$ 95,143,000
Expected Return on Assets	(112,624,661)	(113,551,000)
Total Financing Expense	\$ (15,777,312)	\$ (18,408,000)
Total P&L Expense	\$ 17,735,737	\$ 16,315,000
Expected Benefit Payments		
Expected Benefit Payments	\$ 98,851,000	\$ 100,136,000
Expected Contributions	\$ 65,200,000	\$ 89,000,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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National Grid USA
Final Average Pay Pension Plan
Estimated ASC 715 Expense - Granite State
Assumes 6/30/2012 Spinoff Date

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (18,775,388)	\$ (21,444,000)
Fair Value of Assets	16,213,892	17,394,000
Funded Status	\$ (2,561,496)	\$ (4,050,000)
Net Periodic Pension Cost		
Service Cost	\$ 253,977	\$ 78,000
Interest Cost	1,075,298	266,000
Expected Return on Assets	(1,157,919)	(287,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	23,462	23,000
• Net (Gain) or Loss	543,052	684,000
ASC 715 Pension Expense/(Income)	\$ 737,870	\$ 764,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 737,870	\$ 764,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (494,822,408)	\$ (565,163,000)
Fair Value of Assets	427,314,594	458,414,000
Funded Status	\$ (67,507,814)	\$ (106,749,000)
Net Periodic Pension Cost		
Service Cost	\$ 9,295,482	\$ 11,331,000
Interest Cost	28,351,648	28,076,000
Expected Return on Assets	(30,516,763)	(30,263,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	626,716	627,000
• Net (Gain) or Loss	14,312,059	18,018,000
ASC 715 Pension Expense/(Income)	\$ 22,069,142	\$ 27,789,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 22,069,142	\$ 27,789,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (5,588,279)	\$ (6,383,000)
Fair Value of Assets	4,825,879	5,177,000
Funded Status	\$ (762,400)	\$ (1,206,000)
Net Periodic Pension Cost		
Service Cost	\$ 146,647	\$ 179,000
Interest Cost	324,752	317,000
Expected Return on Assets	(344,641)	(342,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	3,783	4,000
• Net (Gain) or Loss	161,633	203,000
ASC 715 Pension Expense/(Income)	\$ 292,174	\$ 361,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 292,174	\$ 361,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (220,507,727)	\$ (251,854,000)
Fair Value of Assets	190,424,218	204,283,000
Funded Status	\$ (30,083,509)	\$ (47,571,000)
Net Periodic Pension Cost		
Service Cost	\$ 3,434,684	\$ 4,187,000
Interest Cost	12,583,533	12,512,000
Expected Return on Assets	(13,599,186)	(13,486,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	307,135	307,000
• Net (Gain) or Loss	6,377,883	8,029,000
ASC 715 Pension Expense/(Income)	\$ 9,104,049	\$ 11,549,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 9,104,049	\$ 11,549,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (126,170,504)	\$ (144,106,000)
Fair Value of Assets	108,957,268	116,887,000
Funded Status	\$ (17,213,236)	\$ (27,219,000)
Net Periodic Pension Cost		
Service Cost	\$ 10,580	\$ 13,000
Interest Cost	7,172,955	7,159,000
Expected Return on Assets	(7,781,206)	(7,716,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	208,400	209,000
• Net (Gain) or Loss	3,649,309	4,594,000
ASC 715 Pension Expense/(Income)	\$ 3,260,038	\$ 4,259,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 3,260,038	\$ 4,259,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (639,907,192)	\$ (730,872,000)
Fair Value of Assets	552,605,699	592,824,000
Funded Status	\$ (87,301,493)	\$ (138,048,000)
Net Periodic Pension Cost		
Service Cost	\$ 12,785,317	\$ 15,583,000
Interest Cost	36,751,170	36,308,000
Expected Return on Assets	(39,464,454)	(39,136,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	615,016	615,000
• Net (Gain) or Loss	18,508,438	23,302,000
ASC 715 Pension Expense/(Income)	\$ 29,195,487	\$ 36,672,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 29,195,487	\$ 36,672,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (185,134,509)	\$ (211,452,000)
Fair Value of Assets	159,876,910	171,513,000
Funded Status	\$ (25,257,599)	\$ (39,939,000)
Net Periodic Pension Cost		
Service Cost	\$ 2,709,697	\$ 3,303,000
Interest Cost	10,587,993	10,505,000
Expected Return on Assets	(11,417,644)	(11,323,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	149	0
• Net (Gain) or Loss	1,662,201	2,577,000
ASC 715 Pension Expense/(Income)	\$ 3,542,396	\$ 5,062,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense/(Income)	\$ 3,542,396	\$ 5,062,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Granite State
Assumes 6/30/2012 Spinoff Date

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (18,775,388)	\$ (21,444,000)
Assets at Bid Value	16,213,098	17,393,000
Funded Status	\$ (2,562,290)	\$ (4,051,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 253,977	\$ 78,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment Costs	0	0
Total Operating Expense	\$ 253,977	\$ 78,000
Financing Expense		
Interest Cost	\$ 1,075,298	\$ 266,000
Expected Return on Assets	(1,250,555)	(318,000)
Total Financing Expense	\$ (175,257)	\$ (52,000)
Total P&L Expense	\$ 78,720	\$ 26,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN
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National Grid USA
Final Average Pay Pension Plan
Estimated IAS 19 Expense - Mass Electric

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (494,822,408)	\$ (565,163,000)
Assets at Bid Value	427,293,662	458,386,000
Funded Status	\$ (67,528,746)	\$ (106,777,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 9,295,482	\$ 11,331,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	3,971	2,000
Curtailment Costs	874,983	0
Total Operating Expense	\$ 10,174,436	\$ 11,333,000
Financing Expense		
Interest Cost	\$ 28,351,648	\$ 28,076,000
Expected Return on Assets	(32,958,193)	(33,508,000)
Total Financing Expense	\$ (4,606,545)	\$ (5,432,000)
Total P&L Expense	\$ 5,567,891	\$ 5,901,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (5,588,279)	\$ (6,383,000)
Assets at Bid Value	4,825,643	5,177,000
Funded Status	\$ (762,636)	\$ (1,206,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 146,647	\$ 179,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	248	0
Curtailment Costs	27,101	0
Total Operating Expense	\$ 173,996	\$ 179,000
Financing Expense		
Interest Cost	\$ 324,752	\$ 317,000
Expected Return on Assets	(372,213)	(378,000)
Total Financing Expense	\$ (47,461)	\$ (61,000)
Total P&L Expense	\$ 126,535	\$ 118,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (220,507,727)	\$ (251,854,000)
Assets at Bid Value	190,414,890	204,270,000
Funded Status	\$ (30,092,837)	\$ (47,584,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 3,434,684	\$ 4,187,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	744	0
Curtailment Costs	291,426	0
Total Operating Expense	\$ 3,726,854	\$ 4,187,000
Financing Expense		
Interest Cost	\$ 12,583,533	\$ 12,512,000
Expected Return on Assets	(14,687,161)	(14,932,000)
Total Financing Expense	\$ (2,103,628)	\$ (2,420,000)
Total P&L Expense	\$ 1,623,226	\$ 1,767,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (126,170,504)	\$ (144,106,000)
Assets at Bid Value	108,951,931	116,880,000
Funded Status	\$ (17,218,573)	\$ (27,226,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 10,580	\$ 13,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment Costs	4,927	0
Total Operating Expense	\$ 15,507	\$ 13,000
Financing Expense		
Interest Cost	\$ 7,172,955	\$ 7,159,000
Expected Return on Assets	(8,403,726)	(8,544,000)
Total Financing Expense	\$ (1,230,771)	\$ (1,385,000)
Total P&L Expense	\$ (1,215,264)	\$ (1,372,000)
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (639,907,192)	\$ (730,872,000)
Assets at Bid Value	552,578,629	592,787,000
Funded Status	\$ (87,328,563)	\$ (138,085,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 12,785,317	\$ 15,583,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	103,002	46,000
Curtailment Costs	3,394,344	0
Total Operating Expense	\$ 16,282,663	\$ 15,629,000
Financing Expense		
Interest Cost	\$ 36,751,170	\$ 36,308,000
Expected Return on Assets	(42,621,725)	(43,334,000)
Total Financing Expense	\$ (5,870,555)	\$ (7,026,000)
Total P&L Expense	\$ 10,412,108	\$ 8,603,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (185,134,509)	\$ (211,452,000)
Assets at Bid Value	159,869,079	171,502,000
Funded Status	\$ (25,265,430)	\$ (39,950,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,709,697	\$ 3,303,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	993	1,000
Curtailment Costs	174,926	0
Total Operating Expense	\$ 2,885,616	\$ 3,304,000
Financing Expense		
Interest Cost	\$ 10,587,993	\$ 10,505,000
Expected Return on Assets	(12,331,088)	(12,537,000)
Total Financing Expense	\$ (1,743,095)	\$ (2,032,000)
Total P&L Expense	\$ 1,142,521	\$ 1,272,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Salary Scale		
Nonunion	3.50%	3.50%
Union	3.50%	3.50%
Mortality Table for Union	RP2000CH_10	2008 IRS GEN
Mortality Table for Nonunion	RP2000CH_20	2008 IRS GEN

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National Grid USA
ESRP
Estimated ASC 715 Expense

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (84,546,504)	\$ (91,187,000)
Fair Value of Assets	0	0
Funded Status	\$ (84,546,504)	\$ (91,187,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(152,515)	(56,000)
• Net (Gain) or Loss	30,098,764	34,639,000
(Accrued) / Prepaid Pension Cost	\$ (54,600,255)	\$ (56,604,000)
Net Periodic Pension Cost		
Service Cost	\$ 770,812	\$ 937,000
Interest Cost	4,814,459	4,502,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(96,397)	(56,000)
• Net (Gain) or Loss	2,153,643	2,539,000
ASC 715 Pension Expense	\$ 7,642,517	\$ 7,922,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 7,642,517	\$ 7,922,000
Expected Benefit Payments		
Expected Benefit Payments	\$ 5,891,000	\$ 5,825,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH 20	2008 IRS GEN
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National Grid USA
ESRP
Estimated IAS 19 Expense

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (84,546,504)	\$ (91,187,000)
Fair Value of Assets	0	0
Funded Status	\$ (84,546,504)	\$ (91,187,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (84,546,504)	\$ (91,187,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 770,812	\$ 937,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 770,812	\$ 937,000
Financing Expense		
Interest Cost	\$ 4,814,459	\$ 4,502,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 4,814,459	\$ 4,502,000
Total P&L Expense	\$ 5,585,271	\$ 5,439,000
Expected Benefit Payments	\$ 5,891,000	\$ 5,825,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN

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National Grid USA
ESRP
Estimated ASC 715 Expense - Granite State

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (124,212)	\$ (134,000)
Fair Value of Assets	0	0
Funded Status	\$ (124,212)	\$ (134,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	6,827	7,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	3,164	4,000
ASC 715 Pension Expense	\$ 9,991	\$ 11,000
Special Termination Benefits	\$ 0	
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 9,991	\$ 11,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN
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National Grid USA
ESRP
Estimated ASC 715 Expense - Mass Electric

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (857,416)	\$ (925,000)
Fair Value of Assets	0	0
Funded Status	\$ (857,416)	\$ (925,000)
Net Periodic Pension Cost		
Service Cost	\$ 3,741	\$ 5,000
Interest Cost	48,788	46,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	21,841	26,000
ASC 715 Pension Expense	\$ 74,370	\$ 77,000
Special Termination Benefits	\$ 0	
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 74,370	\$ 77,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN

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National Grid USA
ESRP
Estimated ASC 715 Expense - Nantucket Electric

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (372,413)	\$ (402,000)
Fair Value of Assets	0	0
Funded Status	\$ (372,413)	\$ (402,000)
Net Periodic Pension Cost		
Service Cost	\$ 3,069	\$ 4,000
Interest Cost	20,704	20,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	9,486	11,000
ASC 715 Pension Expense	\$ 33,259	\$ 35,000
Special Termination Benefits	\$ 0	
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 33,259	\$ 35,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

National Grid USA

ESRP

Estimated ASC 715 Expense - Narragansett Electric

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (923,157)	\$ (996,000)
Fair Value of Assets	0	0
Funded Status	\$ (923,157)	\$ (996,000)
Net Periodic Pension Cost		
Service Cost	\$ 7,080	\$ 9,000
Interest Cost	52,578	49,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	23,515	28,000
ASC 715 Pension Expense	\$ 83,173	\$ 86,000
Special Termination Benefits	\$ 0	
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 83,173	\$ 86,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (3,860,957)	\$ (4,164,000)
Fair Value of Assets	0	0
Funded Status	\$ (3,860,957)	\$ (4,164,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	218,474	206,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(22,131)	(13,000)
• Net (Gain) or Loss	98,350	116,000
ASC 715 Pension Expense	\$ 294,693	\$ 309,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 294,693	\$ 309,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

National Grid USA
ESRP
Estimated ASC 715 Expense - NGUSCO

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (78,408,349)	\$ (84,566,000)
Fair Value of Assets	0	0
Funded Status	\$ (78,408,349)	\$ (84,566,000)
Net Periodic Pension Cost		
Service Cost	\$ 756,922	\$ 919,000
Interest Cost	4,467,089	4,174,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(74,266)	(43,000)
• Net (Gain) or Loss	1,997,287	2,354,000
ASC 715 Pension Expense	\$ 7,147,032	\$ 7,404,000
Special Termination Benefits	\$ 0	
Curtailment Expense	\$ 0	\$ 0
Total Pension Expense	\$ 7,147,032	\$ 7,404,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

National Grid USA

ESRP

Estimated IAS 19 Expense - Granite State

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (124,212)	\$ (134,000)
Assets at Bid Value	0	0
Funded Status	\$ (124,212)	\$ (134,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 6,827	\$ 7,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 6,827	\$ 7,000
Total P&L Expense	\$ 6,827	\$ 7,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

National Grid USA
ESRP
Estimated IAS 19 Expense - Mass Electric

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (857,416)	\$ (925,000)
Assets at Bid Value	0	0
Funded Status	\$ (857,416)	\$ (925,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 3,741	\$ 5,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 3,741	\$ 5,000
Financing Expense		
Interest Cost	\$ 48,788	\$ 46,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 48,788	\$ 46,000
Total P&L Expense	\$ 52,529	\$ 51,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

National Grid USA
ESRP
Estimated IAS 19 Expense - Nantucket Electric

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (372,413)	\$ (402,000)
Assets at Bid Value	0	0
Funded Status	\$ (372,413)	\$ (402,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 3,069	\$ 4,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 3,069	\$ 4,000
Financing Expense		
Interest Cost	\$ 20,704	\$ 20,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 20,704	\$ 20,000
Total P&L Expense	\$ 23,773	\$ 24,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

National Grid USA
ESRP
Estimated IAS 19 Expense - Narragansett Electric

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (923,157)	\$ (996,000)
Assets at Bid Value	0	0
Funded Status	\$ (923,157)	\$ (996,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 7,080	\$ 9,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 7,080	\$ 9,000
Financing Expense		
Interest Cost	\$ 52,578	\$ 49,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 52,578	\$ 49,000
Total P&L Expense	\$ 59,658	\$ 58,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (3,860,957)	\$ (4,164,000)
Assets at Bid Value	0	0
Funded Status	\$ (3,860,957)	\$ (4,164,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 218,474	\$ 206,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 218,474	\$ 206,000
Total P&L Expense	\$ 218,474	\$ 206,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

National Grid USA
ESRP
Estimated IAS 19 Expense - NGUSCO

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (78,408,349)	\$ (84,566,000)
Assets at Bid Value	0	0
Funded Status	\$ (78,408,349)	\$ (84,566,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 756,922	\$ 919,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 756,922	\$ 919,000
Financing Expense		
Interest Cost	\$ 4,467,089	\$ 4,174,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 4,467,089	\$ 4,174,000
Total P&L Expense	\$ 5,224,011	\$ 5,093,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	3.50%	3.50%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (20,435,815)	\$ (20,628,000)
Fair Value of Assets	0	0
Funded Status	\$ (20,435,815)	\$ (20,628,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	7,928,322	8,552,000
(Accrued) / Prepaid Pension Cost	\$ (12,507,493)	\$ (12,076,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	1,143,026	998,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	526,019	607,000
ASC 715 Pension Expense	\$ 1,669,045	\$ 1,605,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 1,669,045	\$ 1,605,000
Expected Benefit Payments		
Expected Benefit Payments	\$ 2,125,000	\$ 2,109,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Interest Cost		
Granite State	\$ 14,217	\$ 12,000
Mass Electric	\$ 36,729	\$ 32,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 28,205	\$ 25,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 998,580	\$ 872,000
Directors	\$ 65,295	\$ 57,000
Total Interest Cost	\$ 1,143,026	\$ 998,000
Net (Gain) or Loss Amortization		
Granite State	\$ 6,543	\$ 8,000
Mass Electric	\$ 16,903	\$ 20,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 12,980	\$ 15,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 459,544	\$ 529,000
Directors	\$ 30,049	\$ 35,000
Total Net (Gain) or Loss Amortization	\$ 526,019	\$ 607,000
Total Net Periodic Pension Cost		
Granite State	\$ 20,760	\$ 20,000
Mass Electric	\$ 53,632	\$ 52,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 41,185	\$ 40,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 1,458,124	\$ 1,401,000
Directors	\$ 95,344	\$ 92,000
Total Expense/(Income)	\$ 1,669,045	\$ 1,605,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (20,435,815)	\$ (20,628,000)
Fair Value of Assets	0	0
Funded Status	\$ (20,435,815)	\$ (20,628,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (20,435,815)	\$ (20,628,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 1,143,026	\$ 998,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 1,143,026	\$ 998,000
Total P&L Expense	\$ 1,143,026	\$ 998,000
Expected Benefit Payments	\$ 2,125,000	\$ 2,109,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH 20	2008 IRS GEN

Aon Hewitt

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

	Actual	Estimated
	4/2011-3/2012	4/2012-3/2013
<hr/>		
Total P&L Expense		
National Grid Plans		
Granite State	\$ 14,217	\$ 12,000
Mass Electric	\$ 36,729	\$ 32,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 28,205	\$ 25,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 998,580	\$ 872,000
Directors	\$ 65,295	\$ 57,000
Total Expense/(Income)	\$ 1,143,026	\$ 998,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (11,420,531)	\$ (11,316,000)
Fair Value of Assets	0	0
Funded Status	\$ (11,420,531)	\$ (11,316,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	4,499,059	4,795,000
(Accrued) / Prepaid Pension Cost	\$ (6,921,472)	\$ (6,521,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	635,491	545,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	314,253	360,000
ASC 715 Pension Expense	\$ 949,744	\$ 905,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 949,744	\$ 905,000
Expected Benefit Payments		
Expected Benefit Payments	\$ 1,299,000	\$ 1,252,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Interest Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 43,052	\$ 37,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 592,439	\$ 508,000
Directors	\$ 0	\$ 0
Total Interest Cost	\$ 635,491	\$ 545,000
Net (Gain) or Loss Amortization		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 21,289	\$ 24,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 292,964	\$ 336,000
Directors	\$ 0	\$ 0
Total Net (Gain) or Loss Amortization	\$ 314,253	\$ 360,000
Total Net Periodic Pension Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 64,341	\$ 61,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 885,403	\$ 844,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 949,744	\$ 905,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (11,420,531)	\$ (11,316,000)
Fair Value of Assets	0	0
Funded Status	\$ (11,420,531)	\$ (11,316,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (11,420,531)	\$ (11,316,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 635,491	\$ 545,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 635,491	\$ 545,000
Total P&L Expense	\$ 635,491	\$ 545,000
Expected Benefit Payments	\$ 1,299,000	\$ 1,252,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual	Estimated
	4/2011-3/2012	4/2012-3/2013
<hr/>		
Total P&L Expense		
National Grid Plans		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 43,052	\$ 37,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 0	\$ 0
NE Gas	\$ 0	\$ 0
NE Power	\$ 0	\$ 0
NGUSCO	\$ 592,439	\$ 508,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 635,491	\$ 545,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,644,457)	\$ (2,539,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,644,457)	\$ (2,539,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(1,963,217)	(1,732,000)
(Accrued) / Prepaid Pension Cost	\$ (4,607,674)	\$ (4,271,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	143,721	119,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(109,882)	(97,000)
ASC 715 Pension Expense	\$ 33,839	\$ 22,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 33,839	\$ 22,000
Expected Benefit Payments		
Expected Benefit Payments	\$ 417,000	\$ 424,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Interest Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 8,545	\$ 7,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 13,888	\$ 11,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 3,727	\$ 3,000
NGUSCO	\$ 117,561	\$ 98,000
Directors	\$ 0	\$ 0
Total Interest Cost	\$ 143,721	\$ 119,000
Net (Gain) or Loss Amortization		
Granite State	\$ 0	\$ 0
Mass Electric	\$ (6,533)	\$ (6,000)
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ (10,618)	\$ (9,000)
NE Gas	\$ 0	\$ 0
NE Power	\$ (2,850)	\$ (3,000)
NGUSCO	\$ (89,881)	\$ (79,000)
Directors	\$ 0	\$ 0
Total Net (Gain) or Loss Amortization	\$ (109,882)	\$ (97,000)
Total Net Periodic Pension Cost		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 2,012	\$ 1,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 3,270	\$ 2,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 877	\$ 0
NGUSCO	\$ 27,680	\$ 19,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 33,839	\$ 22,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (2,644,457)	\$ (2,539,000)
Fair Value of Assets	0	0
Funded Status	\$ (2,644,457)	\$ (2,539,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (2,644,457)	\$ (2,539,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 143,721	\$ 119,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 143,721	\$ 119,000
Total P&L Expense	\$ 143,721	\$ 119,000
Expected Benefit Payments	\$ 417,000	\$ 424,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Total P&L Expense		
National Grid Plans		
Granite State	\$ 0	\$ 0
Mass Electric	\$ 8,545	\$ 7,000
Nantucket Electric	\$ 0	\$ 0
Narragansett Electric	\$ 13,888	\$ 11,000
NE Gas	\$ 0	\$ 0
NE Power	\$ 3,727	\$ 3,000
NGUSCO	\$ 117,561	\$ 98,000
Directors	\$ 0	\$ 0
Total Expense/(Income)	\$ 143,721	\$ 119,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

National Grid USA
EUA KEIP
Estimated ASC 715 Expense

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,963,887)	\$ (1,739,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,963,887)	\$ (1,739,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(1,171,262)	(1,075,000)
(Accrued) / Prepaid Pension Cost	\$ (3,135,149)	\$ (2,814,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	104,217	79,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	(48,237)	(46,000)
ASC 715 Pension Expense	\$ 55,980	\$ 33,000
Settlement Expense	\$ 0	\$ 0
Total Pension Expense	\$ 55,980	\$ 33,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

National Grid USA
EUA KEIP
Estimated IAS 19 Expense

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,963,887)	\$ (1,739,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,963,887)	\$ (1,739,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (1,963,887)	\$ (1,739,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 104,217	\$ 79,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 104,217	\$ 79,000
Total P&L Expense	\$ 104,217	\$ 79,000
Expected Benefit Payments	\$ 395,000	\$ 395,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,425,333)	\$ (1,393,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,425,333)	\$ (1,393,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	0	0
• Net (Gain) or Loss	307,748	355,000
(Accrued) / Prepaid Pension Cost	\$ (1,117,585)	\$ (1,038,000)
Net Periodic Pension Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	78,490	66,000
Expected Return on Assets	0	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	0	0
• Net (Gain) or Loss	15,631	22,000
ASC 715 Pension Expense	\$ 94,121	\$ 88,000
Settlement Expense		
Total Pension Expense	\$ 94,121	\$ 88,000
Expected Benefit Payments		
Expected Benefit Payments	\$ 190,000	\$ 194,000
Expected Contributions	\$ 0	\$ 0
Market Related Value of Assets	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Projected Benefit Obligation	\$ (1,425,333)	\$ (1,393,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,425,333)	\$ (1,393,000)
Prior Service Costs	0	0
(Accrued) / Prepaid Pension Cost	\$ (1,425,333)	\$ (1,393,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs	0	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 0	\$ 0
Financing Expense		
Interest Cost	\$ 78,490	\$ 66,000
Expected Return on Assets	0	0
Total Financing Expense	\$ 78,490	\$ 66,000
Total P&L Expense	\$ 78,490	\$ 66,000
Expected Benefit Payments	\$ 190,000	\$ 194,000
Expected Contributions	\$ 0	\$ 0
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	n/a	n/a
Salary Scale	n/a	n/a
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (420,788,702)	\$ (430,929,000)
Fair Value of Assets	213,995,491	219,357,000
Funded Status	\$ (206,793,211)	\$ (211,572,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(10,817,623)	(8,864,000)
• Net (Gain) or Loss	106,637,688	107,062,000
(Accrued) / Prepaid Cost	\$ (110,973,146)	\$ (113,374,000)
Net Periodic Cost		
Service Cost	\$ 5,756,300	\$ 6,162,000
Interest Cost	24,027,327	21,191,000
Expected Return on Assets	(14,643,861)	(15,147,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(1,451,169)	(1,451,000)
• Net (Gain) or Loss	5,715,676	5,518,000
ASC 715 Expense	\$ 19,404,273	\$ 16,273,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 19,404,273	\$ 16,273,000
Expected Benefit Payments - Net	\$ 23,375,000	\$ 23,226,300
Expected Benefit Payments - Gross	\$ 24,817,000	\$ 24,791,300
Expected Contributions	\$ 8,000,000	\$ 35,000,000
Market Related Value of Assets	\$ 197,028,184	\$ 204,633,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Medical Trend - Pre-65	8.50%	8.00%
Initial Medical Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (420,788,702)	\$ (430,929,000)
Assets at Bid Value	213,995,490	219,349,000
Funded Status	\$ (206,793,212)	\$ (211,580,000)
Prior Service Costs	(5,487,597)	(5,267,000)
(Accrued) / Prepaid Cost	\$ (212,280,809)	\$ (216,847,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 5,756,300	\$ 6,162,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	502,734	0
Prior Service Costs - On-going	(220,204)	(212,000)
Curtailment Costs*	9,543,185	0
Total Operating Expense	\$ 15,582,015	\$ 5,950,000
Financing Expense		
Interest Cost	\$ 24,027,327	\$ 21,191,000
Expected Return on Assets	(16,242,993)	(16,203,000)
Total Financing Expense	\$ 7,784,334	\$ 4,988,000
Total P&L Expense	\$ 23,366,349	\$ 10,938,000
Expected Benefit Payments - Net	\$ 23,375,000	\$ 23,226,300
Expected Benefit Payments - Gross	\$ 24,817,000	\$ 24,791,300
Expected Contributions	\$ 8,000,000	\$ 35,000,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Medical Trend - Pre-65	8.50%	8.00%
Initial Medical Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

National Grid USA
Nonunion Retiree Welfare Plan
Estimated ASC 715 Expense - Granite State
Assumes 6/30/2012 Spinoff Date

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (5,067,961)	\$ (5,190,000)
Fair Value of Assets	3,291,778	3,151,000
Funded Status	\$ (1,776,183)	\$ (2,039,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(58,000)	(43,000)
• Net (Gain) or Loss	497,183	717,000
(Accrued) / Prepaid Cost	\$ (1,337,000)	\$ (1,365,000)
Net Periodic Cost		
Service Cost	\$ 18,796	\$ 5,000
Interest Cost	288,331	64,000
Expected Return on Assets	(222,560)	(55,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(14,861)	(15,000)
• Net (Gain) or Loss	61,727	66,000
ASC 715 Expense	\$ 131,433	\$ 65,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense	\$ 0	\$ 0
Total RW Expense	\$ 131,433	\$ 65,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH 20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (95,517,786)	\$ (97,820,000)
Fair Value of Assets	61,666,543	60,490,000
Funded Status	\$ (33,851,243)	\$ (37,330,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(791,000)	(451,000)
• Net (Gain) or Loss	9,451,243	12,045,000
(Accrued) / Prepaid Cost	\$ (25,191,000)	\$ (25,736,000)
Net Periodic Cost		
Service Cost	\$ 891,486	\$ 957,000
Interest Cost	5,454,570	4,854,000
Expected Return on Assets	(4,234,674)	(4,222,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(340,148)	(340,000)
• Net (Gain) or Loss	1,167,465	1,253,000
ASC 715 Expense	\$ 2,938,699	\$ 2,502,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense	\$ 0	\$ 0
Total RW Expense	\$ 2,938,699	\$ 2,502,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (593,095)	\$ (607,000)
Fair Value of Assets	0	0
Funded Status	\$ (593,095)	\$ (607,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(1,619,000)	(1,615,000)
• Net (Gain) or Loss	2,056,095	2,062,000
(Accrued) / Prepaid Cost	\$ (156,000)	\$ (160,000)
Net Periodic Cost		
Service Cost	\$ 14,241	\$ 15,000
Interest Cost	26,887	30,000
Expected Return on Assets	1,046	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(4,125)	(4,000)
• Net (Gain) or Loss	13,924	8,000
ASC 715 Expense	\$ 51,973	\$ 49,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense	\$ 0	\$ 0
Total RW Expense	\$ 51,973	\$ 49,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (44,886,470)	\$ (45,968,000)
Fair Value of Assets	28,652,467	27,804,000
Funded Status	\$ (16,234,003)	\$ (18,164,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(1,327,000)	(1,201,000)
• Net (Gain) or Loss	5,723,003	7,271,000
(Accrued) / Prepaid Cost	\$ (11,838,000)	\$ (12,094,000)
Net Periodic Cost		
Service Cost	\$ 322,331	\$ 346,000
Interest Cost	2,548,811	2,281,000
Expected Return on Assets	(1,953,249)	(1,941,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(125,612)	(126,000)
• Net (Gain) or Loss	630,656	589,000
ASC 715 Expense	\$ 1,422,937	\$ 1,149,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense	\$ 0	\$ 0
Total RW Expense	\$ 1,422,937	\$ 1,149,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (22,145,376)	\$ (22,679,000)
Fair Value of Assets	21,395,317	20,923,000
Funded Status	\$ (750,059)	\$ (1,756,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(1,579,000)	(1,569,000)
• Net (Gain) or Loss	(3,510,941)	(2,642,000)
(Accrued) / Prepaid Cost	\$ (5,840,000)	\$ (5,967,000)
Net Periodic Cost		
Service Cost	\$ 6,676	\$ 7,000
Interest Cost	1,251,265	1,125,000
Expected Return on Assets	(1,467,150)	(1,461,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(10,500)	(10,000)
• Net (Gain) or Loss	61,044	290,000
ASC 715 Expense	\$ (158,665)	\$ (49,000)
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense	\$ 0	\$ 0
Total RW Expense	\$ (158,665)	\$ (49,000)
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH 20	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (213,268,171)	\$ (218,408,000)
Fair Value of Assets	90,201,574	90,074,000
Funded Status	\$ (123,066,597)	\$ (128,334,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	43,000	967,000
• Net (Gain) or Loss	66,779,597	69,906,000
(Accrued) / Prepaid Cost	\$ (56,244,000)	\$ (57,461,000)
Net Periodic Cost		
Service Cost	\$ 4,273,677	\$ 4,586,000
Interest Cost	12,200,818	10,839,000
Expected Return on Assets	(6,211,844)	(6,287,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(923,722)	(924,000)
• Net (Gain) or Loss	3,633,633	2,797,000
ASC 715 Expense	\$ 12,972,562	\$ 11,011,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense	\$ 0	\$ 0
Total RW Expense	\$ 12,972,562	\$ 11,011,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH 20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (39,309,843)	\$ (40,257,000)
Fair Value of Assets	8,787,812	16,915,000
Funded Status	\$ (30,522,031)	\$ (23,342,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(1,588,000)	(1,556,000)
• Net (Gain) or Loss	21,743,031	14,307,000
(Accrued) / Prepaid Cost	\$ (10,367,000)	\$ (10,591,000)
Net Periodic Cost		
Service Cost	\$ 229,093	\$ 246,000
Interest Cost	2,256,645	1,998,000
Expected Return on Assets	(555,430)	(1,181,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(32,201)	(32,000)
• Net (Gain) or Loss	147,227	515,000
ASC 715 Expense	\$ 2,045,334	\$ 1,546,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense	\$ 0	\$ 0
Total RW Expense	\$ 2,045,334	\$ 1,546,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH 20	2008 IRS GEN

Aon Hewitt

National Grid USA
Nonunion Retiree Welfare Plan
Estimated IAS 19 Expense - Granite State
Assumes 6/30/2012 Spinoff Date

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (5,067,961)	\$ (5,190,000)
Assets at Bid Value	3,291,778	3,151,000
Funded Status	\$ (1,776,183)	\$ (2,039,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 18,796	\$ 5,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(14,590)	(15,000)
Curtailment Costs	0	0
Total Operating Expense	\$ 4,206	\$ (10,000)
Financing Expense		
Interest Cost	\$ 288,331	\$ 64,000
Expected Return on Assets	(245,309)	(59,000)
Total Financing Expense	\$ 43,022	\$ 5,000
Total P&L Expense	\$ 47,228	\$ (5,000)
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (95,517,786)	\$ (97,820,000)
Assets at Bid Value	61,666,543	60,488,000
Funded Status	\$ (33,851,243)	\$ (37,332,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 891,486	\$ 957,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	96,618	0
Prior Service Costs - On-going	(299,883)	(288,000)
Curtailment Costs	1,793,347	0
Total Operating Expense	\$ 2,481,568	\$ 669,000
Financing Expense		
Interest Cost	\$ 5,454,570	\$ 4,854,000
Expected Return on Assets	(4,679,105)	(4,517,000)
Total Financing Expense	\$ 775,465	\$ 337,000
Total P&L Expense	\$ 3,257,033	\$ 1,006,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (593,095)	\$ (607,000)
Assets at Bid Value	0	0
Funded Status	\$ (593,095)	\$ (607,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 14,241	\$ 15,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(1,774)	(2,000)
Curtailment Costs	32,236	0
Total Operating Expense	\$ 44,703	\$ 13,000
Financing Expense		
Interest Cost	\$ 26,887	\$ 30,000
Expected Return on Assets	1,046	0
Total Financing Expense	\$ 27,933	\$ 30,000
Total P&L Expense	\$ 72,636	\$ 43,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (44,886,470)	\$ (45,968,000)
Assets at Bid Value	28,652,467	27,803,000
Funded Status	\$ (16,234,003)	\$ (18,165,000)
Unrecognized:		
• Prior Service Cost	(902,937)	(790,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 322,331	\$ 346,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	30,253	0
Prior Service Costs - On-going	(112,548)	(108,000)
Curtailment Costs	691,645	0
Total Operating Expense	\$ 931,681	\$ 238,000
Financing Expense		
Interest Cost	\$ 2,548,811	\$ 2,281,000
Expected Return on Assets	(2,160,465)	(2,076,000)
Total Financing Expense	\$ 388,346	\$ 205,000
Total P&L Expense	\$ 1,320,027	\$ 443,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (22,145,376)	\$ (22,679,000)
Assets at Bid Value	21,395,317	20,922,000
Funded Status	\$ (750,059)	\$ (1,757,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 6,676	\$ 7,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(8,848)	(8,000)
Curtailment Costs	14,222	0
Total Operating Expense	\$ 12,050	\$ (1,000)
Financing Expense		
Interest Cost	\$ 1,251,265	\$ 1,125,000
Expected Return on Assets	(1,616,132)	(1,562,000)
Total Financing Expense	\$ (364,867)	\$ (437,000)
Total P&L Expense	\$ (352,817)	\$ (438,000)
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (213,268,171)	\$ (218,408,000)
Assets at Bid Value	90,201,573	90,071,000
Funded Status	\$ (123,066,598)	\$ (128,337,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 4,273,677	\$ 4,586,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	338,967	0
Prior Service Costs - On-going	(757,195)	(727,000)
Curtailment Costs	6,569,916	0
Total Operating Expense	\$ 10,425,365	\$ 3,859,000
Financing Expense		
Interest Cost	\$ 12,200,818	\$ 10,839,000
Expected Return on Assets	(6,913,316)	(6,726,000)
Total Financing Expense	\$ 5,287,502	\$ 4,113,000
Total P&L Expense	\$ 15,712,867	\$ 7,972,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (39,309,843)	\$ (40,257,000)
Assets at Bid Value	8,787,812	16,914,000
Funded Status	\$ (30,522,031)	\$ (23,343,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 229,093	\$ 246,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	36,896	0
Prior Service Costs - On-going	974,634	936,000
Curtailment Costs	441,819	0
Total Operating Expense	\$ 1,682,442	\$ 1,182,000
Financing Expense		
Interest Cost	\$ 2,256,645	\$ 1,998,000
Expected Return on Assets	(629,712)	(1,263,000)
Total Financing Expense	\$ 1,626,933	\$ 735,000
Total P&L Expense	\$ 3,309,375	\$ 1,917,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.25%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_20	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (390,606,860)	\$ (425,152,000)
Fair Value of Assets	251,412,250	251,917,000
Funded Status	\$ (139,194,610)	\$ (173,235,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(1,642,724)	(1,332,000)
• Net (Gain) or Loss	111,385,252	136,500,000
(Accrued) / Prepaid Cost	\$ (29,452,082)	\$ (38,067,000)
Net Periodic Cost		
Service Cost	\$ 5,672,170	\$ 7,288,000
Interest Cost	22,446,808	20,893,000
Expected Return on Assets	(16,167,848)	(17,346,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(310,605)	(311,000)
• Net (Gain) or Loss	7,296,739	8,389,000
ASC 715 Expense	\$ 18,937,264	\$ 18,913,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Regulatory Expense	\$ 0	\$ 0
Total RW Expense	\$ 18,937,264	\$ 18,913,000
Expected Benefit Payments - Net		
Expected Benefit Payments - Gross	\$ 20,305,000	\$ 21,220,700
Expected Contributions	\$ 12,800,000	\$ 47,500,000
Market Related Value of Assets	\$ 213,993,862	\$ 219,736,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Medical Trend - Pre-65	8.50%	8.00%
Initial Medical Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (390,606,860)	\$ (425,152,000)
Assets at Bid Value	251,403,732	251,900,000
Funded Status	\$ (139,203,128)	\$ (173,252,000)
Prior Service Costs	(1,250,344)	(874,000)
(Accrued) / Prepaid Cost	\$ (140,453,472)	\$ (174,126,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 5,672,170	\$ 7,288,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(376,200)	(376,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 5,295,970	\$ 6,912,000
Financing Expense		
Interest Cost	\$ 22,446,808	\$ 20,893,000
Expected Return on Assets	(19,440,079)	(19,729,000)
Total Financing Expense	\$ 3,006,729	\$ 1,164,000
Total P&L Expense	\$ 8,302,699	\$ 8,076,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Medical Trend - Pre-65	8.50%	8.00%
Initial Medical Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN

Aon Hewitt

National Grid USA
Union Retiree Welfare Plan
Estimated ASC 715 Expense - Granite State
Assumes 6/30/2012 Spinoff Date

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (6,135,129)	\$ (6,678,000)
Fair Value of Assets	3,975,550	4,056,000
Funded Status	\$ (2,159,579)	\$ (2,622,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(33,128)	(27,404)
• Net (Gain) or Loss	574,707	892,404
(Accrued) / Prepaid Cost	\$ (1,618,000)	\$ (1,757,000)
Net Periodic Cost		
Service Cost	\$ 91,152	\$ 30,000
Interest Cost	354,804	83,000
Expected Return on Assets	(259,188)	(71,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(5,724)	(6,000)
• Net (Gain) or Loss	129,838	132,000
ASC 715 Expense	\$ 310,882	\$ 168,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 310,882	\$ 168,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (190,877,530)	\$ (207,758,000)
Fair Value of Assets	121,881,294	122,252,000
Funded Status	\$ (68,996,236)	\$ (85,506,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(1,265,442)	(1,063,487)
• Net (Gain) or Loss	19,922,678	31,910,487
(Accrued) / Prepaid Cost	\$ (50,339,000)	\$ (54,659,000)
Net Periodic Cost		
Service Cost	\$ 2,831,086	\$ 3,682,000
Interest Cost	10,980,256	10,331,000
Expected Return on Assets	(7,862,962)	(8,519,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(201,955)	(201,000)
• Net (Gain) or Loss	3,467,644	4,099,000
ASC 715 Expense	\$ 9,214,069	\$ 9,392,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 9,214,069	\$ 9,392,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (1,196,329)	\$ (1,302,000)
Fair Value of Assets	0	0
Funded Status	\$ (1,196,329)	\$ (1,302,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	2,397	2,397
• Net (Gain) or Loss	877,932	956,603
(Accrued) / Prepaid Cost	\$ (316,000)	\$ (343,000)
Net Periodic Cost		
Service Cost	\$ 33,284	\$ 43,000
Interest Cost	69,964	65,000
Expected Return on Assets	891	0
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	212	0
• Net (Gain) or Loss	0	26,000
ASC 715 Expense	\$ 104,351	\$ 134,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 104,351	\$ 134,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (91,585,899)	\$ (99,686,000)
Fair Value of Assets	50,467,776	50,300,000
Funded Status	\$ (41,118,123)	\$ (49,386,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(475,630)	(396,318)
• Net (Gain) or Loss	17,439,753	23,555,318
(Accrued) / Prepaid Cost	\$ (24,154,000)	\$ (26,227,000)
Net Periodic Cost		
Service Cost	\$ 1,272,713	\$ 1,655,000
Interest Cost	5,260,316	4,957,000
Expected Return on Assets	(3,236,085)	(3,506,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(79,312)	(79,000)
• Net (Gain) or Loss	1,858,417	1,967,000
ASC 715 Expense	\$ 5,076,049	\$ 4,994,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 5,076,049	\$ 4,994,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (20,536,506)	\$ (22,353,000)
Fair Value of Assets	20,755,895	19,509,000
Funded Status	\$ 219,389	\$ (2,844,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	66,818	63,407
• Net (Gain) or Loss	(5,702,207)	(3,100,407)
(Accrued) / Prepaid Cost	\$ (5,416,000)	\$ (5,881,000)
Net Periodic Cost		
Service Cost	\$ 0	\$ 0
Interest Cost	1,157,846	1,112,000
Expected Return on Assets	(1,295,964)	(1,360,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	3,411	3,000
• Net (Gain) or Loss	760,867	441,000
ASC 715 Expense	\$ 626,160	\$ 196,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 626,160	\$ 196,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (67,460,993)	\$ (73,427,000)
Fair Value of Assets	44,657,869	45,677,000
Funded Status	\$ (22,803,124)	\$ (27,750,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	(77,869)	(38,415)
• Net (Gain) or Loss	5,089,993	8,470,415
(Accrued) / Prepaid Cost	\$ (17,791,000)	\$ (19,318,000)
Net Periodic Cost		
Service Cost	\$ 1,041,972	\$ 1,355,000
Interest Cost	3,887,628	3,651,000
Expected Return on Assets	(2,886,325)	(3,184,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	(39,454)	(40,000)
• Net (Gain) or Loss	1,409,048	1,449,000
ASC 715 Expense	\$ 3,412,869	\$ 3,231,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 3,412,869	\$ 3,231,000

Assumptions:

Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN

Aon Hewitt

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (12,814,474)	\$ (13,948,000)
Fair Value of Assets	9,673,866	10,123,000
Funded Status	\$ (3,140,608)	\$ (3,825,000)
Unrecognized:		
• Net Transition Obligation or (Asset)	\$ 0	\$ 0
• Prior Service Cost	140,130	127,913
• Net (Gain) or Loss	(379,522)	27,087
(Accrued) / Prepaid Cost	\$ (3,380,000)	\$ (3,670,000)
Net Periodic Cost		
Service Cost	\$ 401,963	\$ 523,000
Interest Cost	735,994	694,000
Expected Return on Assets	(628,215)	(706,000)
Amortization of:		
• Net Transition Obligation or (Asset)	0	0
• Prior Service Cost	12,217	12,000
• Net (Gain) or Loss	(329,075)	275,000
ASC 715 Expense	\$ 192,884	\$ 798,000
Special Termination Benefits	\$ 0	\$ 0
Curtailment Expense	\$ 0	\$ 0
Total RW Expense	\$ 192,884	\$ 798,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN
Aon Hewitt		

National Grid USA
Union Retiree Welfare Plan
Estimated IAS 19 Expense - Granite State
Assumes 6/30/2012 Spinoff Date

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (6,135,129)	\$ (6,678,000)
Assets at Bid Value	3,975,415	4,056,000
Funded Status	\$ (2,159,714)	\$ (2,622,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 91,152	\$ 30,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(6,479)	(6,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 84,673	\$ 24,000
Financing Expense		
Interest Cost	\$ 354,804	\$ 83,000
Expected Return on Assets	(311,001)	(80,000)
Total Financing Expense	\$ 43,803	\$ 3,000
Total P&L Expense	\$ 128,476	\$ 27,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN
Aon Hewitt		

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (190,877,530)	\$ (207,758,000)
Assets at Bid Value	121,877,165	122,243,000
Funded Status	\$ (69,000,365)	\$ (85,515,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 2,831,086	\$ 3,682,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(208,736)	(208,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 2,622,350	\$ 3,474,000
Financing Expense		
Interest Cost	\$ 10,980,256	\$ 10,331,000
Expected Return on Assets	(9,458,345)	(9,691,000)
Total Financing Expense	\$ 1,521,911	\$ 640,000
Total P&L Expense	\$ 4,144,261	\$ 4,114,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (1,196,329)	\$ (1,302,000)
Assets at Bid Value	0	0
Funded Status	\$ (1,196,329)	\$ (1,302,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 33,284	\$ 43,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	147	0
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 33,431	\$ 43,000
Financing Expense		
Interest Cost	\$ 69,964	\$ 65,000
Expected Return on Assets	891	0
Total Financing Expense	\$ 70,855	\$ 65,000
Total P&L Expense	\$ 104,286	\$ 108,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (91,585,899)	\$ (99,686,000)
Assets at Bid Value	50,466,065	50,297,000
Funded Status	\$ (41,119,834)	\$ (49,389,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 1,272,713	\$ 1,655,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(84,763)	(85,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 1,187,950	\$ 1,570,000
Financing Expense		
Interest Cost	\$ 5,260,316	\$ 4,957,000
Expected Return on Assets	(3,912,631)	(3,988,000)
Total Financing Expense	\$ 1,347,685	\$ 969,000
Total P&L Expense	\$ 2,535,635	\$ 2,539,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (20,536,506)	\$ (22,353,000)
Assets at Bid Value	20,755,192	19,508,000
Funded Status	\$ 218,686	\$ (2,845,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 0	\$ 0
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(3,519)	(4,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ (3,519)	\$ (4,000)
Financing Expense		
Interest Cost	\$ 1,157,846	\$ 1,112,000
Expected Return on Assets	(1,539,475)	(1,547,000)
Total Financing Expense	\$ (381,629)	\$ (435,000)
Total P&L Expense	\$ (385,148)	\$ (439,000)
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (67,460,993)	\$ (73,427,000)
Assets at Bid Value	44,656,356	45,674,000
Funded Status	\$ (22,804,637)	\$ (27,753,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 1,041,972	\$ 1,355,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	(74,976)	(75,000)
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 966,996	\$ 1,280,000
Financing Expense		
Interest Cost	\$ 3,887,628	\$ 3,651,000
Expected Return on Assets	(3,461,914)	(3,621,000)
Total Financing Expense	\$ 425,714	\$ 30,000
Total P&L Expense	\$ 1,392,710	\$ 1,310,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN

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

	Actual 4/2011-3/2012	Estimated 4/2012-3/2013
Reconciliation of Funded Status, 4/1		
Accumulated Postret. Ben. Obligation	\$ (12,814,474)	\$ (13,948,000)
Assets at Bid Value	9,673,538	10,122,000
Funded Status	\$ (3,140,936)	\$ (3,826,000)
P&L Expense		
Operating Expense		
Service Cost	\$ 401,963	\$ 523,000
Exceptional Costs (STBs)	0	0
Prior Service Costs - One-time	0	0
Prior Service Costs - On-going	2,126	2,000
Curtailment/Settlement Costs	0	0
Total Operating Expense	\$ 404,089	\$ 525,000
Financing Expense		
Interest Cost	\$ 735,994	\$ 694,000
Expected Return on Assets	(757,604)	(802,000)
Total Financing Expense	\$ (21,610)	\$ (108,000)
Total P&L Expense	\$ 382,479	\$ 417,000
Assumptions:		
Discount Rate	5.90%	5.10%
Expected Return on Assets	7.75%	7.50%
Initial Trend - Pre-65	8.50%	8.00%
Initial Trend - Post-65	8.00%	7.50%
Initial Prescription Drug Trend	8.75%	8.25%
Ultimate Trend	5.00%	5.00%
Mortality Table	RP2000CH_10	2008 IRS GEN

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