

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. ____

Form 60 Approved
OMB No. 1902-0215
Expires 04/30/2016



FERC FINANCIAL REPORT FERC FORM No. 60: Annual Report of Centralized Service Companies

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company) National Grid Engineering & Survey, Inc.	Year of Report Dec 31, <u>2012</u>
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FERC FORM No. 60 (12-06)

**FERC FORM NO. 60
ANNUAL REPORT FOR SERVICE COMPANIES**

IDENTIFICATION		
01 Exact Legal Name of Respondent National Grid Engineering & Survey, Inc.		02 Year of Report Dec 31, <u>2012</u>
03 Previous Name (If name changed during the year)		04 Date of Name Change / /
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 175 East Old Country Road, Hicksville, NY 11801		06 Name of Contact Person Colleen Dowling
07 Title of Contact Person Director - Service Co. Integrity		08 Address of Contact Person One Metrotech Center, Brooklyn, NY 11201
09 Telephone Number of Contact Person (718) 403-2812		10 E-mail Address of Contact Person Colleen.Dowling@NationalGrid.com
11 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		12 Resubmission Date (Month, Day, Year) / /
13 Date of Incorporation 07/09/1931	14 If Not Incorporated, Date of Organization / /	
15 State or Sovereign Power Under Which Incorporated or Organized NEW YORK		
16 Name of Principal Holding Company Under Which Reporting Company is Organized: KeySpan Corporation		
CORPORATE OFFICER CERTIFICATION		
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
17 Name of Signing Officer Bradley B. White	19 Signature of Signing Officer Bradley B. White	20 Date Signed (Month, Day, Year) 10/28/2013
18 Title of Signing Officer VP & Controller - US Acctg. Services		

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012
List of Schedules and Accounts				
1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.				
Line No.	Description (a)	Page Reference (b)	Remarks (c)	
1	Schedule I - Comparative Balance Sheet	101-102		
2	Schedule II - Service Company Property	103		
3	Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property	104		
4	Schedule IV - Investments	105	None	
5	Schedule V - Accounts Receivable from Associate Companies	106		
6	Schedule VI - Fuel Stock Expenses Undistributed	107	None	
7	Schedule VII - Stores Expense Undistributed	108	None	
8	Schedule VIII - Miscellaneous Current and Accrued Assets	109	None	
9	Schedule IX - Miscellaneous Deferred Debits	110		
10	Schedule X - Research, Development, or Demonstration Expenditures	111	None	
11	Schedule XI - Proprietary Capital	201		
12	Schedule XII - Long-Term Debt	202	None	
13	Schedule XIII - Current and Accrued Liabilities	203		
14	Schedule XIV - Notes to Financial Statements	204		
15	Schedule XV - Comparative Income Statement	301-302		
16	Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies	303-306		
17	Schedule XVII - Analysis of Billing - Associate Companies (Account 457)	307		
18	Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)	308	None	
21	Schedule XIX - Miscellaneous General Expenses - Account 930.2	307	None	
23	Schedule XX - Organization Chart	401		
24	Schedule XXI - Methods of Allocation	402		

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2012
Schedule I - Comparative Balance Sheet					
1. Give balance sheet of the Company as of December 31 of the current and prior year.					
Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		Service Company Property			
2	101	Service Company Property	103	1,755,941	1,428,127
3	101.1	Property Under Capital Leases	103		
4	106	Completed Construction Not Classified			
5	107	Construction Work In Progress	103	16,115	462,569
6		Total Property (Total Of Lines 2-5)		1,772,056	1,890,696
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104	1,050,295	985,539
8	111	Less: Accumulated Provision for Amortization of Service Company Property			
9		Net Service Company Property (Total of Lines 6-8)		721,761	905,157
10		Investments			
11	123	Investment In Associate Companies	105		
12	124	Other Investments	105		
13	128	Other Special Funds	105		
14		Total Investments (Total of Lines 11-13)			
15		Current And Accrued Assets			
16	131	Cash		2,025,871	
17	134	Other Special Deposits			
18	135	Working Funds			
19	136	Temporary Cash Investments			
20	141	Notes Receivable			
21	142	Customer Accounts Receivable			
22	143	Accounts Receivable		47,697	194,411
23	144	Less: Accumulated Provision for Uncollectible Accounts			
24	146	Accounts Receivable From Associate Companies	106	153,074,843	115,075,764
25	152	Fuel Stock Expenses Undistributed	107		
26	154	Materials And Supplies			
27	163	Stores Expense Undistributed	108		
28	165	Prepayments			
29	171	Interest And Dividends Receivable			
30	172	Rents Receivable			
31	173	Accrued Revenues			
32	174	Miscellaneous Current and Accrued Assets			
33	175	Derivative Instrument Assets	109		
34	176	Derivative Instrument Assets - Hedges			
35		Total Current and Accrued Assets (Total of Lines 16-34)		155,148,411	115,270,175
36		Deferred Debits			
37	181	Unamortized Debt Expense			
38	182.3	Other Regulatory Assets			
39	183	Preliminary Survey And Investigation Charges			
40	184	Clearing Accounts		(5,210,987)	
41	185	Temporary Facilities			
42	186	Miscellaneous Deferred Debits		540,307	540,307
43	188	Research, Development, or Demonstration Expenditures	110		
44	189	Unamortized loss on reacquired debt	111		
45	190	Accumulated Deferred Income Taxes		81,504,331	52,730,450
46		Total Deferred Debits (Total of Lines 37-45)		76,833,651	53,270,757
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		232,703,823	169,446,089

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2012
Schedule I - Comparative Balance Sheet (continued)					
Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
48		Proprietary Capital			
49	201	Common Stock Issued	201	540,307	540,307
50	204	Preferred Stock Issued	201		
51	211	Miscellaneous Paid-In-Capital	201	10,476,872	9,853,901
52	215	Appropriated Retained Earnings	201		
53	216	Unappropriated Retained Earnings	201	1,555,883	267,913
54	219	Accumulated Other Comprehensive Income	201	(60,815,620)	(38,970,033)
55		Total Proprietary Capital (Total of Lines 49-54)		(48,242,558)	(28,307,912)
56		Long-Term Debt			
57	223	Advances From Associate Companies	202		
58	224	Other Long-Term Debt	202		
59	225	Unamortized Premium on Long-Term Debt			
60	226	Less: Unamortized Discount on Long-Term Debt-Debit			
61		Total Long-Term Debt (Total of Lines 57-60)			
62		Other Non-current Liabilities			
63	227	Obligations Under Capital Leases-Non-current			
64	228.2	Accumulated Provision for Injuries and Damages		339,964	313,625
65	228.3	Accumulated Provision For Pensions and Benefits			(76)
66	230	Asset Retirement Obligations		(149,681)	
67		Total Other Non-current Liabilities (Total of Lines 63-66)		190,283	313,549
68		Current and Accrued Liabilities			
69	231	Notes Payable			
70	232	Accounts Payable		2,438,443	3,848,907
71	233	Notes Payable to Associate Companies	203		
72	234	Accounts Payable to Associate Companies	203	249,327,725	181,009,507
73	236	Taxes Accrued		9,533,372	5,327,022
74	237	Interest Accrued		(112,674)	2,853
75	241	Tax Collections Payable		512,175	(3,908)
76	242	Miscellaneous Current and Accrued Liabilities	203	9,778,055	9,742,903
77	243	Obligations Under Capital Leases - Current			
78	244	Derivative Instrument Liabilities			
79	245	Derivative Instrument Liabilities - Hedges			
80		Total Current and Accrued Liabilities (Total of Lines 69-79)		271,477,096	199,927,284
81		Deferred Credits			
82	253	Other Deferred Credits		3,127,790	2,940,974
83	254	Other Regulatory Liabilities			
84	255	Accumulated Deferred Investment Tax Credits			
85	257	Unamortized Gain on Reacquired Debt			
86	282	Accumulated deferred income taxes-Other property			(3,561,435)
87	283	Accumulated deferred income taxes-Other		6,151,212	(1,866,371)
88		Total Deferred Credits (Total of Lines 82-87)		9,279,002	(2,486,832)
89		TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88)		232,703,823	169,446,089

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Schedule II - Service Company Property							
1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote. 2. Describe each construction work in progress on lines 18 through 30 in Column (b).							
Line No.	Acct # (a)	Title of Account (b)	Balance at Beginning of Year (c)	Additions (d)	Retirements or Sales (e)	Other Changes (f)	Balance at End of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant					
3	306	Leasehold Improvements					
4	389	Land and Land Rights					
5	390	Structures and Improvements	23,000				23,000
6	391	Office Furniture and Equipment	1,371,335	459,678	131,864		1,699,149
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	3,657				3,657
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment	30,135				30,135
13	398	Miscellaneous Equipment					
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs					
16		Total Service Company Property (Total of Lines 1-15)	1,428,127	459,678	131,864		1,755,941
17	107	Construction Work in Progress:					
18		Office Furniture & Equipment (DP)	773,378	(450,110)			323,268
19		Other	(310,809)	3,656			(307,153)
20							
21							
22							
23							
24							
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27							
28							
29							
30							
31		Total Account 107 (Total of Lines 18-30)	462,569	(446,454)			16,115
32		Total (Lines 16 and Line 31)	1,890,696	13,224			1,772,056

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Schedule III – Accumulated Provision for Depreciation and Amortization of Service Company Property							
1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.							
Line No.	Account Number (a)	Description (b)	Balance at Beginning of Year (c)	Additions Charged To Account 403-403.1 404-405 (d)	Retirements (e)	Other Changes Additions (Deductions) (f)	Balance at Close of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant					
3	306	Leasehold Improvements					
4	389	Land and Land Rights					
5	390	Structures and Improvements	582				582
6	391	Office Furniture and Equipment	988,173	194,702	131,864		1,051,011
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	692	116			808
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment	11,100	1,808			12,908
13	398	Miscellaneous Equipment	(1,872)				(1,872)
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs	(13,136)			(6)	(13,142)
16		Total	985,539	196,626	131,864	(6)	1,050,295

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Schedule V – Accounts Receivable from Associate Companies				
<p>1. List the accounts receivable from each associate company. 2. If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.</p>				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	146	Accounts Receivable From Associate Companies		
2		Associate Company:		
3		Total Accounts Receivable from Associate Companies	115,075,764	153,074,843
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40	Total		115,075,764	153,074,843

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2012
National Grid Engineering & Survey, Inc.			
FOOTNOTE DATA			

Schedule Page: 106 Line No.: 3 Column: d

Account Number		Balance at Beginning of Year	Balance at Close of Year
146	Accounts Receivable from Associate Companies		
	Boston Gas Company	5,508	427,910
	Colonial Gas Company	740	66,610
	Energy North Natural Gas, Inc.	464	2,809
	Granite State Electric	63	14,410
	KeySpan Corporation	37,289,667	23,711,784
	KeySpan Gas East Corporation	924,371	1,722,628
	Massachusetts Electric Company	1,746	429,893
	Metrowest Realty LLC		136
	Nantucket Electric Company	25	70,556
	National Grid Corporate Services LLC	913,048	491,258
	National Grid Development Holdings Corp.	12	5,308
	National Grid Electric Services LLC	41,401,322	55,127,791
	National Grid Energy Trading Services LLC	43,244	44,600
	National Grid Generation LLC	33,344,103	42,492,252
	National Grid Glenwood Energy Center LLC	444,584	567,458
	National Grid LNG LP Regulated Entity		1,333
	National Grid NE Holdings 2 LLC		3,294
	National Grid Port Jefferson Energy Center LLC	607,526	956,986
	National Grid Services Inc.	4,557	14,969
	National Grid USA Parent		34,513
	National Grid USA Service Company, Inc.	5,907	24,813,860
	National Grid Utility Services LLC	22,981	8,122
	New England Electric Transmission Corporation		511
	New England Hydro-Transmission Corporation		2,814
	New England Hydro-Transmission Electric Co, Inc.		2,740
	New England Power Company	373	101,659
	Niagara Mohawk Power Corporation	16,014	962,291
	The Brooklyn Union Gas Company	46,744	693,495
	The Narragansett Electric Company	2,765	300,697
	Transgas Inc.		1,900
	Wayfinder Group		256
		115,075,764	153,074,843

FERC FORM NO. 60 (NEW 12-05) Footnotes.1

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012	
Schedule VI – Fuel Stock Expenses Undistributed					
<p>1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company.</p> <p>2. In a separate footnote, describe in a narrative the fuel functions performed by the service company.</p>					
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	152	Fuel Stock Expenses Undistributed			
2		Associate Company:			
3		None			
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40	Total				

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012
Schedule VII – Stores Expense Undistributed					
1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to stores expense during the year and indicate amount attributable to each associate company.					
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	163	Stores Expense Undistributed			
2		Associate Company:			
3		None			
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40	Total				

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012
Schedule VIII - Miscellaneous Current and Accrued Assets				
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	174	Miscellaneous Current and Accrued Assets		
2		Item List:		
3		None		
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40	Total			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012
Schedule IX - Miscellaneous Deferred Debits				
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	186	Miscellaneous Deferred Debits		
2		Items List:		
3		Intangible Asset - Engineering License	540,307	540,307
4				
5				
6				
7				
8				
9				
10				
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40	Total		540,307	540,307

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012
Schedule X - Research, Development, or Demonstration Expenditures				
1. Describe each material research, development, or demonstration project that incurred costs by the service corporation during the year. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Amount (c)	
1	188	Research, Development, or Demonstration Expenditures		
2		Project List:		
3		None		
4				
5				
6				
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40	Total			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012
Schedule XI - Proprietary Capital					
<p>1. For miscellaneous paid-in capital (Account 211) and appropriate retained earnings (Account 215), classify amounts in each account, with a brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.</p> <p>2. For the unappropriated retained earnings (Account 216), in a footnote, give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentages, amount of dividend, date declared and date paid.</p>					
Line No.	Account Number (a)	Title of Account (b)	Description (c)	Amount (d)	
1	201	Common Stock Issued	Number of Shares Authorized	300	
2			Par or Stated Value per Share	10.00	
3			Outstanding Number of Shares		
4			Close of Period Amount	540,307	
5		Preferred Stock Issued	Number of Shares Authorized		
6			Par or Stated Value per Share		
7			Outstanding Number of Shares		
8			Close of Period Amount		
9	211	Miscellaneous Paid-In Capital		10,476.872	
10	215	Appropriated Retained Earnings			
11	219	Accumulated Other Comprehensive Income		(60,815,620)	
12	216	Unappropriated Retained Earnings	Balance at Beginning of Year	267,913	
13			Net Income or (Loss)	1,287,970	
14			Dividend Paid		
15			Balance at Close of Year	1,555,883	

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Schedule XII – Long Term Debt									
<p>1. For the advances from associate companies (Account 223), describe in a footnote the advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation in Column (c).</p> <p>2. For the deductions in Column (h), please give an explanation in a footnote.</p> <p>3. For other long-term debt (Account 224), list the name of the creditor company or organization in Column (b).</p>									
Line No.	Account Number	Title of Account	Term of Obligation Class & Series of Obligation	Date of Maturity	Interest Rate	Amount Authorized	Balance at Beginning of Year	Additions Deductions	Balance at Close of Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	223	Advances from Associate Companies							
2		Associate Company:							
3		None							
4									
5									
6									
7									
8									
9									
10									
11									
12									
13		TOTAL							
14	224	Other Long-Term Debt							
15		List Creditor:							
16		None							
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28		TOTAL							

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012
Schedule XIII – Current and Accrued Liabilities				
1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234). 2. Give description and amount of miscellaneous current and accrued liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	233	Notes Payable to Associates Companies		
2		None		
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24	234	Accounts Payable to Associate Companies	181,009,507	249,327,725
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41	242	Miscellaneous Current and Accrued Liabilities		
42		Accrued Vacation	5,387,908	5,470,931
43		Accrued Incentive Compensation	4,354,995	3,262,664
44		Miscellaneous Payroll Tax Liability		1,044,460
45				
46				
47				
48				
49				
50		(Total)	190,752,410	259,105,780

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National Grid Engineering & Survey, Inc.			
FOOTNOTE DATA			

Schedule Page: 203 Line No.: 24 Column: d

Account Number		Balance at Beginning of Year	Balance at Close of Year
234	Accounts Payable to Associate Companies		
	Boston Gas Company		153,686
	KeySpan Corporation	175,519,477	212,687,084
	KeySpan Gas East Corporation	73,243	308,383
	Massachussets Electric Company		66,399
	Nantucket Electric Company		65,877
	National Grid Corporate Services LLC	1,262,417	1,484,946
	National Grid Electric Services LLC	1,285,402	12,001,786
	National Grid Energy Trading Services LLC	42,644	42,644
	National Grid Generation LLC	3,121,412	5,252,125
	National Grid Glenwood Energy Center LLC		1,467
	National Grid Port Jefferson Energy Center LLC		21,798
	National Grid USA Parent Co		206,340
	National Grid Services Inc	3,042	3,042
	National Grid USA Service Company, Inc.		16,984,576
	National Grid Utility Services LLC	1,593	1,821
	New England Power Company		47,055
	Niagara Mohawk Power Corporation		60,572
	The Brooklyn Union Gas Company	(299,723)	(141,870)
	The Narragansett Electric Company		79,994
		<u>181,009,507</u>	<u>249,327,725</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2012
Schedule XIV- Notes to Financial Statements			

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Account 434, Extraordinary Income, or Account 435, Extraordinary Deductions.
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate service company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

NATIONAL GRID ENGINEERING & SURVEY, INC.

SCHEDULE XIV - NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization of the Company

National Grid Engineering and Survey, Inc. (“NGENG” or the “Company”) is a wholly-owned subsidiary of KeySpan Corporation (“KeySpan” or the “Parent”), a holding company under the Public Utility Holding Company Act of 2005 (“PUHCA 2005”). The primary operating companies of KeySpan are The Brooklyn Union Gas Company, KeySpan Gas East Corporation, Boston Gas Company, National Grid Generation LLC and National Grid Electric Services LLC. In addition, NGUSA is the parent of KeySpan Corporation and includes the primary operating companies New England Power Company, Massachusetts Electric Company, Nantucket Electric Company, Narragansett Electric Company, Niagara Mohawk Power Corporation, New England Hydro-Transmission Corporation, and New England Hydro Finance Company, Inc. among its holdings. NGENG also provides services to these affiliates.

KeySpan is a wholly-owned subsidiary of National Grid USA (“NGUSA”), a public utility holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution and sale of both natural gas and electricity. NGUSA is a wholly-owned subsidiary of National Grid plc., a public limited company incorporated under the laws of England and Wales. The Company continues as a wholly- owned subsidiary of KeySpan and as an indirectly-owned subsidiary of National Grid plc.

The electric services business of KeySpan consists of subsidiaries that predominantly provide operational and energy management services to the Long Island Power Authority (“LIPA”) as well as supply capacity to and produce energy for the use of LIPA. These services are provided through the three following contracts: (i) the Management Service Agreement (the “MSA”), expiring on December 31, 2013; (ii) the Power Supply Agreement (the “PSA”), expiring on May 27, 2013 and (iii) the Energy Management Agreement (the “EMA”), expiring on May 27, 2013. These contracts represent approximately 26% of KeySpan’s annual revenues. In December 2011, LIPA announced that the MSA contract will not be renewed beyond the current expiration date of December 31, 2013. See Note 5 “Commitments and Contingencies” under “LIPA Agreements” for further details.

On December 8, 2010, National Grid USA and Liberty Energy Utilities Co., a subsidiary of Algonquin Power & Utilities Corp. entered into two stock purchase agreements, whereby National Grid will sell and Liberty Energy will purchase the common stock of Granite State Electric Company and EnergyNorth Natural Gas, Inc. The parties received Federal Regulatory Commission (“FERC”) approval in July 2011 and New Hampshire

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Public Utilities Commission (“NHPUC”) approval in May 2012. The companies were sold on July 3, 2012.

Pursuant to PUHCA 2005, FERC has jurisdiction over certain holding company activities, including (i) regulating certain transactions among affiliates within KeySpan’s and NGUSA’s holding company system; (ii) governing the issuance, acquisition and disposition of securities and assets by certain of KeySpan’s and NGUSA’s public utility subsidiaries; and (iii) approving certain utility mergers and acquisitions.

Moreover, KeySpan’s and NGUSA’s affiliate transactions also remain subject to certain regulations of the Public Service Commission of the State of New York (“NYPSC”), the Massachusetts Department of Public Utility (“MADPU”), the Rhode Island Public Utilities Commission (“RIPUC”) in addition to FERC and NHPUC.

Description of Business

Pursuant to Service Agreements between NGENG, KeySpan and NGUSA and all affiliated companies (collectively, the “Client Companies”), NGENG advises and assists Client Companies in the study, planning, engineering, maintenance and construction of energy plant facilities of each Client Company and of the Gas Systems and the Electric Systems as a whole, and advise, assist and manage the planning, engineering and construction operations of Client Companies.

Services provided to Client Companies are allocated company in accordance with applicable federal and state laws. Costs are: (1) directly assigned where possible; (2) allocated using a reasonable and equitable allocation ratio based upon a cost-causation relationship; or (3) allocated broad base. Service allocation ratios are defined in the Service Agreements. Cost of service will include all costs of doing business incurred by Service Company, including a reasonable return on capital.

Basis of Presentation

The financial statements supporting this filing were prepared in conformity with generally accepted accounting principles (“GAAP”) in the United States under the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts for Centralized Service Companies. This requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements presented herein include the years ended December 31, 2012 and December 31, 2011. The accounting records of NGENG are maintained in accordance with the Uniform System of Accounts for Centralized Service Companies under PUHCA.

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

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Schedule XIV- Notes to Financial Statements			

Income Taxes

KeySpan and NGUSA file a consolidated federal income tax return. In accordance with current accounting guidance for income taxes, the Company utilizes a tax sharing agreement for the allocation of a realized tax liability or benefit based upon separate return contributions of each subsidiary to the consolidated taxable income or loss in the consolidated tax return. Deferred income taxes are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Note 2. Postretirement Benefits

Pension: NGENG employees are members of KeySpan’s noncontributory defined benefit pension plans covering substantially all employees associated with KeySpan. Benefits are based on years of service and compensation. Pension costs are allocated to NGENG; related pension obligations and assets are commingled and are not allocated to the individual sponsors (i.e. NGENG). Pension expense attributed to NGENG for the years ended December 31, 2012 and 2011, was approximately \$12.5 million and \$10.1 million, respectively. These costs are then allocated to client companies as burden costs based upon direct labor costs of NGENG. Funding for pensions is in accordance with requirements of federal law and regulations.

Other Postretirement Benefits: NGENG employees are members of KeySpan’s noncontributory defined benefit plans under which is provided certain health care and life insurance benefits for retired employees of KeySpan. Other postretirement benefit costs are allocated to NGENG, related pension obligations and assets are commingled and are not allocated to the individual sponsors (i.e. NGENG). KeySpan has been funding a portion of future benefits over employees’ active service lives through Voluntary Employee Beneficiary Association (VEBA) trusts. Contributions to VEBA trusts are tax deductible, subject to limitations contained in the Internal Revenue Code. Other Postretirement benefit expense attributed to NGENG for the years ended December 31, 2012 and 2011 was approximately \$12.4 million and \$10.3 million, respectively. These costs are then allocated to client companies as burden costs based upon direct labor costs of NGENG.

Note 3. Receivable from Associate Companies (Short-Term)

KeySpan and NGUSA have established a utility money pool (which is recorded in “Accounts Receivable from Associated Companies”) to coordinate short-term borrowings for certain subsidiaries. The money pool provides a more efficient use of cash resources of KeySpan and NGUSA and reduces outside borrowings. The money pool is administered by National Grid USA Service Company and funded, as needed, through intercompany loans with NGUSA or National Grid plc. Interest expense and other fees are allocated based on borrowing amounts.

Note 4. Operating Leases

FERC FORM 60 (NEW 12-05)	204.3
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Substantially all leases, other than leases associated with Boston Gas Company, Colonial Gas Company, EnergyNorth Natural Gas Inc., and non-regulated businesses of KeySpan, are the obligation of National Grid USA Service Company. NGENG records, as an intercompany expense, costs incurred for the use of leased equipment such as buildings, office equipment, vehicles, and powered operated equipment. These intercompany expenses, which are not specifically identified in intercompany billings, are reflected in Operations and Maintenance expense in the Statement of Income.

Note 5. Commitments and Contingencies
Service Company Audit

In February 2011, the NYPSC selected Overland Consulting Inc., a management consulting firm, to perform a management audit of National Grid's affiliate cost allocation, policies and procedures. The audit of these service company charges seeks to determine if any service company transactions have resulted in unreasonable costs to New York customers for the provision of delivery service. If potentially material levels of misallocated or inappropriate service company costs are discovered, at the direction of the NYPSC, the investigation will be expanded to prior years to determine if a material amount of misallocated or inappropriate costs under these service company contracts have been charged to the New York utilities. A final report was provided to National Grid by NYPSC in October 2012. National Grid disputed the audit conclusions and disagreed with the testing results and statistical extrapolation. As a result, NYPSC has opened Case 13-G-0026 to further examine the audit results. This case is currently under negotiation.

LIPA Agreements

KeySpan and LIPA have three major long-term service agreements to ; (i) provide LIPA all operation, maintenance and construction services and significant administrative services relating to the Long Island electric transmission and distribution system pursuant to the MSA, expiring on December 31, 2013; (ii) supply LIPA with electric generating capacity, energy conversion and ancillary services from our Long Island generating units pursuant to the PSA, expiring on May 27, 2013, the rates of which are approved by the FERC; and (iii) manage all aspects of the fuel supply for our Long Island generating facilities, pursuant to the EMA, expiring on May 27, 2013. KeySpan and LIPA have agreed on a new PSA that will allow LIPA to purchase power from KeySpan for a maximum of 15 years, with an option to terminate the agreement after 12 years. The agreement commenced May 28, 2013 and expires April 30, 2028, subject to LIPA's option to terminate the Agreement as early as April 30, 2025 upon two years advance notice.

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Schedule XIV- Notes to Financial Statements			

Note 6. Income Tax

The components of federal and state income tax expense (benefit) are as follows:

	Years Ended December 31,	
	2012	2011
	<i>(in thousands of dollars)</i>	
Current tax expense:		
Federal	\$ 1,192	\$ 1,679
State	343	769
Total current tax expense	<u>1,535</u>	<u>2,448</u>
Deferred tax expense (benefit):		
Federal	(1,394)	(2,710)
State	(633)	540
Total deferred tax benefit	<u>(2,027)</u>	<u>(2,170)</u>
Total income tax expense	<u>\$ (492)</u>	<u>\$ 278</u>
Total income taxes in the consolidated statements of operations:		
Income taxes charged to operations	\$ (492)	\$ 278
Income taxes credited to "other income (deductions)"	-	-
Total	<u>\$ (492)</u>	<u>\$ 278</u>

Reconciliation between the expected federal income tax expense, using the federal statutory rate of 35%, to the Company's actual income tax expense for the years ended December 31, 2012 and December 31, 2011 is as follows:

	Years Ended December 31,	
	2012	2011
	<i>(in thousands of dollars)</i>	
Computed tax	(207)	\$ 1
Change in computed taxes resulting from:		
State income tax, net of federal benefit	(189)	851
Parent Loss Allocation	(4)	(492)
Other items - net	(92)	(82)
Total	<u>(285)</u>	<u>277</u>
Federal and state income taxes	<u>\$ (492)</u>	<u>\$ 278</u>

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Significant components of the Company's net deferred tax assets and liabilities at December 31, 2012 and December 31, 2011 are as follows:

	December 31,	
	2012	2011
	<i>(in thousands of dollars)</i>	
Deferred tax assets:		
Pensions, OPEB and other employee benefits	\$ 75,593	\$ 56,132
Regulatory Liabilities	1,989	1,866
Reserves and Other Items	3,922	3,898
Total deferred tax assets ⁽¹⁾	<u>81,504</u>	<u>61,896</u>
Deferred tax liabilities:		
Future federal benefit on state taxes	4,984	3,601
Reserves and other items	1,167	137
Total deferred tax liabilities	<u>6,151</u>	<u>3,738</u>
Net deferred income tax assets	<u>\$ 75,353</u>	<u>\$ 58,158</u>

⁽¹⁾ There were no valuation allowances for deferred tax assets at December 31, 2012 or 2011.

The Company is a member of the National Grid North America Inc. ("NGNA") and subsidiaries consolidated federal income tax return. The Company has joint and several liability for any potential assessments against the consolidated group.

The Company adopted the provisions of FASB guidance which clarifies the accounting for uncertain tax positions as modified by FERC Docket AI07-2-000. FASB guidance provides that the financial effects of a tax position shall initially be recognized when it is more likely than not, based on the technical merits, that the position will be sustained upon examination, assuming the position will be audited and the taxing authority has full knowledge of all relevant information. FERC docket AI07-2-000 issues supplementary guidance requiring entities to continue to recognize deferred income taxes for Commission accounting and reporting purposes based on the difference between positions taken in tax returns filed or expected to be filed and amounts reported in the financial statements. As of December 31, 2012 and December 31, 2011, the Company did not have any unrecognized tax benefits on a FERC basis.

It is reasonably possible that other events will occur during the next 12 months that would cause the total amount of unrecognized tax benefits to increase or decrease. However, the Company does not believe any such increases or decreases would be material to their results of operations, financial position, or liquidity.

"At December 31, 2012 and December 31, 2011, the Company's current federal income tax balance was a payable to its Parent of \$ 4.7 million and \$4.2 million, respectively."

The consolidated federal income tax returns for the short period ended August 24, 2007, as well as the years

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Schedule XIV- Notes to Financial Statements			

ended March 31, 2008 and March 31, 2009 are under examination by the IRS. The tax returns for the years ended March 31, 2010 through March 31, 2012 remain subject to examination by the IRS.
The New York State tax returns for the years ended March 31, 2009 through March 31, 2012 remain subject to examination by the State of New York.

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Schedule XV- Comparative Income Statement				
Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
1		SERVICE COMPANY OPERATING REVENUES		
2	400	Service Company Operating Revenues	167,653,742	145,233,589
3		SERVICE COMPANY OPERATING EXPENSES		
4	401	Operation Expenses	127,983,373	105,902,802
5	402	Maintenance Expenses	37,259,537	39,268,749
6	403	Depreciation Expenses	196,626	173,410
7	403.1	Depreciation Expense for Asset Retirement Costs		
8	404	Amortization of Limited-Term Property		
9	405	Amortization of Other Property		
10	407.3	Regulatory Debits		
11	407.4	Regulatory Credits		
12	408.1	Taxes Other Than Income Taxes, Operating Income	1,810,845	6,979
13	409.1	Income Taxes, Operating Income	1,534,844	2,448,009
14	410.1	Provision for Deferred Income Taxes, Operating Income	(2,958,320)	(2,170,388)
15	411.1	Provision for Deferred Income Taxes – Credit, Operating Income	931,742	
16	411.4	Investment Tax Credit, Service Company Property		
17	411.6	Gains from Disposition of Service Company Plant		
18	411.7	Losses from Disposition of Service Company Plant		
19	411.10	Accretion Expense		
20	412	Costs and Expenses of Construction or Other Services		
21	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work		
22		TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21)	166,758,647	145,629,561
23		NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22)	895,095	(395,972)
24		OTHER INCOME		
25	418.1	Equity in Earnings of Subsidiary Companies		
26	419	Interest and Dividend Income	506,097	471,456
27	419.1	Allowance for Other Funds Used During Construction		
28	421	Miscellaneous Income or Loss		
29	421.1	Gain on Disposition of Property		
30		TOTAL OTHER INCOME (Total of Lines 25-29)	506,097	471,456
31		OTHER INCOME DEDUCTIONS		
32	421.2	Loss on Disposition of Property		
33	425	Miscellaneous Amortization		
34	426.1	Donations		
35	426.2	Life Insurance		
36	426.3	Penalties	900	2,500
37	426.4	Expenditures for Certain Civic, Political and Related Activities		
38	426.5	Other Deductions	(14,481)	
39		TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38)	(13,581)	2,500
40		TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		

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Schedule XV- Comparative Income Statement (continued)				
Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
41	408.2	Taxes Other Than Income Taxes, Other Income and Deductions		
42	409.2	Income Taxes, Other Income and Deductions		
43	410.2	Provision for Deferred Income Taxes, Other Income and Deductions		
44	411.2	Provision for Deferred Income Taxes – Credit, Other Income and Deductions		
45	411.5	Investment Tax Credit, Other Income Deductions		
46		TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Total of Lines 41-45)		
47		INTEREST CHARGES		
48	427	Interest on Long-Term Debt		
49	428	Amortization of Debt Discount and Expense		
50	429	(less) Amortization of Premium on Debt- Credit		
51	430	Interest on Debt to Associate Companies		
52	431	Other Interest Expense	126,803	346,985
53	432	(less) Allowance for Borrowed Funds Used During Construction-Credit		
54		TOTAL INTEREST CHARGES (Total of Lines 48-53)	126,803	346,985
55		NET INCOME BEFORE EXTRAORDINARY ITEMS (Total of Lines 23, 30, minus 39, 46, and 54)	1,287,970	(274,001)
56		EXTRAORDINARY ITEMS		
57	434	Extraordinary Income		
58	435	(less) Extraordinary Deductions		
59		Net Extraordinary Items (Line 57 less Line 58)		
60	409.4	(less) Income Taxes, Extraordinary		
61		Extraordinary Items After Taxes (Line 59 less Line 60)		
62		NET INCOME OR LOSS/COST OF SERVICE (Total of Lines 55-61)	1,287,970	(274,001)

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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies								
1. Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.								
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
1	403-403.1	Depreciation Expense		196,626	196,626			
2	404-405	Amortization Expense						
3	407.3-407.4	Regulatory Debits/Credits - Net						
4	408.1-408.2	Taxes Other Than Income Taxes		1,810,845	1,810,845			
5	409.1-409.3	Income Taxes						
6	410.1-411.2	Provision for Deferred Taxes						
7	411.1-411.2	Provision for Deferred Taxes - Credit						
8	411.6	Gain from Disposition of Service Company Plant						
9	411.7	Losses from Disposition of Service Company Plant						
10	411.4-411.5	Investment Tax Credit Adjustment						
11	411.10	Accretion Expense						
12	412	Costs and Expenses of Construction or Other Services						
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies						
14	418	Non-operating Rental Income						
15	418.1	Equity in Earnings of Subsidiary Companies						
16	419	Interest and Dividend Income						
17	419.1	Allowance for Other Funds Used During Construction						
18	421	Miscellaneous Income or Loss						
19	421.1	Gain on Disposition of Property						
20	421.2	Loss on Disposition Of Property						
21	425	Miscellaneous Amortization						
22	426.1	Donations						
23	426.2	Life Insurance						
24	426.3	Penalties	900		900			
25	426.4	Expenditures for Certain Civic, Political and Related Activities						
26	426.5	Other Deductions	(14,481)		(14,481)			
27	427	Interest On Long-Term Debt						
28	428	Amortization of Debt Discount and Expense						
29	429	Amortization of Premium on Debt - Credit						
30	430	Interest on Debt to Associate Companies						
31	431	Other Interest Expense		126,804	126,804			
32	432	Allowance for Borrowed Funds Used During Construction						
33	500-509	Total Steam Power Generation Operation Expenses	961,908	5,735	967,643			
34	510-515	Total Steam Power Generation Maintenance Expenses	9,205,127		9,205,127			

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Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
35	517-525	Total Nuclear Power Generation Operation Expenses	906		906			
36	528-532	Total Nuclear Power Generation Maintenance Expenses						
37	535-540.1	Total Hydraulic Power Generation Operation Expenses						
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses						
39	546-550.1	Total Other Power Generation Operation Expenses	2,173,246		2,173,246			
40	551-554.1	Total Other Power Generation Maintenance Expenses	19,553,006		19,553,006			
41	555-557	Total Other Power Supply Operation Expenses						
42	560	Operation Supervision and Engineering						
43	561.1	Load Dispatch-Reliability						
44	561.2	Load Dispatch-Monitor and Operate Transmission System						
45	561.3	Load Dispatch-Transmission Service and Scheduling						
46	561.4	Scheduling, System Control and Dispatch Services						
47	561.5	Reliability Planning and Standards Development						
48	561.6	Transmission Service Studies						
49	561.7	Generation Interconnection Studies						
50	561.8	Reliability Planning and Standards Development Services						
51	562	Station Expenses (Major Only)						
52	563	Overhead Line Expenses (Major Only)	223		223			
53	564	Underground Line Expenses (Major Only)	2,454		2,454			
54	565	Transmission of Electricity by Others (Major Only)						
55	566	Miscellaneous Transmission Expenses (Major Only)	57,923		57,923			
56	567	Rents						
57	567.1	Operation Supplies and Expenses (Nonmajor Only)						
58		Total Transmission Operation Expenses	60,600		60,600			
59	568	Maintenance Supervision and Engineering (Major Only)						
60	569	Maintenance of Structures (Major Only)						
61	569.1	Maintenance of Computer Hardware						
62	569.2	Maintenance of Computer Software						
63	569.3	Maintenance of Communication Equipment						
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant						
65	570	Maintenance of Station Equipment (Major Only)	452,400		452,400			
66	571	Maintenance of Overhead Lines (Major Only)	92,176		92,176			
67	572	Maintenance of Underground Lines (Major Only)	78,334		78,334			
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)	10,342		10,342			

Name of Respondent		This Report Is:			Resubmission Date	Year/Period of Report		
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) / /	Dec 31, 2012		
Line No.	Account Number	Title of Account	Associate Company Direct Cost	Associate Company Indirect Cost	Associate Company Total Cost	Nonassociate Company Direct Cost	Nonassociate Company Indirect Cost	Nonassociate Company Total Cost
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
69	574	Maintenance of Transmission Plant (Nonmajor Only)						
70		Total Transmission Maintenance Expenses	633,252		633,252			
71	575.1-575.8	Total Regional Market Operation Expenses						
72	576.1-576.5	Total Regional Market Maintenance Expenses						
73	580-589	Total Distribution Operation Expenses	184,373		184,373			
74	590-598	Total Distribution Maintenance Expenses	7,279,626		7,279,626			
75		Total Electric Operation and Maintenance Expenses	40,038,463	2,140,010	42,178,473			
76	700-798	Production Expenses (Provide selected accounts in a footnote)						
77	800-813	Total Other Gas Supply Operation Expenses						
78	814-826	Total Underground Storage Operation Expenses						
79	830-837	Total Underground Storage Maintenance Expenses						
80	840-842.3	Total Other Storage Operation Expenses	13,400		13,400			
81	843.1-843.9	Total Other Storage Maintenance Expenses	213,429		213,429			
82	844.1-844.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses						
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses						
84	850	Operation Supervision and Engineering						
85	851	System Control and Load Dispatching						
86	852	Communication System Expenses						
87	853	Compressor Station Labor and Expenses						
88	854	Gas for Compressor Station Fuel						
89	855	Other Fuel and Power for Compressor Stations						
90	856	Mains Expenses						
91	857	Measuring and Regulating Station Expenses						
92	858	Transmission and Compression of Gas By Others						
93	859	Other Expenses						
94	860	Rents						
95		Total Gas Transmission Operation Expenses						
96	861	Maintenance Supervision and Engineering						
97	862	Maintenance of Structures and Improvements						
98	863	Maintenance of Mains	3,544		3,544			
99	864	Maintenance of Compressor Station Equipment						
100	865	Maintenance of Measuring And Regulating Station Equipment						
101	866	Maintenance of Communication Equipment						
102	867	Maintenance of Other Equipment						
103		Total Gas Transmission Maintenance Expenses	3,544		3,544			
104	870-881	Total Distribution Operation Expenses	44,090		44,090			

Name of Respondent			This Report Is:		Resubmission Date	Year/Period of Report		
National Grid Engineering & Survey, Inc.			(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec 31, 2012		
					/ /			
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
105	885-894	Total Distribution Maintenance Expenses	330,013		330,013			
106		Total Natural Gas Operation and Maintenance Expenses	604,476		604,476			
107	901	Supervision						
108	902	Meter reading expenses						
109	903	Customer records and collection expenses						
110	904	Uncollectible accounts						
111	905	Miscellaneous customer accounts expenses						
112	906	Total Customer Accounts Operation Expenses						
113	907	Supervision						
114	908	Customer assistance expenses						
115	909	Informational And Instructional Advertising Expenses						
116	910	Miscellaneous Customer Service And Informational Expenses	(7,234)		(7,234)			
117		Total Service and Informational Operation Accounts	(7,234)		(7,234)			
118	911	Supervision						
119	912	Demonstrating and Selling Expenses						
120	913	Advertising Expenses						
121	916	Miscellaneous Sales Expenses						
122		Total Sales Operation Expenses						
123	920	Administrative and General Salaries	32,547,459	2,739,068	35,286,527			
124	921	Office Supplies and Expenses	3,376,388	1,295,933	4,672,321			
125	923	Outside Services Employed	51,758		51,758			
126	924	Property Insurance						
127	925	Injuries and Damages	137,358		137,358			
128	926	Employee Pensions and Benefits	9,661,687		9,661,687			
129	928	Regulatory Commission Expenses						
130	930.1	General Advertising Expenses						
131	930.2	Miscellaneous General Expenses	71,961,516	2,816,722	74,778,238			
132	931	Rents						
133		Total Administrative and General Operation Expenses	117,736,166	6,851,723	124,587,889			
134	935	Maintenance of Structures and Equipment						
135		Total Administrative and General Maintenance Expenses	117,728,932	6,851,723	124,580,655			
136		Total Cost of Service	158,371,871	8,991,733	167,363,604			

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2012
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
1	403-403.1	Depreciation Expense		196,626	196,626
2	404-405	Amortization Expense			
3	407.3-407.4	Regulatory Debits/Credits - Net			
4	408.1-408.2	Taxes Other Than Income Taxes		1,810,845	1,810,845
5	409.1-409.3	Income Taxes			
6	410.1-411.2	Provision for Deferred Taxes			
7	411.1-411.2	Provision for Deferred Taxes - Credit			
8	411.6	Gain from Disposition of Service Company Plant			
9	411.7	Losses from Disposition of Service Company Plant			
10	411.4-411.5	Investment Tax Credit Adjustment			
11	411.10	Accretion Expense			
12	412	Costs and Expenses of Construction or Other Services			
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies			
14	418	Non-operating Rental Income			
15	418.1	Equity in Earnings of Subsidiary Companies			
16	419	Interest and Dividend Income			
17	419.1	Allowance for Other Funds Used During Construction			
18	421	Miscellaneous Income or Loss			
19	421.1	Gain on Disposition of Property			
20	421.2	Loss on Disposition Of Property			
21	425	Miscellaneous Amortization			
22	426.1	Donations			
23	426.2	Life Insurance			
24	426.3	Penalties	900		900
25	426.4	Expenditures for Certain Civic, Political and Related Activities			
26	426.5	Other Deductions	(14,481)		(14,481)
27	427	Interest On Long-Term Debt			
28	428	Amortization of Debt Discount and Expense			
29	429	Amortization of Premium on Debt - Credit			
30	430	Interest on Debt to Associate Companies			
31	431	Other Interest Expense		126,804	126,804
32	432	Allowance for Borrowed Funds Used During Construction			
33	500-509	Total Steam Power Generation Operation Expenses	961,908	5,735	967,643
34	510-515	Total Steam Power Generation Maintenance Expenses	9,205,127		9,205,127

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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number	Title of Account	Total Charges for Services Direct Cost	Total Charges for Services Indirect Cost	Total Charges for Services Total Cost
(a)	(b)	(c)	(d)	(e)	(f)
35	517-525	Total Nuclear Power Generation Operation Expenses	906		906
36	528-532	Total Nuclear Power Generation Maintenance Expenses			
37	535-540.1	Total Hydraulic Power Generation Operation Expenses			
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses			
39	546-550.1	Total Other Power Generation Operation Expenses	2,173,246		2,173,246
40	551-554.1	Total Other Power Generation Maintenance Expenses	19,553,006		19,553,006
41	555-557	Total Other Power Supply Operation Expenses			
42	560	Operation Supervision and Engineering			
43	561.1	Load Dispatch-Reliability			
44	561.2	Load Dispatch-Monitor and Operate Transmission System			
45	561.3	Load Dispatch-Transmission Service and Scheduling			
46	561.4	Scheduling, System Control and Dispatch Services			
47	561.5	Reliability Planning and Standards Development			
48	561.6	Transmission Service Studies			
49	561.7	Generation Interconnection Studies			
50	561.8	Reliability Planning and Standards Development Services			
51	562	Station Expenses (Major Only)			
52	563	Overhead Line Expenses (Major Only)	223		223
53	564	Underground Line Expenses (Major Only)	2,454		2,454
54	565	Transmission of Electricity by Others (Major Only)			
55	566	Miscellaneous Transmission Expenses (Major Only)	57,923		57,923
56	567	Rents			
57	567.1	Operation Supplies and Expenses (Nonmajor Only)			
58		Total Transmission Operation Expenses	60,600		60,600
59	568	Maintenance Supervision and Engineering (Major Only)			
60	569	Maintenance of Structures (Major Only)			
61	569.1	Maintenance of Computer Hardware			
62	569.2	Maintenance of Computer Software			
63	569.3	Maintenance of Communication Equipment			
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant			
65	570	Maintenance of Station Equipment (Major Only)	452,400		452,400
66	571	Maintenance of Overhead Lines (Major Only)	92,176		92,176
67	572	Maintenance of Underground Lines (Major Only)	78,334		78,334
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)	10,342		10,342

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (j)	Total Charges for Services Indirect Cost (k)	Total Charges for Services Total Cost (l)
69	574	Maintenance of Transmission Plant (Nonmajor Only)			
70		Total Transmission Maintenance Expenses	633,252		633,252
71	575.1-575.8	Total Regional Market Operation Expenses			
72	576.1-576.5	Total Regional Market Maintenance Expenses			
73	580-589	Total Distribution Operation Expenses	184,373		184,373
74	590-598	Total Distribution Maintenance Expenses	7,279,626		7,279,626
75		Total Electric Operation and Maintenance Expenses	40,038,463	2,140,010	42,178,473
76	700-798	Production Expenses (Provide selected accounts in a footnote)			
77	800-813	Total Other Gas Supply Operation Expenses			
78	814-826	Total Underground Storage Operation Expenses			
79	830-837	Total Underground Storage Maintenance Expenses			
80	840-842.3	Total Other Storage Operation Expenses	13,400		13,400
81	843.1-843.9	Total Other Storage Maintenance Expenses	213,429		213,429
82	844.1-846.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses			
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses			
84	850	Operation Supervision and Engineering			
85	851	System Control and Load Dispatching			
86	852	Communication System Expenses			
87	853	Compressor Station Labor and Expenses			
88	854	Gas for Compressor Station Fuel			
89	855	Other Fuel and Power for Compressor Stations			
90	856	Mains Expenses			
91	857	Measuring and Regulating Station Expenses			
92	858	Transmission and Compression of Gas By Others			
93	859	Other Expenses			
94	860	Rents			
95		Total Gas Transmission Operation Expenses			
96	861	Maintenance Supervision and Engineering			
97	862	Maintenance of Structures and Improvements			
98	863	Maintenance of Mains	3,544		3,544
99	864	Maintenance of Compressor Station Equipment			
100	865	Maintenance of Measuring And Regulating Station Equipment			
101	866	Maintenance of Communication Equipment			
102	867	Maintenance of Other Equipment			
103		Total Gas Transmission Maintenance Expenses	3,544		3,544
104	870-881	Total Distribution Operation Expenses	44,090		44,090

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (j)	Total Charges for Services Indirect Cost (k)	Total Charges for Services Total Cost (l)
105	885-894	Total Distribution Maintenance Expenses	330,013		330,013
106		Total Natural Gas Operation and Maintenance Expenses	604,476		604,476
107	901	Supervision			
108	902	Meter reading expenses			
109	903	Customer records and collection expenses			
110	904	Uncollectible accounts			
111	905	Miscellaneous customer accounts expenses			
112	906	Total Customer Accounts Operation Expenses			
113	907	Supervision			
114	908	Customer assistance expenses			
115	909	Informational And Instructional Advertising Expenses			
116	910	Miscellaneous Customer Service And Informational Expenses	(7,234)		(7,234)
117		Total Service and Informational Operation Accounts	(7,234)		(7,234)
118	911	Supervision			
119	912	Demonstrating and Selling Expenses			
120	913	Advertising Expenses			
121	916	Miscellaneous Sales Expenses			
122		Total Sales Operation Expenses			
123	920	Administrative and General Salaries	32,547,459	2,739,068	35,286,527
124	921	Office Supplies and Expenses	3,376,388	1,295,933	4,672,321
125	923	Outside Services Employed	51,758		51,758
126	924	Property Insurance			
127	925	Injuries and Damages	137,358		137,358
128	926	Employee Pensions and Benefits	9,661,687		9,661,687
129	928	Regulatory Commission Expenses			
130	930.1	General Advertising Expenses			
131	930.2	Miscellaneous General Expenses	71,961,516	2,816,722	74,778,238
132	931	Rents			
133		Total Administrative and General Operation Expenses	117,736,166	6,851,723	124,587,889
134	935	Maintenance of Structures and Equipment			
135		Total Administrative and General Maintenance Expenses	117,728,932	6,851,723	124,580,655
136		Total Cost of Service	158,371,871	8,991,733	167,363,604

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2012
National Grid Engineering & Survey, Inc.			
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 136 Column: e

Schedule Page: 304 Line No.: 83 Column:
e

<u>Account</u>	<u>Title of Account</u>	Associate Company Direct Cost	Associate Company Indirect Cost	Total Associate Company Cost
848	Maintenance of Vaporizing Equipment	13,400	-	13,400

Schedule Page: 304 Line No.: 131 Column:
e

<u>Account</u>	<u>Title of Account</u>	Associate Company Direct Cost	Associate Company Indirect Cost	Total Associate Company Cost
940	Service Company Expenses to Capital	60,843,865	1,413,165	62,257,030
955	Other Deferred Expenses	1,794,937	-	1,794,937
984	Service Company Expenses to Clearing Accts	9,241,729	1,387,941	10,629,670
		71,880,531	2,801,106	74,681,637

Schedule Page: 304 Line No.: 134 Column:
e

<u>Account</u>	<u>Title of Account</u>	Associate Company Direct Cost	Associate Company Indirect Cost	Total Associate Company Cost
932	Maintenance of General Plant	41,543	-	41,543

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012
Schedule XVII - Analysis of Billing – Associate Companies (Account 457)					
1. For services rendered to associate companies (Account 457), list all of the associate companies.					
Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	National Grid USA Parent	31,656			31,656
2	Keyspan Energy Corp	368,391			368,391
3	NG NE Holdings 2 LLC	2			2
4	NGUSA Service Company, Inc.	778,577			778,577
5	Niagara Mohawk Elect Dist	930,393	69,162		999,555
6	Niagara Mohawk Power Gas		43,878		43,878
7	Niagara Mohawk Power Trans	57,923	1,564		59,487
8	KEYSPAN ENERGY DELIVERY NY	1,007,353	(25,648)	71,239	1,052,944
9	KEYSPAN ENERGY DELIVERY LI	1,651,352	559,838	27,987	2,239,177
10	KEYSPAN ELECTRIC SERVICES, LLC	78,299,866	4,806,862	(74,066)	83,032,662
11	Massachusetts Electric Company	353,203	37,479		390,682
12	MASSACHUSETTS ELECTRIC - TRANS		21		21
13	Nantucket Electric Company	4,440	515		4,955
14	Boston Gas	234,653	46,229		280,882
15	ESSEX COUNTY GAS		2,600		2,600
16	Colonial Lowell Division	58,932	11,167		70,099
17	Narragansett Gas Company		25,272		25,272
18	Narragansett Electric Company	203,327	14,979		218,306
19	NARRAGANSETT ELECTRIC - TRANS		105		105
20	Granite State Electric Company	6,360	812		7,172
21	Granite St Elec-Post Sale		559		559
22	EnergyNorth	2,800	6,170		8,970
23	New England Power Company	56,646	7,725		64,371
24	NE Hydro-Trans Elec. Co.	4,349			4,349
25	Co 5412	1,550			1,550
26	NE Electric Trans Corp	543			543
27	NG LNG LP Regulated Entity	1,420			1,420
28	KEYSPAN GENERATION SERVICES,LL	68,573,369	1,388,125	(310,922)	69,650,572
29	KEYSPAN GLENWOOD ENERGY CENTER	3,538,026	5,907	(16,970)	3,526,963
30	KEYSPAN PORT JEFFERSON ENERGY	4,780,658	5,688	(16,185)	4,770,161
31	Metrowest Realty LLC	136			136
32	Wayfinder Group, Inc.	271			271
33	Energy Trading Company	1,569	230		1,799
34	Transgas Inc	2,767			2,767
35	NG Development Holdings Corp.	3,712			3,712
36	NG Services Inc.	9,176			9,176
37					
38					
39					
40	Total	160,963,420	7,009,239	(318,917)	167,653,742

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012	
Schedule XVIII – Analysis of Billing – Non-Associate Companies (Account 458)						
1. For services rendered to nonassociate companies (Account 458), list all of the nonassociate companies. In a footnote, describe the services rendered to each respective nonassociate company.						
Line No.	Name of Non-associate Company (a)	Account 458.1 Direct Costs Charged (b)	Account 458.2 Indirect Costs Charged (c)	Account 458.3 Compensation For Use of Capital (d)	Account 458.4 Excess or Deficiency on Servicing Non-associate Utility Companies (e)	Total Amount Billed (f)
1	None					
2						
3						
4						
5						
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34						
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37						
38						
39						
40	Total					

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2012
Schedule XIX - Miscellaneous General Expenses - Account 930.2				
<p>1. Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses" classifying such expenses according to their nature. Amounts less than \$50,000 may be grouped showing the number of items and the total for the group. 2. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.</p>				
Line No.	Title of Account (a)	Amount (b)		
1	None			
2				
3				
4				
5				
6				
7				
8				
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40	Total			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2012
Schedule XX - Organization Chart			

1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization.

NATIONAL GRID ENGINEERING & SURVEY, INC.

ORGANIZATION CHART

For the Year Ended December 31, 2012

- Director
- Chief Executive Officer – Engineering
- Chief Executive Officer – Surveying
- Senior Vice President and Chief Procurement Officer
- Vice President and Treasurer
- Vice President and Controller
- Vice President
- Vice President
- Vice President
- Secretary
- Assistant Treasurer
- Assistant Treasurer
- Assistant Treasurer
- Assistant Secretary
- Assistant Secretary
- Assistant Secretary

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2012
Schedule XXI - Methods of Allocation			

1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator.
2. Include any other allocation methods used to allocate costs.

NATIONAL GRID USA SERVICE COMPANY, INC.

METHODS OF ALLOCATION

For the Year Ended December 31, 2012

1. Cost Allocation Principles

The following principles guide the allocation of costs of products or services provided by the Service Companies to the Client or Operating Companies. These principles also pertain to transactions among Operating Companies such as storm restoration services.

- a. Direct charging or direct assignment is the preferred allocation methodology and should be used if the cost of providing a product or service can be identified with the specific affiliates receiving the benefit of that product or service. Direct charging should only be used if the cost of providing a product or service to an individual Client Company can be isolated and reported separately from costs to provide other products or services and from costs to provide the same product and service to other Client Companies.
- b. The costs of products and services that cannot be direct charged should be allocated based on cost causative allocation bases representative of the underlying cost drivers of that product or service.
- c. The cost allocation methodology should be comprehensive, transparent, stable and administratively manageable and cost effective.
- d. The calculation of the cost allocation bases should be supported by a clearly defined methodology, model and supporting policy and procedure documentation.
- e. The cost allocation methodology should accommodate changes in the size of the allocation bases from period to period based on changes in the underlying cost drivers; the allocation bases should not vary significantly from period to period for uncontrollable factors not related to the underlying cost drivers. For example, you would not choose an allocation basis that fluctuates significantly from period to period based on changes in weather if weather is not a cost driver for that activity.
- f. The calculation of the allocation bases should be updated at least annually and more frequently if needed to reflect significant events (e.g., the sale of a significant affiliate).

2. Services Provided by the Service Company - Description and Allocation Methodology

- a. The following lists those services provided by the Service Company and the Client Companies to whom these services are provided. These services are provided in accordance with the service agreements filed with the Commissions. In addition, the provision of these services is governed by Service Level Agreements. Service Level Agreement are legal agreements between the Service Companies and the Client Companies which describe the services offered, services selected, compensation and billing, terms, and cost accumulation, assignment and allocation methodologies. Also referred to as Service Contracts. The documents are filed with the utility

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2012
Schedule XXI - Methods of Allocation			

regulatory commissions and serve as the basis for the FERC Form 60 disclosures.

Services Provided By Service Company

Operations

Provide operational activities and services. Operational activities include maintenance and construction; protection and telecommunication operations; customer meter services & dispatch operations; control center operations; and power plant and LNG operations. Service activities include Operations Support (Fleet, Aviation, and Inventory Management; Customer Order Fulfillment and related support processes; Meter Lab & Testing activities); Project Management and Complex Construction and Vegetation Management; Resource Planning; Emergency Planning and Response; and Operations Performance activities.

Network Strategy

Provide services pertaining to the operation and maintenance of gas and electricity networks including engineering, investment planning, standards and policy compliance and reporting.

The following describes the cost allocation methods used for each of the services listed above.

Cost Allocation Methodology for Services Provided

Operations

- Direct Charge
- General Allocator
- Capital Expenditures
- Dollar Value of Property Owned
- Total T&D Expenditures
- Miles of Overhead Lines
- # of Customers/Meters

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2012
National Grid Engineering & Survey, Inc.			
Schedule XXI - Methods of Allocation			

Network Strategy

- Direct Charge
- General Allocator
- Capital Expenditures
- Dollar Value of Property Owned
- Total T&D Expenditures
- Miles of Overhead Lines
- # of Joint Use Poles

3. Approved Cost Allocation Bases – SAP Internal Order Code (Allocation Basis Field), Description and Source

SAP Allocation Code	Description	Definition / Source
G-xxx through G-nnn	Net margin, net plant, & Net O&M expenses (GENERAL ALLOCATOR)	<p>“Net Margins” are Total Operating Revenues less “Cost of Goods Sold” and revenues related to recovery of stranded costs.</p> <p>“Net Plant” is the sum of Net Utility Plant and Net Non-Utility Plant .</p> <p>“Net O&M Expenses” are all non “Cost of Goods Sold” expenses less costs allocated from the Service Company distributed to the Affiliate companies using the general allocator. A Special Report will be created to identify the amount to be excluded for Service Company Charges based on the General Allocator.</p>
X-xxx through X-nnn	Capital Expenditures	<p>Capital expenditures by company as a percent of the total.</p> <p>The source for this allocation basis is the CAPEX based on “Cash Outflows for Plant” from the FERC Form 1 Statement of Cash Flows If this information is not available, use the Budgeted CAPEX from Financial Forecasts.</p>
I-xxx through I-nnn	Dollar Value of Property Owned	<p>A ratio based on gross fixed assets, valued at original acquisition costs, and investments owned in other companies, including construction work in progress, at the end of the calendar year, the numerator of which is for a specific client company and the denominator being all recipient client companies.</p>

FERC FORM 60 (NEW 12-05)

402.3

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2012
National Grid Engineering & Survey, Inc.			
Schedule XXI - Methods of Allocation			

		The source for the calculation of this ratio will be based on FERC Form 1 reports and State regulatory Gas Company reports.
T-xxx through T-nnn	Total T&D Expenditures	Sum of T&D capital expenditures and O&M expenditures by Utility as a percent of total Utility T&D capital and O&M expenditures. The source of this allocation basis is the CAPEX based on "Cash Outflows for Plant" from FERC Form 1 Statement of Cash Flows and T&D O&M costs in the FERC reports.
L-xxx through L-nnn	Miles of Overhead Lines	Number of miles of overhead transmission and distribution lines by utility as a percent of the total. The source for this allocation basis is the Network Strategy (Standards Policies and Codes)
C-xxx through C-nnn	# of Customers	Number of retail and wholesale customers (via count of service meters) receiving utility services by company as a percent of the CYE total. The source for this allocation basis is the TDC (Billing operations Group).
E-xxx through E-nnn	# of Joint Use Poles	# of electric poles with 3rd party attachments (joint use poles) by Company as a percent of total joint use poles. The source for this allocation basis is the Network Strategy (Standards Codes and Procedures group).

4. Definitions

- a. **Act** – Any State or Federal law or regulation providing guidance and requirements related to cost allocations or the pricing of services provided among affiliates.

National Grid is required to comply with the Federal Energy Regulatory Commission's (FERC) Regulations Under the Public Utility Holding Company Act of 2005 (PUHCA 2005) and cross-subsidization restrictions on affiliate transactions. Specifically, these include compliance with: (1) cross-subsidization restrictions on affiliate transactions under 18 C.F.R. Part 35; (2) accounting, recordkeeping, and reporting requirements under C.F.R. Part 366; (3) Uniform System of Accounts (USofA) for centralized service companies under 18 C.F.R. Part 367; and preservation of records requirements for holding companies and service companies under C.F.R. part 368.

In the State of New York, the following sources provide substantive guidance and requirements on cost allocations.

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Schedule XXI - Methods of Allocation			

- Public Service Law, §110(3)
 - Case 06-M-0878, Joint Petition of National Grid PLC and KeySpan Corporation for Approval of Stock Acquisition and other Regulatory Authorizations, Merger & Gas Revenue Requirement Joint Proposal (dated July 6, 2007)
 - Cases 12-E-0201 and 12-G-0202, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Electric Service and Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Gas Service, Rate Plan Provisions (Appendix 7 to Joint Proposal adopted by the New York Public Service Commission in its Order dated March 15, 2013)
- b. Affiliates** – Companies that are related to each other due to common ownership or control. For example, affiliates include National Grid USA Service Company, Niagara Mohawk Power Corporation, Massachusetts Electric, Boston Gas Company, Narragansett Electric Company, Narragansett Gas Company, KeySpan Energy Delivery of New York (KEDNY) and KeySpan Energy Delivery of Long Island (KEDLI). Public Utility Holding Company Act (PUHCA) 2005 defines the term “affiliate” of a company as any company, 5 percent or more of the outstanding voting securities of which are owned, controlled, or held with power to vote, directly or indirectly, by such company.
- c. Associate Company** – According to PUHCA 2005, the term “associate company” refers to any company in the same holding company system with such company.
- d. Attributable Cost** – Costs which are incurred for activities and services which benefit the client companies. Some costs are directly attributable to the client companies; other costs such as corporate governance costs are indirectly attributable to the client companies.
- e. Client Companies** – Affiliates which receive services provided by the Service Companies.
- f. Cost Causative Allocation Factor** – Methodology used to allocate directly attributable costs based upon measurable cost causing relationships; for example, payroll department costs are allocated on the number of employees for each entity to which the Service Company provides this service.
- g. Commission** – The State utility regulatory commissions in the states in which National Grid operates. These include the New York Public Service Commission, the Massachusetts Department of Public Utilities and the Rhode Island Public Utilities Commission. National Grid also provides services which are regulated by the Federal Energy Regulatory Commission.
- h. Cost Allocation Manual (CAM)** - An indexed compilation and documentation of the Company's cost allocation policies and related procedures.
- i. Cost Allocations** - The methods or ratios used to apportion costs. A cost allocator can be based on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature; or one or more overall factors (also known as general allocators).
- j. Common Costs** - Costs associated with services or products that jointly benefit all regulated and non-regulated business units.

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- k. **Cost Driver** - A measurable event or quantity which influences the level of costs incurred and which can be directly traced to the origin of the costs themselves; for example, number of invoices processed is a cost driver for the Accounts Payable department. To the extent possible, the allocation basis should reflect the underlying cost driver if the cost cannot be direct charged.
- l. **Cross-subsidization** – The offering of a competitive product or service by an electric or gas public utility, or an affiliate, which relies in whole or in part on the use of utility employees, equipment or other assets, and for which full compensation (via cost allocation or direct payment), has not been provided resulting in the inappropriate transfer of benefits from the utility ratepayers to the competitive affiliate. See 18 C.F.R. Part 35 (2008) for FERC rules regarding cross-subsidization restrictions on affiliate transactions.
- m. **Direct Costs** - Costs which can be specifically identified with a particular service or product and the Client Company(s) to which that product or service is provided. These costs are charged directly to the Client Company(s).
- n. **Fully Allocated Costs** – The sum of the direct, indirect and other economic costs of all equipment, vehicles, labor, related fringe benefits and overheads, real estate, furniture, fixtures and other administrative resources utilized, and other assets utilized and costs incurred, directly or indirectly in the providing of services from the service company to an affiliate.
- o. **Functions** – Refers to the National Grid internal organizational structures under which National Grid USA conducts business.
- p. **General Allocator** – Methodology used to indirectly allocate attributable costs to entities. For National Grid USA, the general allocator is the ratio of net plant, net margins and net O&M expenses, equally weighted.
- q. **Holding Company** – PUHCA 2005 defines “holding company” as “any company that directly or indirectly owns, controls, or holds, with power to vote, 10 percent or more of the outstanding voting securities of a public-utility company or of a holding company of any public-utility company” and any person who exercises “a controlling influence over the management or policies of any public-utility company or holding company as to make it necessary or appropriate for the rate protection of utility customers with respect to rates...”
- r. **Indirect Costs** - Costs that cannot be directly identified with the provision of a particular product or service. This includes but is not limited to governance costs, insurance, and taxes as well the cost of services supporting the Service Company such as Service Company accounting and recruiting for Service Company positions.
- s. **Jurisdictions** – Refers to the geographic areas in which National Grid USA operates. Jurisdictions are comprised of one or more utility companies.
- t. **Non-Regulated** – Those entities, products and services which are not subject to regulation by regulatory authorities.
- u. **Operating Companies** – Companies to whom the Service Companies provide products and services. Operating Companies include, but are not limited to, Niagara Mohawk Power Corporation, Massachusetts Electric, and KeySpan Energy Delivery of Long Island (KEDLI). Also referred to as Client Companies.
- v. **PUHCA 2005** – 18 C.F.R. Title 18: Conservation of Power and Water Resources, PART 366 – PUBLIC UTILITY

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Schedule XXI - Methods of Allocation			

HOLDING COMPANY ACT OF 2005

- w. **Regulated** - That which is subject to regulation by regulatory authorities such as the New York Public Service Commission.
- x. **Service** – Any managerial, financial, legal, engineering, purchasing, marketing, auditing, statistical, advertising, publicity, tax, research, or any other service (including supervision or negotiation of construction or of sales), information or data, which is sold or furnished for a charge. (PUHCA 2005)
- y. **Service Agreement** – Legal agreements between the Service Companies and the Client Companies which describe the services offered, services selected, compensation and billing, terms, and cost accumulation, assignment and allocation methodologies. Also referred to as Service Contracts. The documents are filed with the utility regulatory commissions and serve as the basis for the FERC Form 60 disclosures.
- z. **Service Company** – An affiliate which provides support services to its utility and other affiliates. This includes both the National Grid USA Service Company and the National Grid USA Engineering Services Company.
- aa. **Service Level Agreements (SLAs)** – Non-binding agreements between the functional service providers and jurisdictional presidents that define the services provided and the financial and non-financial attributes of those services.
- ab. **Support Services** – Administrative and support services that do not involve merchant functions; for example: payroll, taxes, shareholder services, insurance, financial reporting, financial planning and analysis, corporate accounting, corporate security, human resources (compensation, benefits, employment practices), employee records, regulatory affairs, lobbying, legal, and pension management. Support Services typically refers to those services offered by the Service Company.
- ac. **Utility Companies** – Legal entities providing regulated wholesale and retail utility services.

5. Manual Allocations

There will be instances in which employees will choose to assign costs in a manner that is different from the allocation bases described above in order to ensure that costs are properly allocated among companies. To accomplish this requires a Manual Allocation. When employees choose to use a non-standard cost driver to allocate costs, the basis for that decision and the method used to allocate costs among companies should be thoroughly documented, approved by department supervision and sent to the Service Company Integrity Department in a timely manner for review.

6. SAP Service Company Orders and Work Breakdown Structure

National Grid USA uses Service Company Order and Work Breakdown Structure (WBS) elements within SAP as the mechanisms by which the appropriate allocation bases are applied to resources consumed. Individual Orders/WBS have been established for each cost center based on the work performed, the nature of resources consumed (e.g., labor, materials, outside services) in performing that work, and the operating companies benefitting from the work performed.

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2012
Schedule XXI - Methods of Allocation			

Embedded in the WBS is the allocation code associated with the "operating companies benefitting from the work performed".

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. ____

Form 60 Approved
OMB No. 1902-0215
Expires 04/30/2016



FERC FINANCIAL REPORT FERC FORM No. 60: Annual Report of Centralized Service Companies

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company) National Grid Engineering & Survey, Inc.	Year of Report Dec 31, <u>2013</u>
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FERC FORM No. 60 (12-06)

GENERAL INSTRUCTIONS FOR FILING FERC FORM NO. 60

I. Purpose

Form No. 60 is an annual regulatory support requirement under 18 CFR 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

II. Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to §§ 18 CFR 366.3 and 366.4 of this chapter, every centralized service company (see § 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

III. How to Submit

Submit FERC Form No. 60 electronically through the Form No. 60 Submission Software. Retain one copy of each report for your files. For any resubmissions, submit the filing using the Form No. 60 Submission Software including a justification. Respondents must submit the Corporate Officer Certification electronically.

IV. When to Submit

Submit FERC Form No. 60 according to the filing date contained § 18 CFR 369.1 of the Commission's regulations.

V. Preparation

Prepare this report in conformity with the Uniform System of Accounts (18 CFR 367) (USof A). Interpret all accounting words and phrases in accordance with the USof A.

VI. Time Period

This report covers the entire calendar year.

VII. Whole Dollar Usage

Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's amounts.

VIII. Accurateness

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IX. Applicability

For any page(s) that is not applicable to the respondent, enter "NONE," or "Not Applicable" in column (c) on the List of Schedules, page 2.

X. Date Format

Enter the month, day, and year for all dates. Use customary abbreviations. The "Resubmission Date" included in the header of each page is to be completed only for resubmissions (see III. above).

XI. Number Format

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by use of a minus sign.

XII. Required Entries

Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

XIII. Prior Year References

Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

XIV. Where to Send Comments on Public Reporting Burden

The public reporting burden for the Form No. 60 collection of information is estimated to average 75 hours per response, including

- the time for reviewing instructions, searching existing data sources,
- gathering and maintaining the data-needed, and
- completing and reviewing the collection of information.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to:

Federal Energy Regulatory Commission, (Attention: Information Clearance Officer, CIO),
888 First Street NE,
Washington, DC 20426
or by email to DataClearance@ferc.gov

And to:

Office of Information and Regulatory Affairs,
Office of Management and Budget, Washington, DC 20503 (Attention: Desk Office for the Federal
Energy Regulatory Commission).
Comments to OMB should be submitted by email to: oir_submission@omb.eop.gov

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

DEFINITIONS
I. Respondent -- The person, corporation, or other legal entity in whose behalf the report is made.

**FERC FORM NO. 60
ANNUAL REPORT FOR SERVICE COMPANIES**

IDENTIFICATION		
01 Exact Legal Name of Respondent National Grid Engineering & Survey, Inc.		02 Year of Report Dec 31, <u>2013</u>
03 Previous Name (If name changed during the year)		04 Date of Name Change / /
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 175 East Old Country Road, Hicksville, NY 11801		06 Name of Contact Person Colleen Dowling
07 Title of Contact Person Director - Service Company Integrity		08 Address of Contact Person One Metrotech Center, Brooklyn, NY 11201
09 Telephone Number of Contact Person (929) 324-4260		10 E-mail Address of Contact Person colleen.dowling@nationalgrid.com
11 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		12 Resubmission Date (Month, Day, Year) / /
13 Date of Incorporation 07/09/1931	14 If Not Incorporated, Date of Organization / /	
15 State or Sovereign Power Under Which Incorporated or Organized NEW YORK		
16 Name of Principal Holding Company Under Which Reporting Company is Organized: KeySpan Corporation		
CORPORATE OFFICER CERTIFICATION		
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
17 Name of Signing Officer Lorraine M. Lynch	19 Signature of Signing Officer Lorraine M. Lynch	20 Date Signed (Month, Day, Year) 09/30/2014
18 Title of Signing Officer VP, Service Company		

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
List of Schedules and Accounts				
1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.				
Line No.	Description (a)	Page Reference (b)	Remarks (c)	
1	Schedule I - Comparative Balance Sheet	101-102		
2	Schedule II - Service Company Property	103		
3	Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property	104		
4	Schedule IV - Investments	105	None	
5	Schedule V - Accounts Receivable from Associate Companies	106		
6	Schedule VI - Fuel Stock Expenses Undistributed	107	None	
7	Schedule VII - Stores Expense Undistributed	108	None	
8	Schedule VIII - Miscellaneous Current and Accrued Assets	109	None	
9	Schedule IX - Miscellaneous Deferred Debits	110		
10	Schedule X - Research, Development, or Demonstration Expenditures	111	None	
11	Schedule XI - Proprietary Capital	201		
12	Schedule XII - Long-Term Debt	202	None	
13	Schedule XIII - Current and Accrued Liabilities	203		
14	Schedule XIV - Notes to Financial Statements	204		
15	Schedule XV - Comparative Income Statement	301-302		
16	Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies	303-306		
17	Schedule XVII - Analysis of Billing - Associate Companies (Account 457)	307		
18	Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)	308	None	
21	Schedule XIX - Miscellaneous General Expenses - Account 930.2	307	None	
23	Schedule XX - Organization Chart	401		
24	Schedule XXI - Methods of Allocation	402		

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013	
Schedule I - Comparative Balance Sheet					
1. Give balance sheet of the Company as of December 31 of the current and prior year.					
Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		Service Company Property			
2	101	Service Company Property	103	1,755,941	1,755,941
3	101.1	Property Under Capital Leases	103		
4	106	Completed Construction Not Classified			
5	107	Construction Work In Progress	103	413,989	16,115
6		Total Property (Total Of Lines 2-5)		2,169,930	1,772,056
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104	1,264,019	1,050,295
8	111	Less: Accumulated Provision for Amortization of Service Company Property			
9		Net Service Company Property (Total of Lines 6-8)		905,911	721,761
10		Investments			
11	123	Investment In Associate Companies	105		
12	124	Other Investments	105		
13	128	Other Special Funds	105		
14		Total Investments (Total of Lines 11-13)			
15		Current And Accrued Assets			
16	131	Cash			2,025,871
17	134	Other Special Deposits			
18	135	Working Funds			
19	136	Temporary Cash Investments			
20	141	Notes Receivable			
21	142	Customer Accounts Receivable			
22	143	Accounts Receivable		49,473	47,697
23	144	Less: Accumulated Provision for Uncollectible Accounts			
24	146	Accounts Receivable From Associate Companies	106	311,623,854	153,074,843
25	152	Fuel Stock Expenses Undistributed	107		
26	154	Materials And Supplies			
27	163	Stores Expense Undistributed	108		
28	165	Prepayments		32,686,755	
29	171	Interest And Dividends Receivable			
30	172	Rents Receivable			
31	173	Accrued Revenues			
32	174	Miscellaneous Current and Accrued Assets			
33	175	Derivative Instrument Assets	109		
34	176	Derivative Instrument Assets - Hedges			
35		Total Current and Accrued Assets (Total of Lines 16-34)		344,360,082	155,148,411
36		Deferred Debits			
37	181	Unamortized Debt Expense			
38	182.3	Other Regulatory Assets			
39	183	Preliminary Survey And Investigation Charges			
40	184	Clearing Accounts			(5,210,987)
41	185	Temporary Facilities			
42	186	Miscellaneous Deferred Debits		26,045,079	540,307
43	188	Research, Development, or Demonstration Expenditures	110		
44	189	Unamortized loss on reacquired debt	111		
45	190	Accumulated Deferred Income Taxes		26,789,703	81,504,331
46		Total Deferred Debits (Total of Lines 37-45)		52,834,782	76,833,651
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		398,100,775	232,703,823

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule I - Comparative Balance Sheet (continued)					
Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
48		Proprietary Capital			
49	201	Common Stock Issued	201	540,307	540,307
50	204	Preferred Stock Issued	201		
51	211	Miscellaneous Paid-in-Capital	201	10,350,648	10,476,872
52	215	Appropriated Retained Earnings	201		
53	216	Unappropriated Retained Earnings	201	3,275,121	1,555,883
54	219	Accumulated Other Comprehensive Income	201	(41,382,115)	(60,815,620)
55		Total Proprietary Capital (Total of Lines 49-54)		(27,216,039)	(48,242,558)
56		Long-Term Debt			
57	223	Advances From Associate Companies	202		
58	224	Other Long-Term Debt	202		
59	225	Unamortized Premium on Long-Term Debt			
60	226	Less: Unamortized Discount on Long-Term Debt-Debit			
61		Total Long-Term Debt (Total of Lines 57-60)			
62		Other Non-current Liabilities			
63	227	Obligations Under Capital Leases-Non-current			
64	228.2	Accumulated Provision for Injuries and Damages		708,691	339,964
65	228.3	Accumulated Provision For Pensions and Benefits			
66	230	Asset Retirement Obligations		(149,681)	(149,681)
67		Total Other Non-current Liabilities (Total of Lines 63-66)		559,010	190,283
68		Current and Accrued Liabilities			
69	231	Notes Payable			
70	232	Accounts Payable		2,531,973	2,438,443
71	233	Notes Payable to Associate Companies	203		
72	234	Accounts Payable to Associate Companies	203	403,009,782	249,327,725
73	236	Taxes Accrued			9,533,372
74	237	Interest Accrued			(112,674)
75	241	Tax Collections Payable		16,679	512,175
76	242	Miscellaneous Current and Accrued Liabilities	203	13,298,381	9,778,055
77	243	Obligations Under Capital Leases - Current			
78	244	Derivative Instrument Liabilities			
79	245	Derivative Instrument Liabilities - Hedges			
80		Total Current and Accrued Liabilities (Total of Lines 69-79)		418,856,815	271,477,096
81		Deferred Credits			
82	253	Other Deferred Credits			3,127,790
83	254	Other Regulatory Liabilities			
84	255	Accumulated Deferred Investment Tax Credits			
85	257	Unamortized Gain on Recquired Debt			
86	282	Accumulated deferred income taxes-Other property		83,756	
87	283	Accumulated deferred income taxes-Other		5,817,233	6,151,212
88		Total Deferred Credits (Total of Lines 82-87)		5,900,989	9,279,002
89		TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88)		398,100,775	232,703,823

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2013	
Schedule II - Service Company Property							
1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote. 2. Describe each construction work in progress on lines 18 through 30 in Column (b).							
Line No.	Acct # (a)	Title of Account (b)	Balance at Beginning of Year (c)	Additions (d)	Retirements or Sales (e)	Other Changes (f)	Balance at End of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant					
3	306	Leasehold Improvements					
4	389	Land and Land Rights					
5	390	Structures and Improvements	23,000				23,000
6	391	Office Furniture and Equipment	1,699,149				1,699,149
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	3,657				3,657
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment	30,135				30,135
13	398	Miscellaneous Equipment					
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs					
16		Total Service Company Property (Total of Lines 1-15)	1,755,941				1,755,941
17	107	Construction Work in Progress:					
18		Office and Furniture Equipment	323,268	907			324,175
19		Other	(307,153)	396,967			89,814
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31		Total Account 107 (Total of Lines 18-30)	16,115	397,874			413,989
32		Total (Lines 16 and Line 31)	1,772,056	397,874			2,169,930

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013		
Schedule III – Accumulated Provision for Depreciation and Amortization of Service Company Property							
1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.							
Line No.	Account Number (a)	Description (b)	Balance at Beginning of Year (c)	Additions Charged To Account 403-403.1 404-405 (d)	Retirements (e)	Other Changes Additions (Deductions) (f)	Balance at Close of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant					
3	306	Leasehold Improvements					
4	389	Land and Land Rights					
5	390	Structures and Improvements	582				582
6	391	Office Furniture and Equipment	1,051,011	211,800			1,262,811
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	808	116			924
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment	12,908	1,808			14,716
13	398	Miscellaneous Equipment	(1,872)				(1,872)
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs	(13,142)				(13,142)
16		Total	1,050,295	213,724			1,264,019

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule IV – Investments				
<p>1. For other investments (Account 124) and other special funds (Account 128), in a footnote state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.</p> <p>2. For temporary cash investments (Account 136), list each investment separately in a footnote.</p> <p>3. Investments less than \$50,000 may be grouped, showing the number of items in each group.</p>				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	123	Investment In Associate Companies		
2	124	Other Investments		
3	128	Other Special Funds		
4	136	Temporary Cash Investments		
5		(Total of Lines 1-4)		

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule V – Accounts Receivable from Associate Companies				
1. List the accounts receivable from each associate company. 2. If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	146	Accounts Receivable From Associate Companies		
2		Associate Company:		
3		Boston Gas Company	427,910	146,068
4		Colonial Gas Company	66,610	
5		Energy North Natural Gas, Inc.	2,809	
6		Granite State Electric	14,410	
7		KeySpan Corporation	23,711,784	72,466,276
8		KeySpan Gas East Corporation	1,722,628	218,370
9		Massachusetts Electric Company	429,893	
10		Metrowest Realty LLC	136	6
11		Nantucket Electric Company	70,556	14,580
12		National Grid Corporate Services LLC	491,258	491,258
13		National Grid Development Holdings Corp.	5,308	
14		National Grid Electric Services LLC	55,127,791	41,962,845
15		National Grid Energy Trading Services LLC	44,600	42,376
16		National Grid Generation LLC	42,492,252	39,308,137
17		National Grid Glenwood Energy Center LLC	567,458	404,587
18		National Grid LNG LP Regulated Entity	1,333	3,912
19		National Grid NE Holdings 2 LLC	3,294	3,292
20		National Grid Port Jefferson Energy Center LLC	956,986	658,101
21		National Grid Services Inc.	14,969	181
22		National Grid USA Parent	34,513	862,544
23		National Grid USA Service Company, Inc.	24,813,860	
24		National Grid Utility Services LLC	8,122	8,122
25		New England Electric Transmission Corporation	511	5,322
26		New England Hydro-Transmission Corporation	2,814	7,035
27		New England Hydro-Transmission Electric Co, Inc.	2,740	47,636
28		New England Power Company	101,659	
29		Niagara Mohawk Power Corporation	962,291	
30		The Brooklyn Union Gas Company	693,495	310,934
31		The Narragansett Electric Company	300,697	
32		Transgas Inc.	1,900	88
33		Wayfinder Group	256	28
34				
35				
36				
37				
38				
39		Notes Receivable from Associate Companies		154,662,156
40	Total		153,074,843	311,623,854

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013	
Schedule VI – Fuel Stock Expenses Undistributed					
1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company. 2. In a separate footnote, describe in a narrative the fuel functions performed by the service company.					
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	152	Fuel Stock Expenses Undistributed			
2		Associate Company:			
3		None			
4					
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39					
40	Total				

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule VII – Stores Expense Undistributed					
1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to stores expense during the year and indicate amount attributable to each associate company.					
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	163	Stores Expense Undistributed			
2		Associate Company:			
3		None			
4					
5					
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37					
38					
39					
40	Total				

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule VIII - Miscellaneous Current and Accrued Assets				
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	174	Miscellaneous Current and Accrued Assets		
2		Item List:		
3		None		
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39				
40	Total			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule IX - Miscellaneous Deferred Debits				
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	186	Miscellaneous Deferred Debits		
2		Items List:		
3		Intangible Asset - Engineering License	540,307	540,307
4		Pension Funding Assets		10,194,823
5		Post Retirement Healthcare Funding Asset		10,398,473
6		FIN 48 Federal and State IncomeTax Provisions		4,911,476
7				
8				
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10				
11				
12				
13				
14				
15				
16				
17				
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39				
40	Total		540,307	26,045,079

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2013
FOOTNOTE DATA			

Schedule Page: 110 Line No.: 40 Column: d

Changes are a result of account balances previously reported on the NG Holding Company. During the current year, the balances were reclassified from the NG Holding Company to its affiliates.

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule X - Research, Development, or Demonstration Expenditures				
1. Describe each material research, development, or demonstration project that incurred costs by the service corporation during the year. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Amount (c)	
1	188	Research, Development, or Demonstration Expenditures		
2		Project List:		
3		None		
4				
5				
6				
7				
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39				
40	Total			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule XI - Proprietary Capital					
<p>1. For miscellaneous paid-in capital (Account 211) and appropriate retained earnings (Account 215), classify amounts in each account, with a brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.</p> <p>2. For the unappropriated retained earnings (Account 216), in a footnote, give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentages, amount of dividend, date declared and date paid.</p>					
Line No.	Account Number (a)	Title of Account (b)	Description (c)	Amount (d)	
1	201	Common Stock Issued	Number of Shares Authorized	300	
2			Par or Stated Value per Share	10.00	
3			Outstanding Number of Shares		
4			Close of Period Amount	540,307	
5		Preferred Stock Issued	Number of Shares Authorized		
6			Par or Stated Value per Share		
7			Outstanding Number of Shares		
8			Close of Period Amount		
9	211	Miscellaneous Paid-In Capital		10,350,648	
10	215	Appropriated Retained Earnings			
11	219	Accumulated Other Comprehensive Income		(41,382,115)	
12	216	Unappropriated Retained Earnings	Balance at Beginning of Year	1,555,883	
13			Net Income or (Loss)	1,719,238	
14			Dividend Paid		
15			Balance at Close of Year	3,275,121	

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2013			
Schedule XII – Long Term Debt									
<p>1. For the advances from associate companies (Account 223), describe in a footnote the advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation in Column (c).</p> <p>2. For the deductions in Column (h), please give an explanation in a footnote.</p> <p>3. For other long-term debt (Account 224), list the name of the creditor company or organization in Column (b).</p>									
Line No.	Account Number	Title of Account	Term of Obligation Class & Series of Obligation (c)	Date of Maturity (d)	Interest Rate (e)	Amount Authorized (f)	Balance at Beginning of Year (g)	Additions Deductions (h)	Balance at Close of Year (i)
1	223	Advances from Associate Companies							
2		Associate Company:							
3		None							
4									
5									
6									
7									
8									
9									
10									
11									
12									
13		TOTAL							
14	224	Other Long-Term Debt							
15		List Creditor:							
16		None							
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28		TOTAL							

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule XIII – Current and Accrued Liabilities				
1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234). 2. Give description and amount of miscellaneous current and accrued liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	233	Notes Payable to Associates Companies		
2				
3				
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12				
13				
14				
15				
16				
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19				
20				
21				
22				
23				
24	234	Accounts Payable to Associate Companies	249,327,725	403,009,782
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41	242	Miscellaneous Current and Accrued Liabilities		
42		Accrued Vacation	5,470,931	4,991,733
43		Accrued Incentive Compensation	3,262,664	3,413,463
44		Miscellaneous Payroll Tax Liability	1,044,460	3,804,833
45		Accrued Healthcare		1,088,352
46				
47				
48				
49				
50		(Total)	259,105,780	416,308,163

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2013
FOOTNOTE DATA			

<i>Schedule Page: 203 Line No.: 24 Column: d</i>			
Account Number	Accounts Payable To Associates Companies	Balance Beginning of Year	Balance at Close of year
234			
	Boston Gas Company	\$ 153,686	\$ 1,528,026
	KeySpan Corporation	212,687,084	340,636,654
	KeySpan Gas East Corporation	308,383	901,037
	Massachussets Electric Company	66,399	3,196,836
	Nantucket Electric Company	65,877	93,427
	National Grid Corporate Services LLC	1,484,946	1,484,946
	National Grid Electric Services LLC	12,001,786	4,742,949
	National Grid Energy Trading Services LLC	42,644	42,644
	National Grid Generation LLC	5,252,125	7,573,967
	National Grid Glenwood Energy Center LLC	1,467	21,610
	National Grid Port Jefferson Energy Center LLC	21,798	-
	National Grid USA Parent Co	206,340	4,849,072
	National Grid Services Inc	3,042	3,042
	National Grid USA Service Company, Inc.	16,984,576	21,820,706
	National Grid Utility Services LLC	1,821	1,821
	New England Power Company	47,055	425,022
	Niagara Mohawk Power Corporation	60,572	9,699,375
	The Brooklyn Union Gas Company	(141,870)	2,279,063
	The Narragansett Electric Company	79,994	1,832,650
	Colonial Gas Company	-	640,032
	EnergyNorth Natural Gas	-	753
	NE Hydro-Trans Elec Co	-	49,958
	NE Hydro-Trans Corp	-	9,357
	NE Electric Trans Corp	-	5,744
FERC FORM NO. 60 (NEW 12-05)		Footnotes.1	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report
National Grid Engineering & Survey, Inc.			2013
FOOTNOTE DATA			
NG LNG LP RegulatedEntity		-	13,379
Transgas Inc		-	7,588
NG Energy Management LLC		-	18,746
Metro Energy L.L.C.		-	1,129,612
NG Development Holdings Corp		-	1,763
NG Development Holdings Corp		-	3
Total - 234 Total Accounts Payable To Associate Companies		<u>\$</u>	<u>\$</u>
		<u>249,327,725</u>	<u>403,009,782</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2013
Schedule XIV- Notes to Financial Statements			

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Account 434, Extraordinary Income, or Account 435, Extraordinary Deductions.
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate service company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

NATIONAL GRID ENGINEERING & SURVEY, INC.

SCHEDULE XIV - NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization of the Company

National Grid Engineering and Survey, Inc. ("NGENG" or the "Company") is a wholly-owned subsidiary of KeySpan Corporation ("KeySpan" or the "Parent"), a holding company under the Public Utility Holding Company Act of 2005 ("PUHCA 2005"). The primary operating companies of KeySpan are The Brooklyn Union Gas Company, KeySpan Gas East Corporation, Boston Gas Company, National Grid Generation LLC and National Grid Electric Services LLC.

KeySpan is a wholly-owned subsidiary of National Grid USA ("NGUSA"), a public utility holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution and sale of both natural gas and electricity. NGUSA is the parent of Key Span Corporation and includes the primary operating companies: New England Power Company, Massachusetts Electric Company, Nantucket Electric Company, Narragansett Electric Company, Niagara Mohawk Power Corporation, New England Hydro-Transmission Corporation, and New England Hydro-Transmission Electric Company among its holdings. NGENG also provides services to these affiliates. NGUSA is a wholly-owned subsidiary of National Grid plc., a public limited company incorporated under the laws of England and Wales. The Company continues as a wholly-owned subsidiary of KeySpan and as an indirectly-owned subsidiary of National Grid plc.

Pursuant to PUHCA 2005, FERC has jurisdiction over certain holding company activities, including (i) regulating certain transactions among affiliates within KeySpan's and NGUSA's holding company system; (ii) governing the issuance, acquisition and disposition of securities and assets by certain of KeySpan's and NGUSA's public utility subsidiaries; and (iii) approving certain utility mergers and acquisitions.

Moreover, KeySpan's and NGUSA's affiliate transactions also remain subject to certain regulations of the Public Service Commission of the State of New York ("NYPSC"), the Massachusetts Department of Public Utility ("MADPU"), the Rhode Island Public Utilities Commission ("RIPUC") in addition to FERC and NHPUC.

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National Grid Engineering & Survey, Inc.			
Schedule XIV- Notes to Financial Statements			

Description of Business

Pursuant to Service Agreements between NGENG, KeySpan and NGUSA and all affiliated companies (collectively, the "Client Companies"), NGENG advises and assists Client Companies in the study, planning, engineering, maintenance and construction of energy plant facilities of each Client Company and of the Gas Systems and the Electric Systems as a whole, and advise, assist and manage the planning, engineering and construction operations of Client Companies.

Services provided to Client Companies are allocated in accordance with applicable federal and state laws. Costs are: (1) directly assigned where possible; (2) allocated using a reasonable and equitable allocation ratio based upon a cost-causation relationship; or (3) allocated broad base. Service allocation ratios are defined in the Service Agreements. Cost of service will include all costs of doing business incurred by Service Company, including a reasonable return on capital.

Basis of Presentation

The financial statements supporting this filing were prepared in conformity the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts for Centralized Service Companies. This requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements presented herein include the years ended December 31, 2013 and December 31, 2012. The accounting records of NGENG are maintained in accordance with the Uniform System of Accounts for Centralized Service Companies under PUHCA.

Income Taxes

Federal and state income taxes have been computed utilizing the asset and liability approach that requires the recognition of deferred tax assets and liabilities for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Deferred income taxes also reflect the tax effect of net operating losses, capital losses and general business credit carryforwards.

The effects of tax positions are recognized in the financial statements when it is more likely than not that the position taken or expected to be taken in a tax return will be sustained upon examination by taxing authorities based on the technical merits of the position. The financial effect of changes in tax laws or rates is accounted for in the period of enactment. Deferred investment tax credits are amortized over the useful life of the underlying property.

National Grid North America Inc. ("NGNA") files consolidated federal tax returns including all of the activities of its subsidiaries. Each subsidiary company determines its current and deferred taxes based on the separate return method. The Company settles its current tax liability or benefit each

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Schedule XIV- Notes to Financial Statements			

year with NGNA pursuant to a tax sharing arrangement between NGNA and its subsidiaries. Tax benefits attributable to the tax attributes of other group companies and allocated by NGNA are treated as capital contributions.

Note 2. Postretirement Benefits

Pension: NGENG employees are members of KeySpan’s noncontributory defined benefit pension plans covering substantially all employees associated with KeySpan. Benefits are based on years of service and compensation. Pension costs are allocated to NGENG; related pension obligations and assets are commingled and are not allocated to the individual sponsors (i.e. NGENG). Pension expense attributed to NGENG for the years ended December 31, 2013 and 2012, was approximately \$12.7 million and \$12.5 million, respectively. These costs are then allocated to client companies as burden costs based upon direct labor costs of NGENG. Funding for pensions is in accordance with requirements of federal law and regulations.

Other Postretirement Benefits: NGENG employees are members of KeySpan’s noncontributory defined benefit plans under which is provided certain health care and life insurance benefits for retired employees of KeySpan. Other postretirement benefit costs are allocated to NGENG, related pension obligations and assets are commingled and are not allocated to the individual sponsors (i.e. NGENG). KeySpan has been funding a portion of future benefits over employees’ active service lives through Voluntary Employee Beneficiary Association (VEBA) trusts. Contributions to VEBA trusts are tax deductible, subject to limitations contained in the Internal Revenue Code. Other Postretirement benefit expense attributed to NGENG for the years ended December 31, 2013 and 2012 was approximately \$11.2 million and \$12.4 million, respectively. These costs are then allocated to client companies as burden costs based upon direct labor costs of NGENG.

Note 3. Receivable from Associate Companies (Short-Term)

KeySpan and NGUSA have established Regulated and Unregulated money pools which balances are recorded in “Accounts Receivable from Associated Companies” to coordinate short-term borrowings for certain subsidiaries. The money pools provide more efficient use of cash resources of KeySpan and NGUSA and reduces outside borrowings. The money pools are administered by National Grid USA Service Company and funded, as needed, through intercompany loans with NGUSA or National Grid plc. Interest expense and other fees are allocated based on borrowing amounts.

Note 4. Operating Leases

Substantially all leases, other than leases associated with Boston Gas Company, Colonial Gas Company, EnergyNorth Natural Gas Inc., and non-regulated businesses of KeySpan, are the obligation of National Grid USA Service Company. NGENG records, as an intercompany expense, costs incurred for the use of leased equipment such as buildings, office equipment, vehicles, and powered operated equipment. These intercompany expenses, which are not specifically identified in intercompany billings, are reflected in Operations and Maintenance expense in the Statement of

Name of Respondent	This Report is:	Resubmission Date	Year of Report
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Schedule XIV- Notes to Financial Statements			

Income.

**Note 5. Commitments and Contingencies
Service Company Audit**

In February 2011, the NYPSC selected Overland Consulting Inc., ("Overland") to perform a management audit of National Grid's affiliate cost allocations, policies and procedures. The New York Gas Companies disputed certain of Overland's final audit conclusions and the NYPSC ordered that further proceedings be conducted to address what, if any, ratemaking adjustments were necessary. On May 23, 2014, a Joint Proposal between National Grid and the Staff of the Department of Public Service was filed for NYPSC approval that resolves all financial and rate issues arising from or related to the audit. On September 3, 2014 the NYPSC issued a final order approving the Joint Proposal for \$24.7 million to be returned for the benefit of KEDLI and KEDNY customers.

Note 6. Income Tax

The components of federal and state income tax expense (benefit) are as follows:

	Years Ended December 31,	
	2013	2012
	<i>(in thousands of dollars)</i>	
Current tax expense(benefit):		
Federal	\$ (41,589)	\$ 1,192
State	(1,721)	343
Total current tax expense(benefit)	<u>(43,310)</u>	<u>1,535</u>
Deferred tax expense(benefit):		
Federal	46,153	(1,394)
State	(5,596)	(633)
Total deferred tax expense	<u>40,557</u>	<u>(2,027)</u>
Total income tax expense	<u>\$ (2,753)</u>	<u>\$ (492)</u>

Total income taxes in the consolidated statements of operations:

FERC FORM 60 (NEW 12-05)	204.4
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Income taxes charged to operations	\$ (2,753)	\$ (492)
Income taxes credited to "other income (deductions)"		- -
Total	<u>\$ (2,753)</u>	<u>\$ (492)</u>

Reconciliation between the expected federal income tax expense, using the federal statutory rate of 35%, to the Company's actual income tax expense for the years ended December 31, 2013 and December 31, 2012 is as follows:

	Years Ended December 31,	
	<u>2013</u>	<u>2012</u>
	<i>(in thousands of dollars)</i>	
Computed tax	\$ 90	\$ (207)
Change in computed taxes resulting from:		
State income tax, net of federal benefit	(4,756)	(189)
Adjustments related to prior year	2,042	-
Employee stock ownership plan dividends	(152)	-
Parent Loss Allocation		(4)
Other items - net	23	(92)
Total	<u>(2,843)</u>	<u>(285)</u>
Federal and state income taxes	<u>\$ (2,753)</u>	<u>\$ (492)</u>

In September 2013, the IRS issued final regulations, effective for tax years beginning in 2014, that provide guidance on the appropriate tax treatment of costs incurred to acquire, produce or improve tangible property, as well as routine maintenance and repair costs. Proposed regulations were issued addressing the tax treatment of asset dispositions. The Company has evaluated tax accounting method changes that may be elected or required by the final regulations. The application of these regulations is not expected to have a material impact on the Company's financial position, results of operations or cash flow.

On March 31, 2014, New York's legislature enacted as part of the 2014-15 budget package,

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legislation which included significant tax changes. For tax years beginning on or after January 1, 2016, the New York corporate franchise rate is reduced from 7.1% to 6.5%. Additionally, for tax years beginning on or after January 1, 2015, New York State will generally require combined reporting if the taxpayer is engaged in a unitary business and a 50% common ownership test is met. The MTA surcharge rate increased from 17% to 25.6% of the NY rate for taxable years beginning after 2014 and before 2016. For subsequent years, the rate is to be adjusted by the Commissioner. The application of this legislation is not expected to have a material impact on the Company's financial position, results of operations or liquidity.

Significant components of the Company's net deferred tax assets and liabilities at December 31, 2013 and December 31, 2012 are as follows:

	Years Ended December 31,	
	2013	2012
	<i>(in thousands of dollars)</i>	
Deferred tax assets:		
Net operating losses	\$ 17,728	\$ -
Pensions, OPEB and other employee benefits	8,541	75,593
Reserve - environmental	-	1,989
Other items	521	3,922
Total deferred tax assets (1)	<u>26,790</u>	<u>81,504</u>
Deferred tax liabilities:		
Future federal benefit on state taxes	5,694	4,984
Regulatory Assets - pension and OPEB	123	-
Property related differences	84	-
Other items	-	1,167
Total deferred tax liabilities	<u>5,901</u>	<u>6,151</u>
Net deferred income tax asset	\$ <u>20,889</u>	\$ <u>75,353</u>

(1) There were no valuation allowances for deferred tax assets at December 31, 2013 or December 31, 2012.

The Company is a member of the NGNA and subsidiaries consolidated federal income tax return. The Company has joint and several liability for any potential assessments against the consolidated group.

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The Company adopted the provisions of FASB guidance which clarifies the accounting for uncertain tax positions as modified by FERC Docket AI07-2-000. FASB guidance provides that the financial effects of a tax position shall initially be recognized when it is more likely than not, based on the technical merits, that the position will be sustained upon examination, assuming the position will be audited and the taxing authority has full knowledge of all relevant information. FERC docket AI07-2-000 issues supplementary guidance requiring entities to continue to recognize deferred income taxes for Commission accounting and reporting purposes based on the difference between positions taken in tax returns filed or expected to be filed and amounts reported in the financial statements. As of December 31, 2013 and December 31, 2012, the Company did not have any unrecognized tax benefits.

It is reasonably possible that other events will occur during the next 12 months that would cause the total amount of unrecognized tax benefits to increase or decrease. However, the Company does not believe any such increases or decreases would be material to their results of operations, financial position, or cash flows.

During fiscal year 2014 the IRS has concluded its examination of the NGNA consolidated filing group's corporate income tax returns, which includes corporate income tax returns of Keyspan Corporation & Subsidiaries for the short period ended August 24, 2007, and of NGNA and Subsidiaries for the periods ended March 31, 2008 and March 31, 2009. These examinations were completed on March 27, 2014 and March 31, 2014, respectively, with an agreement on the majority of income tax issues for the years referenced above, as well as an acknowledgment that certain discrete items remain disputed. NGNA is in the process of appealing these disputed items with the IRS Office of Appeals. The Company does not anticipate a change in its unrecognized tax positions in the next twelve months as a result of the appeals. However, pursuant to the Company's tax sharing agreement, the audit or appeals may result in a change to allocated tax.

Fiscal years ended March 31, 2010 through March 31, 2014 remain subject to examination by the IRS.

The years ended March 31, 2009 through March 31, 2014 remain subject to examination by the State of New York.

The following table indicates the earliest tax year subject to examination:

Jurisdiction	Tax Year
Federal	March 31, 2008*
New York	March 31, 2009

*The NGNA consolidated filing group is in the process of appealing certain disputed issues with the IRS Office of Appeals for the fiscal years ended March 31, 2008 through March 31, 2009.

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Schedule XV- Comparative Income Statement				
Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
1		SERVICE COMPANY OPERATING REVENUES		
2	400	Service Company Operating Revenues	128,138,818	167,653,742
3		SERVICE COMPANY OPERATING EXPENSES		
4	401	Operation Expenses	102,451,411	127,983,373
5	402	Maintenance Expenses	21,094,390	37,259,537
6	403	Depreciation Expenses	213,725	196,626
7	403.1	Depreciation Expense for Asset Retirement Costs		
8	404	Amortization of Limited-Term Property		
9	405	Amortization of Other Property		
10	407.3	Regulatory Debits		
11	407.4	Regulatory Credits		
12	408.1	Taxes Other Than Income Taxes, Operating Income	6,390,310	1,810,845
13	409.1	Income Taxes, Operating Income	(43,309,636)	1,534,844
14	410.1	Provision for Deferred Income Taxes, Operating Income	40,556,266	(2,958,320)
15	411.1	Provision for Deferred Income Taxes – Credit, Operating Income		931,742
16	411.4	Investment Tax Credit, Service Company Property		
17	411.6	Gains from Disposition of Service Company Plant		
18	411.7	Losses from Disposition of Service Company Plant		
19	411.10	Accretion Expense		
20	412	Costs and Expenses of Construction or Other Services		
21	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work		
22		TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21)	127,396,466	166,758,647
23		NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22)	742,352	895,095
24		OTHER INCOME		
25	418.1	Equity in Earnings of Subsidiary Companies		
26	419	Interest and Dividend Income	1,127,742	506,097
27	419.1	Allowance for Other Funds Used During Construction		
28	421	Miscellaneous Income or Loss		
29	421.1	Gain on Disposition of Property		
30		TOTAL OTHER INCOME (Total of Lines 25-29)	1,127,742	506,097
31		OTHER INCOME DEDUCTIONS		
32	421.2	Loss on Disposition of Property		
33	425	Miscellaneous Amortization		
34	426.1	Donations		
35	426.2	Life Insurance		
36	426.3	Penalties		900
37	426.4	Expenditures for Certain Civic, Political and Related Activities		
38	426.5	Other Deductions	(340,662)	(14,481)
39		TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38)	(340,662)	(13,581)
40		TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule XV- Comparative Income Statement (continued)				
Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
41	408.2	Taxes Other Than Income Taxes, Other Income and Deductions		
42	409.2	Income Taxes, Other Income and Deductions		
43	410.2	Provision for Deferred Income Taxes, Other Income and Deductions		
44	411.2	Provision for Deferred Income Taxes – Credit, Other Income and Deductions		
45	411.5	Investment Tax Credit, Other Income Deductions		
46		TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Total of Lines 41-45)		
47		INTEREST CHARGES		
48	427	Interest on Long-Term Debt		
49	428	Amortization of Debt Discount and Expense	(377)	
50	429	(less) Amortization of Premium on Debt- Credit		
51	430	Interest on Debt to Associate Companies	527	
52	431	Other Interest Expense	491,368	126,803
53	432	(less) Allowance for Borrowed Funds Used During Construction-Credit		
54		TOTAL INTEREST CHARGES (Total of Lines 48-53)	491,518	126,803
55		NET INCOME BEFORE EXTRAORDINARY ITEMS (Total of Lines 23, 30, minus 39, 46, and 54)	1,719,238	1,287,970
56		EXTRAORDINARY ITEMS		
57	434	Extraordinary Income		
58	435	(less) Extraordinary Deductions		
59		Net Extraordinary Items (Line 57 less Line 58)		
60	409.4	(less) Income Taxes, Extraordinary		
61		Extraordinary Items After Taxes (Line 59 less Line 60)		
62		NET INCOME OR LOSS/COST OF SERVICE (Total of Lines 55-61)	1,719,238	1,287,970

Name of Respondent National Grid Engineering & Survey, Inc.			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013		
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies								
1. Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.								
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
1	403-403.1	Depreciation Expense	213,725		213,725			
2	404-405	Amortization Expense						
3	407.3-407.4	Regulatory Debits/Credits – Net						
4	408.1-408.2	Taxes Other Than Income Taxes	6,390,310		6,390,310			
5	409.1-409.3	Income Taxes		(43,309,636)	(43,309,636)			
6	410.1-411.2	Provision for Deferred Taxes		40,556,266	40,556,266			
7	411.1-411.2	Provision for Deferred Taxes – Credit						
8	411.6	Gain from Disposition of Service Company Plant						
9	411.7	Losses from Disposition of Service Company Plant						
10	411.4-411.5	Investment Tax Credit Adjustment						
11	411.10	Accretion Expense						
12	412	Costs and Expenses of Construction or Other Services						
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies						
14	418	Non-operating Rental Income						
15	418.1	Equity in Earnings of Subsidiary Companies						
16	419	Interest and Dividend Income		1,127,742	1,127,742			
17	419.1	Allowance for Other Funds Used During Construction						
18	421	Miscellaneous Income or Loss						
19	421.1	Gain on Disposition of Property						
20	421.2	Loss on Disposition Of Property						
21	425	Miscellaneous Amortization						
22	426.1	Donations						
23	426.2	Life Insurance						
24	426.3	Penalties						
25	426.4	Expenditures for Certain Civic, Political and Related Activities						
26	426.5	Other Deductions	(340,662)		(340,662)			
27	427	Interest On Long-Term Debt						
28	428	Amortization of Debt Discount and Expense	(377)		(377)			
29	429	Amortization of Premium on Debt – Credit						
30	430	Interest on Debt to Associate Companies	527		527			
31	431	Other Interest Expense	491,368		491,368			
32	432	Allowance for Borrowed Funds Used During Construction						
33	500-509	Total Steam Power Generation Operation Expenses	7,218,903		7,218,903			
34	510-515	Total Steam Power Generation Maintenance Expenses	7,952,176		7,952,176			

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National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2013			
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
35	517-525	Total Nuclear Power Generation Operation Expenses	20,060		20,060			
36	528-532	Total Nuclear Power Generation Maintenance Expenses						
37	535-540.1	Total Hydraulic Power Generation Operation Expenses						
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses						
39	546-550.1	Total Other Power Generation Operation Expenses	1,204,699		1,204,699			
40	551-554.1	Total Other Power Generation Maintenance Expenses	5,695,408		5,695,408			
41	555-557	Total Other Power Supply Operation Expenses						
42	560	Operation Supervision and Engineering	588,930		588,930			
43	561.1	Load Dispatch-Reliability	20,053		20,053			
44	561.2	Load Dispatch-Monitor and Operate Transmission System	52,994		52,994			
45	561.3	Load Dispatch-Transmission Service and Scheduling						
46	561.4	Scheduling, System Control and Dispatch Services						
47	561.5	Reliability Planning and Standards Development						
48	561.6	Transmission Service Studies						
49	561.7	Generation Interconnection Studies						
50	561.8	Reliability Planning and Standards Development Services						
51	562	Station Expenses (Major Only)	2,979		2,979			
52	563	Overhead Line Expenses (Major Only)						
53	564	Underground Line Expenses (Major Only)						
54	565	Transmission of Electricity by Others (Major Only)						
55	566	Miscellaneous Transmission Expenses (Major Only)	13,888		13,888			
56	567	Rents	7,909		7,909			
57	567.1	Operation Supplies and Expenses (Nonmajor Only)						
58		Total Transmission Operation Expenses	686,753		686,753			
59	568	Maintenance Supervision and Engineering (Major Only)	48,079		48,079			
60	569	Maintenance of Structures (Major Only)						
61	569.1	Maintenance of Computer Hardware						
62	569.2	Maintenance of Computer Software						
63	569.3	Maintenance of Communication Equipment						
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant						
65	570	Maintenance of Station Equipment (Major Only)	914,010		914,010			
66	571	Maintenance of Overhead Lines (Major Only)	17,133		17,133			
67	572	Maintenance of Underground Lines (Major Only)	3,699		3,699			
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)						

Name of Respondent		This Report Is:		Resubmission Date		Year/Period of Report		
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		/ /		Dec 31, 2013		
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
69	574	Maintenance of Transmission Plant (Nonmajor Only)						
70		Total Transmission Maintenance Expenses	982,921		982,921			
71	575.1-575.8	Total Regional Market Operation Expenses						
72	576.1-576.5	Total Regional Market Maintenance Expenses						
73	590-599	Total Distribution Operation Expenses	2,211,608		2,211,608			
74	590-599	Total Distribution Maintenance Expenses	6,366,958		6,366,958			
75		Total Electric Operation and Maintenance Expenses	39,094,377	(3,881,112)	35,213,265			
76	700-799	Production Expenses (Provide selected accounts in a footnote)	91		91			
77	800-813	Total Other Gas Supply Operation Expenses	4,348		4,348			
78	814-826	Total Underground Storage Operation Expenses						
79	830-837	Total Underground Storage Maintenance Expenses						
80	840-842.3	Total Other Storage Operation Expenses	3,450		3,450			
81	843.1-843.9	Total Other Storage Maintenance Expenses						
82	844.1-846.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses	143,955		143,955			
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses	5,309		5,309			
84	850	Operation Supervision and Engineering	322		322			
85	851	System Control and Load Dispatching						
86	852	Communication System Expenses						
87	853	Compressor Station Labor and Expenses						
88	854	Gas for Compressor Station Fuel						
89	855	Other Fuel and Power for Compressor Stations						
90	856	Mains Expenses						
91	857	Measuring and Regulating Station Expenses	32		32			
92	858	Transmission and Compression of Gas By Others						
93	859	Other Expenses						
94	860	Rents						
95		Total Gas Transmission Operation Expenses	354		354			
96	861	Maintenance Supervision and Engineering						
97	862	Maintenance of Structures and Improvements						
98	863	Maintenance of Mains	451		451			
99	864	Maintenance of Compressor Station Equipment						
100	865	Maintenance of Measuring And Regulating Station Equipment	65		65			
101	866	Maintenance of Communication Equipment						
102	867	Maintenance of Other Equipment						
103		Total Gas Transmission Maintenance Expenses	516		516			
104	870-881	Total Distribution Operation Expenses	143,765		143,765			

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National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	Dec 31, 2013			
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
105	885-884	Total Distribution Maintenance Expenses	25,643		25,643			
106		Total Natural Gas Operation and Maintenance Expenses	327,431		327,431			
107	901	Supervision						
108	902	Meter reading expenses	346		346			
109	903	Customer records and collection expenses	4,196		4,196			
110	904	Uncollectible accounts						
111	905	Miscellaneous customer accounts expenses	165,992		165,992			
112	906	Total Customer Accounts Operation Expenses	170,534		170,534			
113	907	Supervision						
114	908	Customer assistance expenses	649		649			
115	909	Informational And Instructional Advertising Expenses	26,879		26,879			
116	910	Miscellaneous Customer Service And Informational Expenses	2,069		2,069			
117		Total Service and Informational Operation Accounts	29,597		29,597			
118	911	Supervision						
119	912	Demonstrating and Selling Expenses						
120	913	Advertising Expenses						
121	916	Miscellaneous Sales Expenses						
122		Total Sales Operation Expenses						
123	920	Administrative and General Salaries	35,119,069		35,119,069			
124	921	Office Supplies and Expenses	9,838,446		9,838,446			
125	923	Outside Services Employed	42,276		42,276			
126	924	Property Insurance						
127	925	Injuries and Damages	450,271		450,271			
128	926	Employee Pensions and Benefits	45,132,390		45,132,390			
129	928	Regulatory Commission Expenses	27		27			
130	930.1	General Advertising Expenses						
131	930.2	Miscellaneous General Expenses	28,941		28,941			
132	931	Rents						
133		Total Administrative and General Operation Expenses	90,611,420		90,611,420			
134	935	Maintenance of Structures and Equipment	67,336		67,336			
135		Total Administrative and General Maintenance Expenses	90,878,887		90,878,887			
136		Total Cost of Service	130,300,695	(3,881,112)	126,419,583			

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2013
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
1	403-403.1	Depreciation Expense	213,725		213,725
2	404-405	Amortization Expense			
3	407.3-407.4	Regulatory Debits/Credits – Net			
4	408.1-408.2	Taxes Other Than Income Taxes	6,390,310		6,390,310
5	409.1-409.3	Income Taxes		(43,309,636)	(43,309,636)
6	410.1-411.2	Provision for Deferred Taxes		40,556,266	40,556,266
7	411.1-411.2	Provision for Deferred Taxes – Credit			
8	411.6	Gain from Disposition of Service Company Plant			
9	411.7	Losses from Disposition of Service Company Plant			
10	411.4-411.5	Investment Tax Credit Adjustment			
11	411.10	Accretion Expense			
12	412	Costs and Expenses of Construction or Other Services			
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies			
14	418	Non-operating Rental Income			
15	418.1	Equity in Earnings of Subsidiary Companies			
16	419	Interest and Dividend Income		1,127,742	1,127,742
17	419.1	Allowance for Other Funds Used During Construction			
18	421	Miscellaneous Income or Loss			
19	421.1	Gain on Disposition of Property			
20	421.2	Loss on Disposition Of Property			
21	425	Miscellaneous Amortization			
22	426.1	Donations			
23	426.2	Life Insurance			
24	426.3	Penalties			
25	426.4	Expenditures for Certain Civic, Political and Related Activities			
26	426.5	Other Deductions	(340,662)		(340,662)
27	427	Interest On Long-Term Debt			
28	428	Amortization of Debt Discount and Expense	(377)		(377)
29	429	Amortization of Premium on Debt – Credit			
30	430	Interest on Debt to Associate Companies	527		527
31	431	Other Interest Expense	491,368		491,368
32	432	Allowance for Borrowed Funds Used During Construction			
33	500-509	Total Steam Power Generation Operation Expenses	7,218,903		7,218,903
34	510-515	Total Steam Power Generation Maintenance Expenses	7,952,176		7,952,176

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2013
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
35	517-525	Total Nuclear Power Generation Operation Expenses	20,060		20,060
36	528-532	Total Nuclear Power Generation Maintenance Expenses			
37	535-540.1	Total Hydraulic Power Generation Operation Expenses			
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses			
39	546-550.1	Total Other Power Generation Operation Expenses	1,204,699		1,204,699
40	551-554.1	Total Other Power Generation Maintenance Expenses	5,695,408		5,695,408
41	555-557	Total Other Power Supply Operation Expenses			
42	560	Operation Supervision and Engineering	588,930		588,930
43	561.1	Load Dispatch-Reliability	20,053		20,053
44	561.2	Load Dispatch-Monitor and Operate Transmission System	52,994		52,994
45	561.3	Load Dispatch-Transmission Service and Scheduling			
46	561.4	Scheduling, System Control and Dispatch Services			
47	561.5	Reliability Planning and Standards Development			
48	561.6	Transmission Service Studies			
49	561.7	Generation Interconnection Studies			
50	561.8	Reliability Planning and Standards Development Services			
51	562	Station Expenses (Major Only)	2,979		2,979
52	563	Overhead Line Expenses (Major Only)			
53	564	Underground Line Expenses (Major Only)			
54	565	Transmission of Electricity by Others (Major Only)			
55	566	Miscellaneous Transmission Expenses (Major Only)	13,888		13,888
56	567	Rents	7,909		7,909
57	567.1	Operation Supplies and Expenses (Nonmajor Only)			
58		Total Transmission Operation Expenses	686,753		686,753
59	568	Maintenance Supervision and Engineering (Major Only)	48,079		48,079
60	569	Maintenance of Structures (Major Only)			
61	569.1	Maintenance of Computer Hardware			
62	569.2	Maintenance of Computer Software			
63	569.3	Maintenance of Communication Equipment			
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant			
65	570	Maintenance of Station Equipment (Major Only)	914,010		914,010
66	571	Maintenance of Overhead Lines (Major Only)	17,133		17,133
67	572	Maintenance of Underground Lines (Major Only)	3,699		3,699
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (l)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
69	574	Maintenance of Transmission Plant (Nonmajor Only)			
70		Total Transmission Maintenance Expenses	982,921		982,921
71	575.1-575.8	Total Regional Market Operation Expenses			
72	576.1-576.5	Total Regional Market Maintenance Expenses			
73	580-589	Total Distribution Operation Expenses	2,211,608		2,211,608
74	590-598	Total Distribution Maintenance Expenses	6,366,958		6,366,958
75		Total Electric Operation and Maintenance Expenses	39,094,377	(3,881,112)	35,213,265
76	700-708	Production Expenses (Provide selected accounts in a footnote)	91		91
77	800-813	Total Other Gas Supply Operation Expenses	4,348		4,348
78	814-828	Total Underground Storage Operation Expenses			
79	830-837	Total Underground Storage Maintenance Expenses			
80	840-842.3	Total Other Storage Operation Expenses	3,450		3,450
81	843.1-843.9	Total Other Storage Maintenance Expenses			
82	844.1-846.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses	143,955		143,955
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses	5,309		5,309
84	850	Operation Supervision and Engineering	322		322
85	851	System Control and Load Dispatching			
86	852	Communication System Expenses			
87	853	Compressor Station Labor and Expenses			
88	854	Gas for Compressor Station Fuel			
89	855	Other Fuel and Power for Compressor Stations			
90	856	Mains Expenses			
91	857	Measuring and Regulating Station Expenses	32		32
92	858	Transmission and Compression of Gas By Others			
93	859	Other Expenses			
94	860	Rents			
95		Total Gas Transmission Operation Expenses	354		354
96	861	Maintenance Supervision and Engineering			
97	862	Maintenance of Structures and Improvements			
98	863	Maintenance of Mains	451		451
99	864	Maintenance of Compressor Station Equipment			
100	865	Maintenance of Measuring And Regulating Station Equipment	65		65
101	866	Maintenance of Communication Equipment			
102	867	Maintenance of Other Equipment			
103		Total Gas Transmission Maintenance Expenses	516		516
104	870-881	Total Distribution Operation Expenses	143,765		143,765

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (l)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
105	885-894	Total Distribution Maintenance Expenses	25,643		25,643
106		Total Natural Gas Operation and Maintenance Expenses	327,431		327,431
107	901	Supervision			
108	902	Meter reading expenses	346		346
109	903	Customer records and collection expenses	4,196		4,196
110	904	Uncollectible accounts			
111	905	Miscellaneous customer accounts expenses	165,992		165,992
112	906	Total Customer Accounts Operation Expenses	170,534		170,534
113	907	Supervision			
114	908	Customer assistance expenses	649		649
115	909	Informational And Instructional Advertising Expenses	26,879		26,879
116	910	Miscellaneous Customer Service And Informational Expenses	2,069		2,069
117		Total Service and Informational Operation Accounts	29,597		29,597
118	911	Supervision			
119	912	Demonstrating and Selling Expenses			
120	913	Advertising Expenses			
121	916	Miscellaneous Sales Expenses			
122		Total Sales Operation Expenses			
123	920	Administrative and General Salaries	35,119,069		35,119,069
124	921	Office Supplies and Expenses	9,838,446		9,838,446
125	923	Outside Services Employed	42,276		42,276
126	924	Property Insurance			
127	925	Injuries and Damages	450,271		450,271
128	926	Employee Pensions and Benefits	45,132,390		45,132,390
129	928	Regulatory Commission Expenses	27		27
130	930.1	General Advertising Expenses			
131	930.2	Miscellaneous General Expenses	28,941		28,941
132	931	Rents			
133		Total Administrative and General Operation Expenses	90,611,420		90,611,420
134	935	Maintenance of Structures and Equipment	67,336		67,336
135		Total Administrative and General Maintenance Expenses	90,878,887		90,878,887
136		Total Cost of Service	130,300,695	(3,881,112)	126,419,583

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule XVII - Analysis of Billing – Associate Companies (Account 457)					
1. For services rendered to associate companies (Account 457), list all of the associate companies.					
Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	NG North America Inc.	2			2
2	National Grid USA Parent	93,675			93,675
3	KeySpan Corporation	(498,770)			(498,770)
4	NG NEHoldings 2 LLC	70			70
5	NGUSA Service Company	1,592,647			1,592,647
6	Niagara Mohawk Power Corp	(455,204)	(335,736)		(790,940)
7	Brooklyn Union Gas-KEDNY	124,062	(369,295)	45,865	(199,368)
8	KS Gas East Corp-KEDLI	2,033,163	(160,051)	21,426	1,894,538
9	National Grid Electric Services LLC	67,242,293	(205,729)	42,315	67,078,879
10	Massachusetts Electric Co	(371,035)	(102,583)		(473,618)
11	Nantucket Electric Co	(51,008)	(883)		(51,891)
12	Boston Gas Company	(154,069)	(77,275)		(231,344)
13	Colonial Gas Company	(61,912)	(14,373)		(76,285)
14	Narragansett Electric Co	(131,538)	(64,377)		(195,915)
15	New England Power Company	(107,391)			(107,391)
16	NE Hydro-Trans Elec Co	10,694			10,694
17	NE Hydro-Trans Corp	902			902
18	NE Electric Trans Corp	(1,629)			(1,629)
19	NG LNG LP RegulatedEntity	3,601	(1,861)		1,740
20	NG LNG GP LLC	984			984
21	NG Generation LLC	56,296,419	298,787	119	56,595,325
22	NG Glenwood Energy Center	1,919,002	4,882		1,923,884
23	NG Port Jeff Energy Center	1,560,409	7,455		1,567,864
24	Metrowest Realty LLC	(3,150)			(3,150)
25	Wayfinder Group, Inc.	451			451
26	NG Energy Trading Svcs	1,629	(14)		1,615
27	Transgas Inc	6,317	(2,434)		3,883
28	NG Development Holdings Corp	1,135			1,135
29	NG Services, Inc.	6,845			6,845
30	NG Energy Management LLC		(6,014)		(6,014)
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total	129,058,594	(1,029,501)	109,725	128,138,818

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013	
Schedule XVIII – Analysis of Billing – Non-Associate Companies (Account 458)						
1. For services rendered to nonassociate companies (Account 458), list all of the nonassociate companies. In a footnote, describe the services rendered to each respective nonassociate company.						
Line No.	Name of Non-associate Company (a)	Account 458.1 Direct Costs Charged (b)	Account 458.2 Indirect Costs Charged (c)	Account 458.3 Compensation For Use of Capital (d)	Account 458.4 Excess or Deficiency on Servicing Non-associate Utility Companies (e)	Total Amount Billed (f)
1	None					
2						
3						
4						
5						
6						
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13						
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39						
40	Total					

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2013
Schedule XIX - Miscellaneous General Expenses - Account 930.2				
1. Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses" classifying such expenses according to their nature. Amounts less than \$50,000 may be grouped showing the number of items and the total for the group. 2. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.				
Line No.	Title of Account (a)	Amount (b)		
1	Miscellaneous - Fleet, employee expense and other	28,941		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
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37				
38				
39				
40	Total	28,941		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2013
Schedule XX - Organization Chart			

1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization.

**National Grid Engineering & Survey
Organizational Chart
For the Year Ended December 31, 2013**

<u>Appointed Category</u>	<u>Appointed As</u>
Board Positions	Director
Officers	Chief Executive Officer - Engineer
Officers	Chief Executive Officer - Surveyor
Officers	Vice President
Officers	Vice President
Officers	Vice President
Officers	Vice President & Treasurer
Officers	Secretary
Officers	Controller
Officers	Assistant Treasurer
Officers	Assistant Secretary
Officers	Assistant Secretary
Officers	Assistant Secretary

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2013
Schedule XXI - Methods of Allocation			

1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator.
2. Include any other allocation methods used to allocate costs.

NATIONAL GRID USA SERVICE COMPANY, INC.

METHODS OF ALLOCATIONS

For the Year Ended December 31, 2013

Cost Allocation Principles

The following principles guide the allocation of costs of products or services provided by the Service Companies to the Client or Operating Companies. These principles also pertain to transactions among Operating Companies such as storm restoration services.

- Direct charging or direct assignment is the preferred allocation methodology and should be used if the cost of providing a product or service can be identified with the specific affiliates receiving the benefit of that product or service. Direct charging should only be used if the cost of providing a product or service to an individual Client Company can be isolated and reported separately from costs to provide other products or services and from costs to provide the same product and service to other Client Companies.
- The costs of products and services that cannot be direct charged should be allocated based on cost causative allocation bases representative of the underlying cost drivers of that product or service.
- The cost allocation methodology should be comprehensive, transparent, stable and administratively manageable and cost effective.
- The calculation of the cost allocation bases should be supported by a clearly defined methodology, model and supporting policy and procedure documentation.
- The cost allocation methodology should accommodate changes in the size of the allocation bases from period to period based on changes in the underlying cost drivers; the allocation bases should not vary significantly from period to period for uncontrollable factors not related to the underlying cost drivers. For example, you would not choose an allocation basis that fluctuates significantly from period to period based on changes in weather if weather is not a cost driver for that activity.
- The calculation of the allocation bases should be updated at least annually and more frequently if needed to reflect significant events (e.g., the sale of a significant affiliate).

Services Provided by the Service Company - Description and Allocation Methodology

The following table lists those services provided by the Service Company and the Client Companies to whom these services are provided. These services are provided in accordance with the service agreements filed with the Commissions. In addition, the provision of these services is governed by the Service Level Agreements. Service Level Agreements describe the services offered, services selected, compensation and billing, terms and cost accumulation, assignment and allocation methodologies. These documents are filed with the utility regulatory commissions.

- Operations – Activities include maintenance and construction, protection and telecommunications operations, customer meter services & dispatch operations, control center operations, and power plant and LNG operations. Service Activities include Operations Support (Fleet, Aviation, and Inventory Management, Customer Order Fulfillment and related support processes, Meter Lab and Testing activities), Project Management and Complex Construction and Vegetation Management, Resource Planning, Energy Planning and Response, and Operations Performance activities
- Network Strategy – Provided services pertaining to the operation and maintenance of gas and electric networks including engineering, investment planning, standards and policy compliance and reporting

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2013
Schedule XXI - Methods of Allocation			

Cost Allocation Methodology for Services Provided:

- **Operations**
 - Direct Charge
 - General Allocator
 - Capital Expenditures
 - Dollar Value of Property Owned
 - Transmission and Distribution Expenditures
 - Miles of Overhead Lines
 - Number of Customers/Meters

- **Network Strategy**
 - Direct Charge
 - General Allocator
 - Capital Expenditures
 - Dollar Value of Property Owned
 - Transmission and Distribution Expenditures
 - Miles of Overhead Lines
 - Number of Joint Use Poles

Service Company Orders and Work Breakdown Structure

National Grid uses an Order and Work Breakdown Structure (WBS) elements within SAP as the mechanisms by which the appropriate allocation bases are applied to resources consumed. Individual Orders/WBS have been established for each cost center based on the work performed, the nature of resources consumed (e.g., labor, materials, outside services) in performing that work, and the operating companies benefitting from the work performed. Embedded in the WBS is the allocation code associated with the “operating companies benefitting from the work performed.

Approved Cost Allocation Bases – SAP Internal Order Code, Description and Source

SAP Allocation Code	Description	Definition / Source
G-xxx	Net margin, net plant, & Net O&M expenses (GENERAL ALLOCATOR)	<p>“Net Margins” are Total Operating Revenues less “Cost of Goods Sold” and revenues related to recovery of stranded costs.</p> <p>“Net Plant” is the sum of Net Utility Plant and Net Non-Utility Plant .</p> <p>“Net O&M Expenses” are all non “Cost of Goods Sold” expenses less costs allocated from the Service Company distributed to the Affiliate companies using the general allocator.</p>
FERC FORM 60 (NEW 12-05)		402.2

Name of Respondent National Grid Engineering & Survey, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2013
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Schedule XXI - Methods of Allocation

		A ratio based on the weighted average of Net Margin (33%), Net Plant (33%) and Net O&M (33%) where the numerator is weighted average of the Client Company and the denominator is for All Companies that have these 3 factors reported on their financial statements
X-xxx	Capital Expenditures	Capital expenditures by company as a percent of the total. The source for this allocation basis is the CAPEX based on "Cash Outflows for Plant" from the FERC Form 1 Statement of Cash Flows. If this information is not available, use the Budgeted CAPEX from Financial Forecasts.
I-xxx	Dollar Value of Property Owned	A ratio based on gross fixed assets, valued at original acquisition costs, and investments owned in other companies, including construction work in progress, at the end of the calendar year, the numerator of which is for a specific client company and the denominator being all recipient client companies. The source for the calculation of this ratio will be based on FERC Form 1 reports and State regulatory Gas Company reports.
T-xxx	Total T&D Expenditures	Sum of T&D capital expenditures and O&M expenditures by Utility as a percent of total Utility T&D capital and O&M expenditures. The source of this allocation basis is the CAPEX based on "Cash Outflows for Plant" from FERC Form 1 Statement of Cash Flows and T&D O&M costs in the FERC reports.
L-xxx	Miles of Overhead Lines	Number of miles of overhead transmission and distribution lines by utility as a percent of the total. The source for this allocation basis is the Network Strategy (Standards Policies and Codes)
C-xxx	# of Customers	Number of retail and wholesale customers (via count of service meters) receiving utility services by company as a percent of the CYE total. The source for this allocation basis is the TDC (Billing operations Group).
E-xxx	# of Joint Use Poles	# of electric poles with 3rd party attachments (joint use poles) by Company as a percent of total joint use poles. The source for this allocation basis is the Network Strategy (Standards Codes and Procedures group).

Manual Allocations

There will be instances in which employees will choose to assign costs in a manner that is different from the allocation bases described above in order to ensure that costs are properly allocated among companies. To

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2013
Schedule XXI - Methods of Allocation			

accomplish this requires a Manual Allocation. When employees choose to use a non-standard cost driver to allocate costs, the basis for that decision and the method used to allocate costs among companies should be thoroughly documented, approved by department supervision and sent to the Service Company Integrity Department in a timely manner for review.

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

Form 60 Approved
OMB No. 1902-0215
Expires 04/30/2016



FERC FINANCIAL REPORT FERC FORM No. 60: Annual Report of Centralized Service Companies

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company) National Grid Engineering & Survey, Inc.	Year of Report Dec 31, <u>2014</u>
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FERC FORM No. 60 (12-06)

GENERAL INSTRUCTIONS FOR FILING FERC FORM NO. 60

I. Purpose

Form No. 60 is an annual regulatory support requirement under 18 CFR 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

II. Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to §§ 18 CFR 366.3 and 366.4 of this chapter, every centralized service company (see § 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

III. How to Submit

Submit FERC Form No. 60 electronically through the Form No. 60 Submission Software. Retain one copy of each report for your files. For any resubmissions, submit the filing using the Form No. 60 Submission Software including a justification. Respondents must submit the Corporate Officer Certification electronically.

IV. When to Submit

Submit FERC Form No. 60 according to the filing date contained § 18 CFR 369.1 of the Commission's regulations.

V. Preparation

Prepare this report in conformity with the Uniform System of Accounts (18 CFR 367) (USof A). Interpret all accounting words and phrases in accordance with the USof A.

VI. Time Period

This report covers the entire calendar year.

VII. Whole Dollar Usage

Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's amounts.

VIII. Accurateness

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IX. Applicability

For any page(s) that is not applicable to the respondent, enter "NONE," or "Not Applicable" in column (c) on the List of Schedules, page 2.

X. Date Format

Enter the month, day, and year for all dates. Use customary abbreviations. The "Resubmission Date" included in the header of each page is to be completed only for resubmissions (see III. above).

XI. Number Format

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by use of a minus sign.

XII. Required Entries

Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

XIII. Prior Year References

Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

XIV. Where to Send Comments on Public Reporting Burden

The public reporting burden for the Form No. 60 collection of information is estimated to average 75 hours per response, including

- the time for reviewing instructions, searching existing data sources,
- gathering and maintaining the data-needed, and
- completing and reviewing the collection of information.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to:

Federal Energy Regulatory Commission, (Attention: Information Clearance Officer, CIO),
888 First Street NE,
Washington, DC 20426
or by email to DataClearance@ferc.gov

And to:

Office of Information and Regulatory Affairs,
Office of Management and Budget, Washington, DC 20503 (Attention: Desk Office for the Federal
Energy Regulatory Commission).
Comments to OMB should be submitted by email to: oir_submission@omb.eop.gov

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

DEFINITIONS
I. Respondent -- The person, corporation, or other legal entity in whose behalf the report is made.

**FERC FORM NO. 60
ANNUAL REPORT FOR SERVICE COMPANIES**

IDENTIFICATION		
01 Exact Legal Name of Respondent National Grid Engineering & Survey, Inc.		02 Year of Report Dec 31, <u>2014</u>
03 Previous Name (If name changed during the year)		04 Date of Name Change / /
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 175 East Old Country Road, Hicksville, NY 11801		06 Name of Contact Person Mia DeMontigny
07 Title of Contact Person Assistant Controller		08 Address of Contact Person One Metrotech Center, Brooklyn, NY 11201
09 Telephone Number of Contact Person (929) 324-4271		10 E-mail Address of Contact Person mia.demontigny@nationalgrid.com
11 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		12 Resubmission Date (Month, Day, Year) / /
13 Date of Incorporation 07/09/1931	14 If Not Incorporated, Date of Organization / /	
15 State or Sovereign Power Under Which Incorporated or Organized NEW YORK		
16 Name of Principal Holding Company Under Which Reporting Company is Organized: KeySpan Corporation		
CORPORATE OFFICER CERTIFICATION		
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
17 Name of Signing Officer Charles V. DeRosa	19 Signature of Signing Officer Charles V. DeRosa	20 Date Signed (Month, Day, Year) 05/01/2015
18 Title of Signing Officer VP, US Controller and Tax		

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
List of Schedules and Accounts				
1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.				
Line No.	Description (a)	Page Reference (b)	Remarks (c)	
1	Schedule I - Comparative Balance Sheet	101-102		
2	Schedule II - Service Company Property	103		
3	Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property	104		
4	Schedule IV - Investments	105	None	
5	Schedule V - Accounts Receivable from Associate Companies	106		
6	Schedule VI - Fuel Stock Expenses Undistributed	107	None	
7	Schedule VII - Stores Expense Undistributed	108	None	
8	Schedule VIII - Miscellaneous Current and Accrued Assets	109	None	
9	Schedule IX - Miscellaneous Deferred Debits	110		
10	Schedule X - Research, Development, or Demonstration Expenditures	111	None	
11	Schedule XI - Proprietary Capital	201		
12	Schedule XII - Long-Term Debt	202	None	
13	Schedule XIII - Current and Accrued Liabilities	203		
14	Schedule XIV - Notes to Financial Statements	204		
15	Schedule XV - Comparative Income Statement	301-302		
16	Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies	303-306		
17	Schedule XVII - Analysis of Billing - Associate Companies (Account 457)	307		
18	Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)	308	None	
21	Schedule XIX - Miscellaneous General Expenses - Account 930.2	307	None	
23	Schedule XX - Organization Chart	401		
24	Schedule XXI - Methods of Allocation	402		

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule I - Comparative Balance Sheet					
1. Give balance sheet of the Company as of December 31 of the current and prior year.					
Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		Service Company Property			
2	101	Service Company Property	103	1,066,041	1,755,941
3	101.1	Property Under Capital Leases	103		
4	106	Completed Construction Not Classified			
5	107	Construction Work In Progress	103	655,835	413,989
6		Total Property (Total Of Lines 2-5)		1,721,876	2,169,930
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104	748,317	1,264,019
8	111	Less: Accumulated Provision for Amortization of Service Company Property			
9		Net Service Company Property (Total of Lines 6-8)		973,559	905,911
10		Investments			
11	123	Investment In Associate Companies	105		
12	124	Other Investments	105		
13	128	Other Special Funds	105		
14		Total Investments (Total of Lines 11-13)			
15		Current And Accrued Assets			
16	131	Cash			
17	134	Other Special Deposits			
18	135	Working Funds			
19	136	Temporary Cash Investments			
20	141	Notes Receivable			
21	142	Customer Accounts Receivable			
22	143	Accounts Receivable		497,446	49,473
23	144	Less: Accumulated Provision for Uncollectible Accounts			
24	146	Accounts Receivable From Associate Companies	106	357,469,769	311,623,854
25	152	Fuel Stock Expenses Undistributed	107		
26	154	Materials And Supplies			
27	163	Stores Expense Undistributed	108		
28	165	Prepayments		2,428,474	32,686,755
29	171	Interest And Dividends Receivable			
30	172	Rents Receivable			
31	173	Accrued Revenues			
32	174	Miscellaneous Current and Accrued Assets			
33	175	Derivative Instrument Assets	109		
34	176	Derivative Instrument Assets - Hedges			
35		Total Current and Accrued Assets (Total of Lines 16-34)		360,395,689	344,360,082
36		Deferred Debits			
37	181	Unamortized Debt Expense			
38	182.3	Other Regulatory Assets			
39	183	Preliminary Survey And Investigation Charges			
40	184	Clearing Accounts			
41	185	Temporary Facilities			
42	186	Miscellaneous Deferred Debits		44,418,737	26,045,079
43	188	Research, Development, or Demonstration Expenditures	110		
44	189	Unamortized loss on reacquired debt	111		
45	190	Accumulated Deferred Income Taxes		46,983,643	26,789,703
46		Total Deferred Debits (Total of Lines 37-45)		91,402,380	52,834,782
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		452,771,628	398,100,775

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014	
Schedule I - Comparative Balance Sheet (continued)					
Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
48		Proprietary Capital			
49	201	Common Stock Issued	201	540,307	540,307
50	204	Preferred Stock Issued	201		
51	211	Miscellaneous Paid-in-Capital	201	17,359,636	10,350,648
52	215	Appropriated Retained Earnings	201		
53	216	Unappropriated Retained Earnings	201	2,662,244	3,275,121
54	219	Accumulated Other Comprehensive Income	201	(36,288,376)	(41,382,115)
55		Total Proprietary Capital (Total of Lines 49-54)		(15,726,189)	(27,216,039)
56		Long-Term Debt			
57	223	Advances From Associate Companies	202		
58	224	Other Long-Term Debt	202		
59	225	Unamortized Premium on Long-Term Debt			
60	226	Less: Unamortized Discount on Long-Term Debt-Debit			
61		Total Long-Term Debt (Total of Lines 57-60)			
62		Other Non-current Liabilities			
63	227	Obligations Under Capital Leases-Non-current			
64	228.2	Accumulated Provision for Injuries and Damages		2,433,694	708,691
65	228.3	Accumulated Provision For Pensions and Benefits			
66	230	Asset Retirement Obligations			(149,681)
67		Total Other Non-current Liabilities (Total of Lines 63-66)		2,433,694	559,010
68		Current and Accrued Liabilities			
69	231	Notes Payable			
70	232	Accounts Payable		91,010	2,531,973
71	233	Notes Payable to Associate Companies	203		
72	234	Accounts Payable to Associate Companies	203	435,532,793	403,009,782
73	236	Taxes Accrued			
74	237	Interest Accrued			
75	241	Tax Collections Payable		45,477	16,679
76	242	Miscellaneous Current and Accrued Liabilities	203	4,362,657	13,298,381
77	243	Obligations Under Capital Leases - Current			
78	244	Derivative Instrument Liabilities			
79	245	Derivative Instrument Liabilities - Hedges			
80		Total Current and Accrued Liabilities (Total of Lines 69-79)		440,031,937	418,856,815
81		Deferred Credits			
82	253	Other Deferred Credits		3,198,343	
83	254	Other Regulatory Liabilities			
84	255	Accumulated Deferred Investment Tax Credits			
85	257	Unamortized Gain on Recquired Debt			
86	282	Accumulated deferred income taxes-Other property		84,526	83,756
87	283	Accumulated deferred income taxes-Other		22,749,317	5,817,233
88		Total Deferred Credits (Total of Lines 82-87)		26,032,186	5,900,989
89		TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88)		452,771,628	398,100,775

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2014	
Schedule II - Service Company Property							
1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote. 2. Describe each construction work in progress on lines 18 through 30 in Column (b).							
Line No.	Acct # (a)	Title of Account (b)	Balance at Beginning of Year (c)	Additions (d)	Retirements or Sales (e)	Other Changes (f)	Balance at End of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant					
3	306	Leasehold Improvements					
4	389	Land and Land Rights					
5	390	Structures and Improvements	23,000				23,000
6	391	Office Furniture and Equipment	1,699,149		689,900		1,009,249
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	3,657				3,657
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment	30,135				30,135
13	398	Miscellaneous Equipment					
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs					
16		Total Service Company Property (Total of Lines 1-15)	1,755,941		689,900		1,066,041
17	107	Construction Work in Progress:					
18							
19							
20		Office Furniture and Equipment	324,175	331,660			655,835
21		Other	89,814			(89,814)	
22							
23							
24							
25							
26							
27							
28							
29							
30							
31		Total Account 107 (Total of Lines 18-30)	413,989	331,660		(89,814)	655,835
32		Total (Lines 16 and Line 31)	2,169,930	331,660		(89,814)	1,721,876

Name of Respondent National Grid Engineering & Survey, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2014
FOOTNOTE DATA			

Schedule Page: 103 Line No.: 16 Column: g

Footnote Data						
Account Balance	Title of Company	Balance at December 31, 2013	Additions	Retirements or Sales	Other Changes	Balance at December 31, 2014
	Total Line 16 of Page 103	1,755,941	-	(689,900)		1,066,041
121	Non Utility Property		-		-	-
	Total Service Company Property Per Schedule 1	1,755,941	-	(689,900)	-	1,066,041

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014		
Schedule III – Accumulated Provision for Depreciation and Amortization of Service Company Property							
1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.							
Line No.	Account Number (a)	Description (b)	Balance at Beginning of Year (c)	Additions Charged To Account 403-403.1 404-405 (d)	Retirements (e)	Other Changes Additions (Deductions) (f)	Balance at Close of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant					
3	306	Leasehold Improvements					
4	389	Land and Land Rights					
5	390	Structures and Improvements	582				582
6	391	Office Furniture and Equipment	1,262,811	172,275	689,901		745,185
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	924	116			1,040
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment	14,716	1,808			16,524
13	398	Miscellaneous Equipment	(1,872)				(1,872)
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs	(13,142)				(13,142)
16		Total	1,264,019	174,199	689,901		748,317

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule IV – Investments				
<p>1. For other investments (Account 124) and other special funds (Account 128), in a footnote state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.</p> <p>2. For temporary cash investments (Account 136), list each investment separately in a footnote.</p> <p>3. Investments less than \$50,000 may be grouped, showing the number of items in each group.</p>				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	123	Investment In Associate Companies		
2	124	Other Investments		
3	128	Other Special Funds		
4	136	Temporary Cash Investments		
5		(Total of Lines 1-4)		

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule V – Accounts Receivable from Associate Companies				
1. List the accounts receivable from each associate company. 2. If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	146	Accounts Receivable From Associate Companies		
2		Associate Company:		
3		Boston Gas	146,068	74,819
4		Brooklyn Union Gas - KEDNY	310,934	626,883
5		Colonial Gas Lowell		89,263
6		Metrowest Realty LLC	6	
7		Nantucket Electric Company	14,580	154,291
8		Narragansett Electric Company		131,355
9		NE Electric Trans Corporation	5,322	2,825
10		NE Hydro-Trans Corporation	7,035	5,898
11		NE Hydro-Trans Elec Co, Inc.	47,636	
12		New England Power Company		153,651
13		NG C.I. II, LTD		
14		NG Corporate Services	491,258	
15		KeySpan Corporation	72,466,276	107,724,213
16		NG Development Holdings Corp		1,589,278
17		NG Energy Management LLC		8,405
18		NG Energy Trading Services LLC	42,376	44,446
19		KeySpan Gas East Corp - KEDLI	218,370	1,486,026
20		NG Generation	39,308,137	41,230,921
21		NG Glenwood Energy Center, LLC	404,587	438,905
22		NG NEHoldings 2 LLC	3,912	2,193
23		NG Port Jefferson Energy Cntr	3,292	23,558
24		NGUSLLC	658,101	777,595
25		NG Services, Inc.	181	10,455
26		NG USA Parent	42,825,389	43,053,067
27		NGUSLLC	8,122	8,122
28		NG Service Company		1,787,323
29		Transgas Inc	88	
30		Wayfinder Group, Inc.	28	
31				
32				
33				
34				
35		Notes Receivable from Associate Companies - Money Pool	154,662,156	158,046,277
36				
37				
38				
39				

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule V – Accounts Receivable from Associate Companies (continued)				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	146	Accounts Receivable From Associate Companies		
2		Associate Company:		
3				
4				
5				
6				
7				
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9				
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40	Total		311,623,854	357,469,769

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014	
Schedule VI – Fuel Stock Expenses Undistributed					
<p>1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company.</p> <p>2. In a separate footnote, describe in a narrative the fuel functions performed by the service company.</p>					
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	152	Fuel Stock Expenses Undistributed			
2		Associate Company:			
3		None			
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39					
40	Total				

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule VII – Stores Expense Undistributed					
1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to stores expense during the year and indicate amount attributable to each associate company.					
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	163	Stores Expense Undistributed			
2		Associate Company:			
3		None			
4					
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39					
40	Total				

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule VIII - Miscellaneous Current and Accrued Assets				
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	174	Miscellaneous Current and Accrued Assets		
2		Item List:		
3		None		
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40	Total			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule IX - Miscellaneous Deferred Debits				
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	186	Miscellaneous Deferred Debits		
2		Items List:		
3		Intangible Asset - Engineering License	540,307	540,307
4		Pension Funding Assets	10,194,823	22,134,087
5		Post Retirement and Healthcare Funding Asset	10,398,473	21,744,343
6		FIN 48 Tax Provisions	4,911,476	
7				
8				
9				
10				
11				
12				
13				
14				
15				
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40	Total		26,045,079	44,418,737

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule X - Research, Development, or Demonstration Expenditures				
1. Describe each material research, development, or demonstration project that incurred costs by the service corporation during the year. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Amount (c)	
1	188	Research, Development, or Demonstration Expenditures		
2		Project List:		
3		None		
4				
5				
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40	Total			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule XI - Proprietary Capital					
<p>1. For miscellaneous paid-in capital (Account 211) and appropriate retained earnings (Account 215), classify amounts in each account, with a brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.</p> <p>2. For the unappropriated retained earnings (Account 216), in a footnote, give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentages, amount of dividend, date declared and date paid.</p>					
Line No.	Account Number (a)	Title of Account (b)	Description (c)	Amount (d)	
1	201	Common Stock Issued	Number of Shares Authorized	300	
2			Par or Stated Value per Share	10.00	
3			Outstanding Number of Shares		
4			Close of Period Amount	540,307	
5		Preferred Stock Issued	Number of Shares Authorized		
6			Par or Stated Value per Share		
7			Outstanding Number of Shares		
8			Close of Period Amount		
9	211	Miscellaneous Paid-In Capital		17,359,636	
10	215	Appropriated Retained Earnings			
11	219	Accumulated Other Comprehensive Income		(36,288,376)	
12	216	Unappropriated Retained Earnings	Balance at Beginning of Year	3,275,121	
13			Net Income or (Loss)	(612,877)	
14			Dividend Paid		
15			Balance at Close of Year	2,662,244	

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2014			
Schedule XII – Long Term Debt									
<p>1. For the advances from associate companies (Account 223), describe in a footnote the advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation in Column (c).</p> <p>2. For the deductions in Column (h), please give an explanation in a footnote.</p> <p>3. For other long-term debt (Account 224), list the name of the creditor company or organization in Column (b).</p>									
Line No.	Account Number	Title of Account	Term of Obligation Class & Series of Obligation (c)	Date of Maturity (d)	Interest Rate (e)	Amount Authorized (f)	Balance at Beginning of Year (g)	Additions Deductions (h)	Balance at Close of Year (i)
1	223	Advances from Associate Companies							
2		Associate Company:							
3		None							
4									
5									
6									
7									
8									
9									
10									
11									
12									
13		TOTAL							
14	224	Other Long-Term Debt							
15		List Creditor:							
16		None							
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28		TOTAL							

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule XIII – Current and Accrued Liabilities				
1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234). 2. Give description and amount of miscellaneous current and accrued liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	233	Notes Payable to Associates Companies		
2				
3				
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11				
12				
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14				
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23				
24	234	Accounts Payable to Associate Companies	403,009,782	435,532,793
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31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41	242	Miscellaneous Current and Accrued Liabilities		
42		Accrued Vacation	4,991,733	2,598,150
43		Accrued Incentive Compensation	3,413,463	1,149,922
44		Miscellaneous Payroll Tax Liability	3,804,833	52,086
45		Accrued Healthcare	1,088,352	562,499
46				
47				
48				
49				
50		(Total)	416,308,163	439,895,450

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2014
FOOTNOTE DATA			

Schedule Page: 203 Line No.: 24 Column: c

Refer to Schedule Page: 203 Line No.:24 Column: d

Schedule Page: 203 Line No.: 24 Column: d

Associate Companies	Balance at Beginning of year (c)	Balance at End of year (d)
Boston Gas Company	\$1,528,026	\$2,219,676
Brooklyn Union Gas-KEDNY	2,279,063	3,104,850
Colonial Gas Company	640,032	481,086
EnergyNorth Natural Gas	753	0
Massachusetts Electric Company	3,196,836	3,625,385
Metro Energy L.L.C.	1,129,613	1,129,613
Metrowest Realty LLC	0	10
Nantucket Electric Company	93,427	0
Narragansett Electric Company	1,832,650	2,455,655
NE Electric Trans Corp	5,744	0
NE Hydro-Trans Corp	9,357	9,876
NE Hydro-Trans Elec Co	49,958	17,032
New England Power Company	425,022	740,286
NG Corporate Services LLC	1,484,946	0
KeySpan Corporation	340,636,654	346,126,970
NG Development Holdings Corp	1,766	11,831,190
NG Energy Management LLC	18,746	0
NG Energy Trading Services LLC	42,644	46,720
KeySpan Gas East Corp-KEDLI	901,037	3,147,137
NG Generation LLC	7,573,967	8,380,470
NG Glenwood Energy Center LLC	21,610	159,053
NG LNG LP RegulatedEntity	13,379	18,627
NG NEHoldings 2 LLC	0	753
NG Port,Jeff Energy Center	0	200,095
NG Services, Inc.	3,042	18,931
NG USA Parent	9,592,020	25,656,976
NG USA Service Company, Inc	21,820,706	20,453,755
NG Utility Services LLC	1,821	0
Niagara Mohawk Power Corporation	9,699,375	5,694,182
Transgas Inc	7,588	14,445
Wayfinder Group, Inc.	0	20
Total Payable to Associate Companies	\$403,009,782	\$435,532,793

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1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Account 434, Extraordinary Income, or Account 435, Extraordinary Deductions.
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate service company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

NATIONAL GRID ENGINEERING & SURVEY, INC.

SCHEDULE XIV - NOTES TO UNAUDITED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization

National Grid Engineering and Survey, Inc. ("NGENG" or the "Company") is a wholly-owned subsidiary of KeySpan Corporation ("KeySpan"), a holding company under the Public Utility Holding Company Act of 2005 ("PUHCA 2005"). The primary operating companies of KeySpan are Brooklyn Union Gas Company, KeySpan Gas East Corporation, Boston Gas Company, Colonial Gas Company and National Grid Generation LLC.

KeySpan is a wholly-owned subsidiary of National Grid USA ("NGUSA"), a public utility holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution and sale of natural gas and electricity. In addition to KeySpan, NGUSA's primary operating companies include New England Power Company, Massachusetts Electric Company, Nantucket Electric Company, The Narragansett Electric Company and Niagra Mohawk Power Corporation.

NGUSA is a wholly-owned subsidiary of National Grid North America, Inc. ("NGNA") which is a wholly-owned subsidiary of National Grid plc, a public limited company incorporated under the laws of England and Wales.

Pursuant to PUHCA 2005, FERC has jurisdiction over certain holding company activities, including (i) regulating certain transactions among affiliates within KeySpan's and NGUSA's holding company system; (ii) governing the issuance, acquisition and disposition of securities and assets by certain of KeySpan's and NGUSA's public utility subsidiaries; and (iii) approving certain utility mergers and acquisitions.

In addition, KeySpan's and NGUSA's affiliate transactions are subject to certain regulations of the Public Service Commission of the State of New York, the Massachusetts Department of Public Utility, the Rhode Island Public Utilities Commission and the New Hampshire Public Utility Commission.

Description of Business

Pursuant to Service Agreements between NGENG, KeySpan and NGUSA and all affiliated

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companies (collectively, the “Client Companies”), NGENG advises and assists Client Companies in the study, planning, engineering, maintenance and construction of energy plant facilities of each Client Company and of the Gas Systems and the Electric Systems as a whole, and advise, assist and manage the planning, engineering and construction operations of Client Companies.

Costs of services provided to Client Companies are allocated in accordance with applicable federal and state requirements. Costs are: (1) directly assigned where possible; (2) allocated using a reasonable and equitable allocation ratio based upon a cost-causation relationship; or (3) allocated broad based. Service allocation ratios are defined in the Service Agreements. Cost of service includes all costs of doing business incurred by the Company, including a reasonable return on capital.

Management Services Agreement Expiration

The Company provided operation, maintenance and construction services, and significant administrative services in connection with a Management Services Agreement (“MSA”) between a wholly-owned subsidiary of KeySpan and the Long Island Power Authority (“LIPA”). The MSA expired on December 31, 2013. As a result of the MSA expiration, the Company’s revenues and expenses during the year ended December 31, 2014 decreased significantly compared to amounts for the prior year.

Basis of Presentation

The financial statements included in this filing were prepared using the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts for Centralized Service Companies, subject to the provision of PUHCA 2005. Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property, Plant and Equipment

Property, plant and equipment is stated at original cost. The cost of repairs and maintenance is charged to expense and the cost of renewals and betterments that extend the useful life of property, plant and equipment is capitalized. Depreciation is computed over the estimate useful life of the asset using the composite straight-line method.

Income Taxes

Federal and state income taxes have been computed utilizing the asset and liability approach that requires the recognition of deferred tax assets and liabilities for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Deferred income taxes also reflect the tax effect of net operating losses, capital losses and general business

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credit carryforwards.

The effects of tax positions are recognized in the financial statements when it is more likely than not that the position taken or expected to be taken in a tax return will be sustained upon examination by taxing authorities based on the technical merits of the position. The financial effect of changes in tax laws or rates is accounted for in the period of enactment. Deferred investment tax credits are amortized over the useful life of the underlying property.

NGNA files consolidated federal tax returns including all of the activities of its subsidiaries. Each subsidiary company determines its current and deferred taxes based on the separate return method. The Company settles its current tax liability or benefit each year with NGNA pursuant to a tax sharing arrangement between NGNA and its subsidiaries. Tax benefits attributable to the tax attributes of other group companies and allocated by NGNA are treated as capital contributions.

Note 2. Postretirement Benefits

Pension: NGENG employees are members of KeySpan’s noncontributory defined benefit pension plans covering substantially all employees associated with KeySpan. Benefits are based on years of service and compensation. Pension costs are allocated to NGENG. Pension obligations and assets are commingled and are not allocated to NGENG and other participating companies. Pension expense attributed to NGENG for the years ended December 31, 2014 and 2013, was approximately \$6.1 million and \$14.0 million, respectively. These costs are allocated to client companies as burden costs based upon direct labor costs of NGENG. Funding for pensions is in accordance with requirements of federal law and regulations.

Other Postretirement Benefits: NGENG employees are members of KeySpan’s noncontributory defined benefit plans which provide certain health care and life insurance benefits for retired employees of KeySpan. Other postretirement benefit costs are allocated to NGENG. Other postretirement obligations and assets are commingled and are not allocated to NGENG and other participating companies. KeySpan has been funding a portion of future benefits over employees’ active service lives through Voluntary Employee Beneficiary Association (VEBA) trusts. Contributions to VEBA trusts are tax deductible, subject to limitations contained in the Internal Revenue Code. Other Postretirement benefit expense attributed to NGENG for the years ended December 31, 2014 and 2013 was approximately \$4.1 million and \$15.3 million, respectively. These costs are allocated to client companies as burden costs based upon direct labor costs of NGENG.

Note 3. Receivable from Associate Companies – Money Pool

The Company participates in the Regulated Money Pool (“Pool”) which is administered by National Grid USA Service Company, Inc. on behalf of regulated National Grid entities. The Pool is funded by operating funds from pool participants and, if necessary, advances from KeySpan and NGUSA. The Pool invests excess funds, if any on a short-term basis. Participants providing funds to the money pool share in the interest earned on loans and investments on a basis proportionate to their investment in the money pool. Participants borrowing from the money pool pay interests at a rate generally equal to NGUSA’s short-term borrowing rate, plus a proportionate share of the

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administrative costs incurred in obtaining required funds.

At December 31, 2014 the Company had a net lending position in the Pool of \$158.0 million. This balance is included in Account Receivable from Associate Companies in the accompanying Balance Sheet.

Note 4. Operating Leases

Substantially all leases, other than leases associated with Boston Gas Company, Colonial Gas Company, EnergyNorth Natural Gas Inc., and non-regulated businesses of KeySpan, are the obligation of National Grid USA Service Company. NGENG records, as an intercompany expense, costs incurred for the use of leased equipment such as buildings, office equipment, vehicles, and powered operated equipment. These intercompany expenses are reflected in Operations and Maintenance expense in the Statement of Income.

Note 5. Income Tax

The components of federal and state income tax expense (benefit) are as follows:

	Years Ended December 31,	
	2014	2013
	<i>(in thousands of dollars)</i>	
Current tax expense (benefit):		
Federal	\$ 10,803	\$ (41,589)
State	(3,465)	(1,721)
Total	<u>7,338</u>	<u>(43,310)</u>
Deferred tax expense (benefit):		
Federal	(11,404)	46,153
State	4,606	(5,596)
Total	<u>(6,798)</u>	<u>40,557</u>
Amortized investment tax credits ⁽¹⁾	-	-
Total deferred tax expense (benefit)	<u>(6,798)</u>	<u>40,557</u>
Total income tax expense (benefit)	<u>\$ 540</u>	<u>\$ (2,753)</u>

⁽¹⁾ Investment tax credits (ITC) are being deferred and amortized over the depreciable life of the property giving rise to the credits

Total income taxes in the statements of income:		
Income taxes charged to operations	\$ 540	\$ (2,753)
Income taxes credited to other income (deductions)	-	-
Total	<u>\$ 540</u>	<u>\$ (2,753)</u>

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The Company's effective tax rate for the years ended December 31, 2014 and December 31, 2013 is -741.09 % and -1074.53% respectively. A reconciliation between the expected federal income tax expense, using the federal statutory rate of 35% to the Company's actual income tax expense for the years ended December 31, 2014 and December 31, 2013 is as follows:

	Years Ended December 31,	
	2014	2013
	<i>(in thousands of dollars)</i>	
Computed tax	\$ (26)	\$ 90
Change in computed taxes resulting from:		
State income tax, net of federal benefit	742	(4,756)
Adjustments related to prior year, federal and state	(53)	2,042
Employee stock ownership plan dividends	(180)	(152)
Other items - net	57	23
Total	<u>566</u>	<u>(2,843)</u>
Federal and state income taxes	<u>\$ 540</u>	<u>\$ (2,753)</u>

The Company is a member of the NGNA and subsidiaries consolidated federal income tax return with a fiscal tax year ending March 31. The Company has joint and several liability for any potential assessments against the consolidated group.

The Company adopted the provisions of Financial Accounting Standards Board ("FASB") guidance which clarifies the accounting for uncertain tax positions as modified by FERC Docket A107-2-000. FASB guidance provides that the financial effects of a tax position shall initially be recognized when it is more likely than not, based on the technical merits, that the position will be sustained upon examination, assuming the position will be audited and the taxing authority has full knowledge of all relevant information. FERC docket A107-2-000 issues supplementary guidance requiring entities to continue to recognize deferred income taxes for Commission accounting and reporting purposes based on the difference between positions taken in tax returns filed or expected to be filed and amounts reported in the financial statements. As of December 31, 2014 and December 31, 2013, the Company did not have any unrecognized tax benefits on a FERC basis.

It is reasonably possible that other events will occur during the next 12 months that would cause the total amount of unrecognized tax benefits to increase or decrease. However, the Company does not believe any such increases or decreases would be material to their results of operations, financial position, or liquidity.

On March 31, 2014, New York's legislature enacted as part of the 2014-15 budget package legislation which included significant tax changes. For tax years beginning on or after January 1, 2016, the New York corporate franchise rate is reduced from 7.1% to 6.5%. Additionally, for tax years beginning on or after January 1, 2015, New York State will generally require combined

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reporting if the taxpayer is engaged in a unitary business and a 50% common ownership test is met. As of March 31, 2014, the Company remeasured its New York State deferred tax assets and liabilities based upon the enacted law that will apply when the corresponding state temporary differences are expected to be realized or settled. Specifically, to reflect the decrease in tax rate, the Company decreased its New York State deferred tax assets by \$0.7 million with an offset to deferred tax expense.

Significant components of the Company's net deferred tax assets and liabilities at December 31, 2014 and December 31, 2013 are as follows:

	Years Ended December 31,	
	2014	2013
	<i>(in thousands of dollars)</i>	
Deferred tax assets:		
Net operating losses	\$ 46,807	\$ 17,728
Reserves not currently deducted	22	-
Pensions, OPEB and other employee benefits	-	8,541
Other items	155	521
Total deferred tax assets ⁽¹⁾	<u>46,984</u>	<u>26,790</u>
Deferred tax liabilities:		
Pensions, OPEB and other employee benefits	19,086	-
Future federal benefit on state taxes	3,663	5,694
Property related differences	85	84
Regulatory assets - pension and OPEB	-	123
Total deferred tax liabilities	<u>22,834</u>	<u>5,901</u>
Net deferred income tax asset	<u>24,150</u>	20,889
Deferred investment tax credits	-	-
Net deferred income tax asset	<u>24,150</u>	20,889

⁽¹⁾ There were no valuation allowances for deferred tax assets at December 31, 2014 or 2013.

Federal income tax returns have been examined and all appeals and issues have been agreed with the Internal Revenue Service (IRS) and the NGNA consolidated filing group, through March 31, 2007.

During fiscal year 2014 the IRS has concluded its examination of the NGNA consolidated filing group's corporate income tax returns for the periods ended March 31, 2008 and March 31, 2009. The examinations were completed on March 31, 2014, with an agreement on the majority of income tax issues for the years referenced above, as well as an acknowledgment that certain discrete items remain disputed. NGNA is in the process of appealing these disputed items with the IRS Office of Appeals. The Company does not anticipate a change in its unrecognized tax positions in the next twelve months as a result of the appeals.

Tax returns for years ended March 31, 2010 through March 31, 2014 remain subject to examination

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by the IRS.

Tax returns for years ended March 31, 2009 through March 31, 2014 remain subject to examination by the State of New York.

The following table indicates the earliest tax year subject to examination:

Jurisdiction	Tax Year
Federal	March 31, 2008*
New York	March 31, 2009

*The NGNA consolidated filing group is in the process of appealing certain disputed issues with the IRS Office of Appeals for the years ended March 31, 2008 through March 31, 2009.

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Schedule XV- Comparative Income Statement				
Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
1		SERVICE COMPANY OPERATING REVENUES		
2	400	Service Company Operating Revenues	51,717,792	128,138,818
3		SERVICE COMPANY OPERATING EXPENSES		
4	401	Operation Expenses	38,833,179	102,451,411
5	402	Maintenance Expenses	13,206,717	21,094,390
6	403	Depreciation Expenses	174,199	213,725
7	403.1	Depreciation Expense for Asset Retirement Costs		
8	404	Amortization of Limited-Term Property		
9	405	Amortization of Other Property		
10	407.3	Regulatory Debits		
11	407.4	Regulatory Credits		
12	408.1	Taxes Other Than Income Taxes, Operating Income	1,353,425	6,390,310
13	409.1	Income Taxes, Operating Income	7,337,886	(43,309,636)
14	410.1	Provision for Deferred Income Taxes, Operating Income	(6,797,877)	40,556,266
15	411.1	Provision for Deferred Income Taxes – Credit, Operating Income		
16	411.4	Investment Tax Credit, Service Company Property		
17	411.6	Gains from Disposition of Service Company Plant		
18	411.7	Losses from Disposition of Service Company Plant		
19	411.10	Accretion Expense		
20	412	Costs and Expenses of Construction or Other Services		
21	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work		
22		TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21)	54,107,529	127,396,466
23		NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22)	(2,389,737)	742,352
24		OTHER INCOME		
25	418.1	Equity in Earnings of Subsidiary Companies		
26	419	Interest and Dividend Income	414,837	1,127,742
27	419.1	Allowance for Other Funds Used During Construction		
28	421	Miscellaneous Income or Loss		
29	421.1	Gain on Disposition of Property		
30		TOTAL OTHER INCOME (Total of Lines 25-29)	414,837	1,127,742
31		OTHER INCOME DEDUCTIONS		
32	421.2	Loss on Disposition of Property		
33	425	Miscellaneous Amortization		
34	426.1	Donations		
35	426.2	Life Insurance		
36	426.3	Penalties		
37	426.4	Expenditures for Certain Civic, Political and Related Activities		
38	426.5	Other Deductions	(1,441,674)	(340,662)
39		TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38)	(1,441,674)	(340,662)
40		TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		

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Schedule XV- Comparative Income Statement (continued)				
Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
41	408.2	Taxes Other Than Income Taxes, Other Income and Deductions		
42	409.2	Income Taxes, Other Income and Deductions		
43	410.2	Provision for Deferred Income Taxes, Other Income and Deductions		
44	411.2	Provision for Deferred Income Taxes – Credit, Other Income and Deductions		
45	411.5	Investment Tax Credit, Other Income Deductions		
46		TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Total of Lines 41-45)		
47		INTEREST CHARGES		
48	427	Interest on Long-Term Debt		
49	428	Amortization of Debt Discount and Expense		(377)
50	429	(less) Amortization of Premium on Debt- Credit		
51	430	Interest on Debt to Associate Companies	2,922	527
52	431	Other Interest Expense	76,729	491,368
53	432	(less) Allowance for Borrowed Funds Used During Construction-Credit		
54		TOTAL INTEREST CHARGES (Total of Lines 48-53)	79,651	491,518
55		NET INCOME BEFORE EXTRAORDINARY ITEMS (Total of Lines 23, 30, minus 39, 46, and 54)	(612,877)	1,719,238
56		EXTRAORDINARY ITEMS		
57	434	Extraordinary Income		
58	435	(less) Extraordinary Deductions		
59		Net Extraordinary Items (Line 57 less Line 58)		
60	409.4	(less) Income Taxes, Extraordinary		
61		Extraordinary Items After Taxes (Line 59 less Line 60)		
62		NET INCOME OR LOSS/COST OF SERVICE (Total of Lines 55-61)	(612,877)	1,719,238

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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies								
1. Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.								
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
1	403-403.1	Depreciation Expense	174,199		174,199			
2	404-405	Amortization Expense						
3	407.3-407.4	Regulatory Debits/Credits – Net						
4	408.1-408.2	Taxes Other Than Income Taxes	1,353,425		1,353,425			
5	409.1-409.3	Income Taxes		7,337,886	7,337,886			
6	410.1-411.2	Provision for Deferred Taxes		(6,797,877)	(6,797,877)			
7	411.1-411.2	Provision for Deferred Taxes – Credit						
8	411.6	Gain from Disposition of Service Company Plant						
9	411.7	Losses from Disposition of Service Company Plant						
10	411.4-411.5	Investment Tax Credit Adjustment						
11	411.10	Accretion Expense						
12	412	Costs and Expenses of Construction or Other Services						
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies						
14	418	Non-operating Rental Income						
15	418.1	Equity in Earnings of Subsidiary Companies						
16	419	Interest and Dividend Income		414,837	414,837			
17	419.1	Allowance for Other Funds Used During Construction						
18	421	Miscellaneous Income or Loss						
19	421.1	Gain on Disposition of Property						
20	421.2	Loss on Disposition Of Property						
21	425	Miscellaneous Amortization						
22	426.1	Donations						
23	426.2	Life Insurance						
24	426.3	Penalties						
25	426.4	Expenditures for Certain Civic, Political and Related Activities						
26	426.5	Other Deductions	(1,441,674)		(1,441,674)			
27	427	Interest On Long-Term Debt						
28	428	Amortization of Debt Discount and Expense						
29	429	Amortization of Premium on Debt – Credit						
30	430	Interest on Debt to Associate Companies	2,922		2,922			
31	431	Other Interest Expense		76,729	76,729			
32	432	Allowance for Borrowed Funds Used During Construction						
33	500-509	Total Steam Power Generation Operation Expenses	5,965,037		5,965,037			
34	510-515	Total Steam Power Generation Maintenance Expenses	6,921,251		6,921,251			

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Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
35	517-525	Total Nuclear Power Generation Operation Expenses	2,068		2,068			
36	528-532	Total Nuclear Power Generation Maintenance Expenses						
37	535-540.1	Total Hydraulic Power Generation Operation Expenses						
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses						
39	546-550.1	Total Other Power Generation Operation Expenses	1,079,122		1,079,122			
40	551-554.1	Total Other Power Generation Maintenance Expenses	5,852,176		5,852,176			
41	555-557	Total Other Power Supply Operation Expenses						
42	560	Operation Supervision and Engineering	7,814		7,814			
43	561.1	Load Dispatch-Reliability						
44	561.2	Load Dispatch-Monitor and Operate Transmission System	1,336		1,336			
45	561.3	Load Dispatch-Transmission Service and Scheduling						
46	561.4	Scheduling, System Control and Dispatch Services						
47	561.5	Reliability Planning and Standards Development						
48	561.6	Transmission Service Studies						
49	561.7	Generation Interconnection Studies						
50	561.8	Reliability Planning and Standards Development Services						
51	562	Station Expenses (Major Only)						
52	563	Overhead Line Expenses (Major Only)						
53	564	Underground Line Expenses (Major Only)						
54	565	Transmission of Electricity by Others (Major Only)						
55	566	Miscellaneous Transmission Expenses (Major Only)	87		87			
56	567	Rents						
57	567.1	Operation Supplies and Expenses (Nonmajor Only)						
58		Total Transmission Operation Expenses	9,237		9,237			
59	568	Maintenance Supervision and Engineering (Major Only)						
60	569	Maintenance of Structures (Major Only)						
61	569.1	Maintenance of Computer Hardware						
62	569.2	Maintenance of Computer Software						
63	569.3	Maintenance of Communication Equipment						
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant						
65	570	Maintenance of Station Equipment (Major Only)	10,501		10,501			
66	571	Maintenance of Overhead Lines (Major Only)	212		212			
67	572	Maintenance of Underground Lines (Major Only)						
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)						

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Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
69	574	Maintenance of Transmission Plant (Nonmajor Only)						
70		Total Transmission Maintenance Expenses	10,713		10,713			
71	575.1-575.8	Total Regional Market Operation Expenses						
72	576.1-576.5	Total Regional Market Maintenance Expenses						
73	580-589	Total Distribution Operation Expenses	39,383		39,383			
74	590-598	Total Distribution Maintenance Expenses	332,167		332,167			
75		Total Electric Operation and Maintenance Expenses	20,300,028	201,901	20,501,927			
76	705-798	Production Expenses (Provide selected accounts in a footnote)	6,943		6,943			
77	800-813	Total Other Gas Supply Operation Expenses	(255)		(255)			
78	814-826	Total Underground Storage Operation Expenses						
79	830-837	Total Underground Storage Maintenance Expenses						
80	840-842.3	Total Other Storage Operation Expenses	2,390		2,390			
81	843.1-843.9	Total Other Storage Maintenance Expenses	5,866		5,866			
82	844.1-846.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses	75,187		75,187			
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses						
84	850	Operation Supervision and Engineering	3		3			
85	851	System Control and Load Dispatching						
86	852	Communication System Expenses						
87	853	Compressor Station Labor and Expenses						
88	854	Gas for Compressor Station Fuel						
89	855	Other Fuel and Power for Compressor Stations						
90	856	Mains Expenses						
91	857	Measuring and Regulating Station Expenses						
92	858	Transmission and Compression of Gas By Others						
93	859	Other Expenses						
94	860	Rents						
95		Total Gas Transmission Operation Expenses	3		3			
96	861	Maintenance Supervision and Engineering	9,441		9,441			
97	862	Maintenance of Structures and Improvements						
98	863	Maintenance of Mains	29,487		29,487			
99	864	Maintenance of Compressor Station Equipment	430		430			
100	865	Maintenance of Measuring And Regulating Station Equipment	9,284		9,284			
101	866	Maintenance of Communication Equipment						
102	867	Maintenance of Other Equipment						
103		Total Gas Transmission Maintenance Expenses	48,642		48,642			
104	870-881	Total Distribution Operation Expenses	145,474		145,474			

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report			
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	Dec 31, 2014			
Line No.	Account Number	Title of Account	Associate Company Direct Cost	Associate Company Indirect Cost	Associate Company Total Cost	Nonassociate Company Direct Cost	Nonassociate Company Indirect Cost	Nonassociate Company Total Cost
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
105	885-894	Total Distribution Maintenance Expenses	28,696		28,696			
106		Total Natural Gas Operation and Maintenance Expenses	312,946		312,946			
107	901	Supervision						
108	902	Meter reading expenses	28		28			
109	903	Customer records and collection expenses						
110	904	Uncollectible accounts	264		264			
111	905	Miscellaneous customer accounts expenses						
112	906	Total Customer Accounts Operation Expenses	292		292			
113	907	Supervision						
114	908	Customer assistance expenses	1		1			
115	909	Informational And Instructional Advertising Expenses	(232)		(232)			
116	910	Miscellaneous Customer Service And Informational Expenses						
117		Total Service and Informational Operation Accounts	(231)		(231)			
118	911	Supervision						
119	912	Demonstrating and Selling Expenses						
120	913	Advertising Expenses						
121	916	Miscellaneous Sales Expenses						
122		Total Sales Operation Expenses						
123	920	Administrative and General Salaries	12,930,178		12,930,178			
124	921	Office Supplies and Expenses	(348,792)		(348,792)			
125	923	Outside Services Employed	(418)		(418)			
126	924	Property Insurance						
127	925	Injuries and Damages	1,658,283		1,658,283			
128	926	Employee Pensions and Benefits	17,067,710		17,067,710			
129	928	Regulatory Commission Expenses	204,421		204,421			
130	930.1	General Advertising Expenses						
131	930.2	Miscellaneous General Expenses	4,089		4,089			
132	931	Rents						
133		Total Administrative and General Operation Expenses	31,515,471		31,515,471			
134	935	Maintenance of Structures and Equipment	262		262			
135		Total Administrative and General Maintenance Expenses	31,515,794		31,515,794			
136		Total Cost of Service	52,128,766	201,901	52,330,667			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
1	403-403.1	Depreciation Expense	174,199		174,199
2	404-405	Amortization Expense			
3	407.3-407.4	Regulatory Debits/Credits – Net			
4	408.1-408.2	Taxes Other Than Income Taxes	1,353,425		1,353,425
5	409.1-409.3	Income Taxes		7,337,886	7,337,886
6	410.1-411.2	Provision for Deferred Taxes		(6,797,877)	(6,797,877)
7	411.1-411.2	Provision for Deferred Taxes – Credit			
8	411.6	Gain from Disposition of Service Company Plant			
9	411.7	Losses from Disposition of Service Company Plant			
10	411.4-411.5	Investment Tax Credit Adjustment			
11	411.10	Accretion Expense			
12	412	Costs and Expenses of Construction or Other Services			
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies			
14	418	Non-operating Rental Income			
15	418.1	Equity in Earnings of Subsidiary Companies			
16	419	Interest and Dividend Income		414,837	414,837
17	419.1	Allowance for Other Funds Used During Construction			
18	421	Miscellaneous Income or Loss			
19	421.1	Gain on Disposition of Property			
20	421.2	Loss on Disposition Of Property			
21	425	Miscellaneous Amortization			
22	426.1	Donations			
23	426.2	Life Insurance			
24	426.3	Penalties			
25	426.4	Expenditures for Certain Civic, Political and Related Activities			
26	426.5	Other Deductions	(1,441,674)		(1,441,674)
27	427	Interest On Long-Term Debt			
28	428	Amortization of Debt Discount and Expense			
29	429	Amortization of Premium on Debt – Credit			
30	430	Interest on Debt to Associate Companies	2,922		2,922
31	431	Other Interest Expense		76,729	76,729
32	432	Allowance for Borrowed Funds Used During Construction			
33	500-509	Total Steam Power Generation Operation Expenses	5,965,037		5,965,037
34	510-515	Total Steam Power Generation Maintenance Expenses	6,921,251		6,921,251

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
35	517-525	Total Nuclear Power Generation Operation Expenses	2,068		2,068
36	528-532	Total Nuclear Power Generation Maintenance Expenses			
37	535-540.1	Total Hydraulic Power Generation Operation Expenses			
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses			
39	546-550.1	Total Other Power Generation Operation Expenses	1,078,122		1,078,122
40	551-554.1	Total Other Power Generation Maintenance Expenses	5,852,176		5,852,176
41	555-557	Total Other Power Supply Operation Expenses			
42	560	Operation Supervision and Engineering	7,814		7,814
43	561.1	Load Dispatch-Reliability			
44	561.2	Load Dispatch-Monitor and Operate Transmission System	1,336		1,336
45	561.3	Load Dispatch-Transmission Service and Scheduling			
46	561.4	Scheduling, System Control and Dispatch Services			
47	561.5	Reliability Planning and Standards Development			
48	561.6	Transmission Service Studies			
49	561.7	Generation Interconnection Studies			
50	561.8	Reliability Planning and Standards Development Services			
51	562	Station Expenses (Major Only)			
52	563	Overhead Line Expenses (Major Only)			
53	564	Underground Line Expenses (Major Only)			
54	565	Transmission of Electricity by Others (Major Only)			
55	566	Miscellaneous Transmission Expenses (Major Only)	87		87
56	567	Rents			
57	567.1	Operation Supplies and Expenses (Nonmajor Only)			
58		Total Transmission Operation Expenses	9,237		9,237
59	568	Maintenance Supervision and Engineering (Major Only)			
60	569	Maintenance of Structures (Major Only)			
61	569.1	Maintenance of Computer Hardware			
62	569.2	Maintenance of Computer Software			
63	569.3	Maintenance of Communication Equipment			
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant			
65	570	Maintenance of Station Equipment (Major Only)	10,501		10,501
66	571	Maintenance of Overhead Lines (Major Only)	212		212
67	572	Maintenance of Underground Lines (Major Only)			
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)			

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2014
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
69	574	Maintenance of Transmission Plant (Nonmajor Only)			
70		Total Transmission Maintenance Expenses	10,713		10,713
71	575.1-575.8	Total Regional Market Operation Expenses			
72	576.1-576.5	Total Regional Market Maintenance Expenses			
73	580-589	Total Distribution Operation Expenses	39,383		39,383
74	590-598	Total Distribution Maintenance Expenses	332,167		332,167
75		Total Electric Operation and Maintenance Expenses	20,300,026	201,901	20,501,927
76	700-708	Production Expenses (Provide selected accounts in a footnote)	6,943		6,943
77	800-813	Total Other Gas Supply Operation Expenses	(255)		(255)
78	814-828	Total Underground Storage Operation Expenses			
79	830-837	Total Underground Storage Maintenance Expenses			
80	840-842.3	Total Other Storage Operation Expenses	2,390		2,390
81	843.1-843.9	Total Other Storage Maintenance Expenses	5,866		5,866
82	844.1-846.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses	75,187		75,187
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses			
84	850	Operation Supervision and Engineering	3		3
85	851	System Control and Load Dispatching			
86	852	Communication System Expenses			
87	853	Compressor Station Labor and Expenses			
88	854	Gas for Compressor Station Fuel			
89	855	Other Fuel and Power for Compressor Stations			
90	856	Mains Expenses			
91	857	Measuring and Regulating Station Expenses			
92	858	Transmission and Compression of Gas By Others			
93	859	Other Expenses			
94	860	Rents			
95		Total Gas Transmission Operation Expenses	3		3
96	861	Maintenance Supervision and Engineering	9,441		9,441
97	862	Maintenance of Structures and Improvements			
98	863	Maintenance of Mains	29,487		29,487
99	864	Maintenance of Compressor Station Equipment	430		430
100	865	Maintenance of Measuring And Regulating Station Equipment	9,284		9,284
101	866	Maintenance of Communication Equipment			
102	867	Maintenance of Other Equipment			
103		Total Gas Transmission Maintenance Expenses	48,642		48,642
104	870-881	Total Distribution Operation Expenses	145,474		145,474

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2014
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
105	885-894	Total Distribution Maintenance Expenses	28,696		28,696
106		Total Natural Gas Operation and Maintenance Expenses	312,946		312,946
107	901	Supervision			
108	902	Meter reading expenses	28		28
109	903	Customer records and collection expenses			
110	904	Uncollectible accounts	264		264
111	905	Miscellaneous customer accounts expenses			
112	906	Total Customer Accounts Operation Expenses	292		292
113	907	Supervision			
114	908	Customer assistance expenses	1		1
115	909	Informational And Instructional Advertising Expenses	(232)		(232)
116	910	Miscellaneous Customer Service And Informational Expenses			
117		Total Service and Informational Operation Accounts	(231)		(231)
118	911	Supervision			
119	912	Demonstrating and Selling Expenses			
120	913	Advertising Expenses			
121	916	Miscellaneous Sales Expenses			
122		Total Sales Operation Expenses			
123	920	Administrative and General Salaries	12,930,178		12,930,178
124	921	Office Supplies and Expenses	(348,792)		(348,792)
125	923	Outside Services Employed	(418)		(418)
126	924	Property Insurance			
127	925	Injuries and Damages	1,658,283		1,658,283
128	926	Employee Pensions and Benefits	17,067,710		17,067,710
129	928	Regulatory Commission Expenses	204,421		204,421
130	930.1	General Advertising Expenses			
131	930.2	Miscellaneous General Expenses	4,089		4,089
132	931	Rents			
133		Total Administrative and General Operation Expenses	31,515,471		31,515,471
134	935	Maintenance of Structures and Equipment	262		262
135		Total Administrative and General Maintenance Expenses	31,515,794		31,515,794
136		Total Cost of Service	52,128,766	201,901	52,330,667

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule XVII - Analysis of Billing – Associate Companies (Account 457)					
1. For services rendered to associate companies (Account 457), list all of the associate companies.					
Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	Boston Gas Company	(323,951)			(323,951)
2	Brooklyn Union Gas-KEDNY	(132,166)	(307,023)	14,221	(424,968)
3	Colonial Gas Company	(169,272)			(169,272)
4	Massachusetts Electric Co	(221,444)			(221,444)
5	Nantucket Electric Co	(163,196)			(163,196)
6	NE Electric Trans Corp	(2,157)			(2,157)
7	NE Hydro-Trans Corp	(6,359)			(6,359)
8	NE Hydro-Trans Elec Co	(18,705)			(18,705)
9	New England Power Company	(220,720)			(220,720)
10	KeySpan Corporation	41,700			41,700
11	NG Development Holdings Corp	(4,003)			(4,003)
12	NG Energy Trading Svcs	(4,033)			(4,033)
13	KeySpan Gas East Corp-KEDLI	494,539	(146,439)	7,161	355,261
14	NG Generation LLC	51,248,873	(1,645)	81	51,247,309
15	NG Glenwood Energy Center	1,224,060			1,224,060
16	NG LNG LP RegulatedEntity	(6,109)			(6,109)
17	NG Port Jeff Energy Center	1,569,933			1,569,933
18	NG Services, Inc.	(8,859)			(8,859)
19	NG USA Parent	99,823	(47,990)	1,073	52,906
20	NGUSA Service Company	(752,369)			(752,369)
21	Niagara Mohawk Power Corp	(443,543)			(443,543)
22	Transgas Inc	(3,358)	(347)	16	(3,689)
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total	52,198,684	(503,444)	22,552	51,717,792

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014	
Schedule XVIII – Analysis of Billing – Non-Associate Companies (Account 458)						
1. For services rendered to nonassociate companies (Account 458), list all of the nonassociate companies. In a footnote, describe the services rendered to each respective nonassociate company.						
Line No.	Name of Non-associate Company (a)	Account 458.1 Direct Costs Charged (b)	Account 458.2 Indirect Costs Charged (c)	Account 458.3 Compensation For Use of Capital (d)	Account 458.4 Excess or Deficiency on Servicing Non-associate Utility Companies (e)	Total Amount Billed (f)
1						
2						
3						
4						
5						
6						
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26						
27						
28						
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34						
35						
36						
37						
38						
39						
40	Total					

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
Schedule XIX - Miscellaneous General Expenses - Account 930.2				
<p>1. Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses" classifying such expenses according to their nature. Amounts less than \$50,000 may be grouped showing the number of items and the total for the group. 2. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.</p>				
Line No.	Title of Account (a)	Amount (b)		
1	Misc Other Expenses	4,089		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
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40	Total	4,089		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2014
Schedule XX - Organization Chart			

1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization.

**National Grid Engineering & Survey Inc.
Organizational Chart**

For the Year ended December 31, 2014

Appointed Category	Appointed As
Board Positions	Director
Officers	Chief Executive Officer - Engineer
Officers	Chief Executive Officer - Surveyor
Officers	Vice President
Officers	Vice President
Officers	Vice President
Officers	Vice President and Treasurer
Officers	Secretary
Officers	Controller
Officers	Assistant Vice President
Officers	Assistant Secretary
Officers	Assistant Secretary
Officers	Assistant Secretary

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2014
Schedule XXI - Methods of Allocation			

1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator.
2. Include any other allocation methods used to allocate costs.

Cost Allocation Principles

The following principles guide the allocation of costs of products or services provided by the Service Companies to the Client or Operating Companies. These principles also pertain to transactions among Operating Companies such as storm restoration services.

- Direct charging or direct assignment is the preferred allocation methodology and should be used if the cost of providing a product or service can be identified with the specific affiliates receiving the benefit of that product or service. Direct charging should only be used if the cost of providing a product or service to an individual Client Company can be isolated and reported separately from costs to provide other products or services and from costs to provide the same product and service to other Client Companies.
- The costs of products and services that cannot be direct charged should be allocated based on cost causative allocation bases representative of the underlying cost drivers of that product or service.
- The cost allocation methodology should be comprehensive, transparent, stable and administratively manageable and cost effective.
- The calculation of the cost allocation bases should be supported by a clearly defined methodology, model and supporting policy and procedure documentation.
- The cost allocation methodology should accommodate changes in the size of the allocation bases from period to period based on changes in the underlying cost drivers; the allocation bases should not vary significantly from period to period for uncontrollable factors not related to the underlying cost drivers. For example, you would not choose an allocation basis that fluctuates significantly from period to period based on changes in weather if weather is not a cost driver for that activity.
- The calculation of the allocation bases should be updated at least annually and more frequently if needed to reflect significant events (e.g., the sale of a significant affiliate).

Services Provided by the Service Company - Description and Allocation Methodology

The following table lists those services provided by the Service Company and the Client Companies to whom these services are provided. These services are provided in accordance with the service agreements filed with the Commissions. In addition, the provision of these services is governed by the Service Level Agreements. Service Level Agreements describe the services offered, services selected, compensation and billing, terms and cost accumulation, assignment and allocation methodologies. These documents are filed with the utility regulatory commissions.

- Operations - Activities are those related to powerplant operations, primarily general operations, maintenance, performance improvements and power engineering.

Cost Allocation Methodology for Services Provided:

- **Operations**
 - Direct Charge
 - General Allocator

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2014
National Grid Engineering & Survey, Inc.			
Schedule XXI - Methods of Allocation			

- **Network Strategy**
 - Direct Charge
 - General Allocator

Service Company Orders and Work Breakdown Structure

National Grid uses an Order and Work Breakdown Structure (WBS) elements within SAP as the mechanisms by which the appropriate allocation bases are applied to resources consumed. Individual Orders/WBS have been established for each cost center based on the work performed, the nature of resources consumed (e.g., labor, materials, outside services) in performing that work, and the operating companies benefitting from the work performed. Embedded in the WBS is the allocation code associated with the “operating companies benefitting from the work performed.

Approved Cost Allocation Bases – SAP Internal Order Code, Description and Source

SAP Allocation Code	Description	Definition / Source
G-xxx	Net margin, net plant, & Net O&M expenses (GENERAL ALLOCATOR)	<p>“Net Margins” are Total Operating Revenues less “Cost of Goods Sold” and revenues related to recovery of stranded costs.</p> <p>“Net Plant” is the sum of Net Utility Plant and Net Non-Utility Plant .</p> <p>“Net O&M Expenses” are all non “Cost of Goods Sold” expenses less costs allocated from the Service Company distributed to the Affiliate companies using the general allocator.</p> <p>A ratio based on the weighted average of Net Margin (33%), Net Plant (33%) and Net O&M (33%) where the numerator is weighted average of the Client Company and the denominator is for All Companies that have these 3 factors reported on their financial statements</p>

Manual Allocations

There will be instances in which employees will choose to assign costs in a manner that is different from the allocation bases described above in order to ensure that costs are properly allocated among companies. To accomplish this requires a Manual Allocation. When employees choose to use a non-standard cost driver to allocate costs, the basis for that decision and the method used to allocate

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2014
Schedule XXI - Methods of Allocation			

costs among companies should be thoroughly documented, approved by department supervision and sent to the Service Company Integrity Department in a timely manner for review.

20160428-8006 FERC PDF (Unofficial) 04/28/2016

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

Form 60 Approved
OMB No. 1902-0215
Expires 04/30/2016



FERC FINANCIAL REPORT FERC FORM No. 60: Annual Report of Centralized Service Companies

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company) National Grid Engineering & Survey, Inc.	Year of Report Dec 31, <u>2015</u>
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FERC FORM No. 60 (12-06)

20160428-8006 FERC PDF (Unofficial) 04/28/2016

GENERAL INSTRUCTIONS FOR FILING FERC FORM NO. 60

I. Purpose

Form No. 60 is an annual regulatory support requirement under 18 CFR 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

II. Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to §§ 18 CFR 366.3 and 366.4 of this chapter, every centralized service company (see § 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

III. How to Submit

Submit FERC Form No. 60 electronically through the Form No. 60 Submission Software. Retain one copy of each report for your files. For any resubmissions, submit the filing using the Form No. 60 Submission Software including a justification. Respondents must submit the Corporate Officer Certification electronically.

IV. When to Submit

Submit FERC Form No. 60 according to the filing date contained § 18 CFR 369.1 of the Commission's regulations.

V. Preparation

Prepare this report in conformity with the Uniform System of Accounts (18 CFR 367) (USof A). Interpret all accounting words and phrases in accordance with the USof A.

VI. Time Period

This report covers the entire calendar year.

VII. Whole Dollar Usage

Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's amounts.

VIII. Accurateness

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IX. Applicability

For any page(s) that is not applicable to the respondent, enter "NONE," or "Not Applicable" in column (c) on the List of Schedules, page 2.

20160428-8006 FERC PDF (Unofficial) 04/28/2016

X. Date Format

Enter the month, day, and year for all dates. Use customary abbreviations. The "Resubmission Date" included in the header of each page is to be completed only for resubmissions (see III. above).

XI. Number Format

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by use of a minus sign.

XII. Required Entries

Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

XIII. Prior Year References

Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

XIV. Where to Send Comments on Public Reporting Burden

The public reporting burden for the Form No. 60 collection of information is estimated to average 75 hours per response, including

- the time for reviewing instructions, searching existing data sources,
- gathering and maintaining the data-needed, and
- completing and reviewing the collection of information.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to:

Federal Energy Regulatory Commission, (Attention: Information Clearance Officer, CIO),
888 First Street NE,
Washington, DC 20426
or by email to DataClearance@ferc.gov

And to:

Office of Information and Regulatory Affairs,
Office of Management and Budget, Washington, DC 20503 (Attention: Desk Office for the Federal
Energy Regulatory Commission).
Comments to OMB should be submitted by email to: ojra_submission@omb.eop.gov

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

DEFINITIONS

I. Respondent -- The person, corporation, or other legal entity in whose behalf the report is made.

20160428-8006 FERC PDF (Unofficial) 04 **FERC FORM NO. 60**
ANNUAL REPORT FOR SERVICE COMPANIES

IDENTIFICATION		
01 Exact Legal Name of Respondent National Grid Engineering & Survey, Inc.		02 Year of Report Dec 31, <u>2015</u>
03 Previous Name (If name changed during the year)		04 Date of Name Change / /
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 175 East Old Country Road, Hicksville, NY 11801		06 Name of Contact Person Joseph Marrese
07 Title of Contact Person Director of Regulatory Reporting		08 Address of Contact Person One Metrotech Center, Brooklyn, NY 11201
09 Telephone Number of Contact Person (929) 324-4805		10 E-mail Address of Contact Person Joseph.Marrese@nationalgrid.com
11 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		12 Resubmission Date (Month, Day, Year) / /
13 Date of Incorporation 07/09/1931	14 If Not Incorporated, Date of Organization / /	
15 State or Sovereign Power Under Which Incorporated or Organized NEW YORK		
16 Name of Principal Holding Company Under Which Reporting Company is Organized: KeySpan Corporation		
CORPORATE OFFICER CERTIFICATION		
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
17 Name of Signing Officer Sharon Partridge	19 Signature of Signing Officer Sharon Partridge	20 Date Signed (Month, Day, Year) 04/27/2016
18 Title of Signing Officer VP US Financial Controller		

Name of Respondent 2016-04-28-2016 FERC PDF (Unofficial) 04/28/2016 National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2015
List of Schedules and Accounts				
1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.				
Line No.	Description (a)	Page Reference (b)	Remarks (c)	
1	Schedule I - Comparative Balance Sheet	101-102		
2	Schedule II - Service Company Property	103		
3	Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property	104		
4	Schedule IV - Investments	105	None	
5	Schedule V - Accounts Receivable from Associate Companies	106		
6	Schedule VI - Fuel Stock Expenses Undistributed	107	None	
7	Schedule VII - Stores Expense Undistributed	108	None	
8	Schedule VIII - Miscellaneous Current and Accrued Assets	109	None	
9	Schedule IX - Miscellaneous Deferred Debits	110		
10	Schedule X - Research, Development, or Demonstration Expenditures	111	None	
11	Schedule XI - Proprietary Capital	201		
12	Schedule XII - Long-Term Debt	202	None	
13	Schedule XIII - Current and Accrued Liabilities	203		
14	Schedule XIV - Notes to Financial Statements	204		
15	Schedule XV - Comparative Income Statement	301-302		
16	Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies	303-306		
17	Schedule XVII - Analysis of Billing - Associate Companies (Account 457)	307		
18	Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)	308	None	
21	Schedule XIX - Miscellaneous General Expenses - Account 930.2	307	None	
23	Schedule XX - Organization Chart	401		
24	Schedule XXI - Methods of Allocation	402		

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2015
Schedule I - Comparative Balance Sheet					
1. Give balance sheet of the Company as of December 31 of the current and prior year.					
Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		Service Company Property			
2	101	Service Company Property	103	1,323,049	1,066,041
3	101.1	Property Under Capital Leases	103		
4	106	Completed Construction Not Classified			
5	107	Construction Work In Progress	103	817,641	655,835
6		Total Property (Total Of Lines 2-5)		2,140,690	1,721,876
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104	876,331	748,317
8	111	Less: Accumulated Provision for Amortization of Service Company Property			
9		Net Service Company Property (Total of Lines 6-8)		1,264,359	973,559
10		Investments			
11	123	Investment In Associate Companies	105		
12	124	Other Investments	105		
13	128	Other Special Funds	105		
14		Total Investments (Total of Lines 11-13)			
15		Current And Accrued Assets			
16	131	Cash			
17	134	Other Special Deposits			
18	135	Working Funds			
19	136	Temporary Cash Investments			
20	141	Notes Receivable			
21	142	Customer Accounts Receivable			
22	143	Accounts Receivable			497,446
23	144	Less: Accumulated Provision for Uncollectible Accounts			
24	146	Accounts Receivable From Associate Companies	106	312,144,660	357,469,769
25	152	Fuel Stock Expenses Undistributed	107		
26	154	Materials And Supplies			
27	163	Stores Expense Undistributed	108		
28	165	Prepayments		896,942	2,428,474
29	171	Interest And Dividends Receivable			
30	172	Rents Receivable			
31	173	Accrued Revenues			
32	174	Miscellaneous Current and Accrued Assets			
33	175	Derivative Instrument Assets	109		
34	176	Derivative Instrument Assets - Hedges			
35		Total Current and Accrued Assets (Total of Lines 16-34)		313,041,602	360,395,689
36		Deferred Debits			
37	181	Unamortized Debt Expense			
38	182.3	Other Regulatory Assets			
39	183	Preliminary Survey And Investigation Charges			
40	184	Clearing Accounts			
41	185	Temporary Facilities			
42	186	Miscellaneous Deferred Debits		66,958,492	44,418,737
43	188	Research, Development, or Demonstration Expenditures	110		
44	189	Unamortized loss on reacquired debt	111		
45	190	Accumulated Deferred Income Taxes		70,367,776	46,983,643
46		Total Deferred Debits (Total of Lines 37-45)		137,326,268	91,402,380
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		451,632,229	452,771,628

Name of Respondent		FERC PDF (Unofficial)	Date	This Report Is:	Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.			04/28/2015	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Mo, Da, Yr / /	Dec 31, 2015
Schedule I - Comparative Balance Sheet (continued)						
Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)	
48		Proprietary Capital				
49	201	Common Stock Issued	201	540,307	540,307	
50	204	Preferred Stock Issued	201			
51	211	Miscellaneous Paid-in-Capital	201	17,359,636	17,359,636	
52	215	Appropriated Retained Earnings	201			
53	216	Unappropriated Retained Earnings	201	3,243,587	2,662,244	
54	219	Accumulated Other Comprehensive Income	201	(52,720,717)	(36,288,378)	
55		Total Proprietary Capital (Total of Lines 49-54)		(31,577,187)	(15,726,189)	
56		Long-Term Debt				
57	223	Advances From Associate Companies	202			
58	224	Other Long-Term Debt	202			
59	225	Unamortized Premium on Long-Term Debt				
60	226	Less: Unamortized Discount on Long-Term Debt-Debit				
61		Total Long-Term Debt (Total of Lines 57-60)				
62		Other Non-current Liabilities				
63	227	Obligations Under Capital Leases-Non-current				
64	228.2	Accumulated Provision for Injuries and Damages		2,051,951	2,433,694	
65	228.3	Accumulated Provision For Pensions and Benefits				
66	230	Asset Retirement Obligations				
67		Total Other Non-current Liabilities (Total of Lines 63-66)		2,051,951	2,433,694	
68		Current and Accrued Liabilities				
69	231	Notes Payable				
70	232	Accounts Payable		234,032	91,010	
71	233	Notes Payable to Associate Companies	203			
72	234	Accounts Payable to Associate Companies	203	439,464,411	435,532,793	
73	236	Taxes Accrued				
74	237	Interest Accrued				
75	241	Tax Collections Payable		42,703	45,477	
76	242	Miscellaneous Current and Accrued Liabilities	203	4,838,398	4,362,657	
77	243	Obligations Under Capital Leases - Current				
78	244	Derivative Instrument Liabilities				
79	245	Derivative Instrument Liabilities - Hedges				
80		Total Current and Accrued Liabilities (Total of Lines 69-79)		444,579,544	440,031,937	
81		Deferred Credits				
82	253	Other Deferred Credits		3,233,116	3,198,343	
83	254	Other Regulatory Liabilities				
84	255	Accumulated Deferred Investment Tax Credits				
85	257	Unamortized Gain on Reacquired Debt				
86	282	Accumulated deferred income taxes-Other property		36,900	84,526	
87	283	Accumulated deferred income taxes-Other		33,307,905	22,749,317	
88		Total Deferred Credits (Total of Lines 82-87)		36,577,921	26,032,186	
89		TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88)		451,632,229	452,771,628	

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2015	
Schedule II - Service Company Property									
1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote. 2. Describe each construction work in progress on lines 18 through 30 in Column (b).									
Line No.	Acct # (a)	Title of Account (b)	Balance at Beginning of Year (c)	Additions (d)	Retirements or Sales (e)	Other Changes (f)	Balance at End of Year (g)		
1	301	Organization							
2	303	Miscellaneous Intangible Plant							
3	306	Leasehold Improvements							
4	389	Land and Land Rights							
5	390	Structures and Improvements	23,000	249,241			272,241		
6	391	Office Furniture and Equipment	1,009,249	7,766			1,017,015		
7	392	Transportation Equipment							
8	393	Stores equipment							
9	394	Tools, Shop and Garage Equipment	3,657	1			3,658		
10	395	Laboratory Equipment							
11	396	Power Operated Equipment							
12	397	Communications Equipment	30,135				30,135		
13	398	Miscellaneous Equipment							
14	399	Other Tangible Property							
15	399.1	Asset Retirement Costs							
16		Total Service Company Property (Total of Lines 1-15)	1,066,041	257,008			1,323,049		
17	107	Construction Work in Progress:							
18		Buildings & Structures							
19		Capitalized Software							
20		Office Furniture & Equipment	655,835	161,806			817,641		
21		Other							
22									
23									
24									
25									
26									
27									
28									
29									
30									
31		Total Account 107 (Total of Lines 18-30)	655,835	161,806			817,641		
32		Total (Lines 16 and Line 31)	1,721,876	418,814			2,140,690		

Name of Reporter National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2015	
Schedule III – Accumulated Provision for Depreciation and Amortization of Service Company Property									
1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.									
Line No.	Account Number (a)	Description (b)	Balance at Beginning of Year (c)	Additions Charged To Account 403-403.1 404-405 (d)	Retirements (e)	Other Changes Additions (Deductions) (f)	Balance at Close of Year (g)		
1	301	Organization							
2	303	Miscellaneous Intangible Plant							
3	306	Leasehold Improvements							
4	389	Land and Land Rights							
5	390	Structures and Improvements	582				582		
6	391	Office Furniture and Equipment	745,185	126,173			871,358		
7	392	Transportation Equipment							
8	393	Stores equipment							
9	394	Tools, Shop and Garage Equipment	1,040	107			1,147		
10	395	Laboratory Equipment							
11	396	Power Operated Equipment							
12	397	Communications Equipment	16,524	1,734			18,258		
13	398	Miscellaneous Equipment	(1,872)				(1,872)		
14	399	Other Tangible Property							
15	399.1	Asset Retirement Costs	(13,142)				(13,142)		
16		Total	748,317	128,014			876,331		

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2015
Schedule IV – Investments					
<p>1. For other investments (Account 124) and other special funds (Account 128), in a footnote state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.</p> <p>2. For temporary cash investments (Account 136), list each investment separately in a footnote.</p> <p>3. Investments less than \$50,000 may be grouped, showing the number of items in each group.</p>					
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)	
1	123	Investment In Associate Companies			
2	124	Other Investments			
3	128	Other Special Funds			
4	136	Temporary Cash Investments			
5		(Total of Lines 1-4)			

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2015
Schedule V – Accounts Receivable from Associate Companies					
<p>1. List the accounts receivable from each associate company. 2. If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.</p>					
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)	
1	146	Accounts Receivable From Associate Companies			
2		Associate Company:			
3		Boston Gas	74,821		111,163
4		Brooklyn Union Gas - KEDNY	626,883		161,881
5		Colonial Gas Lowell	89,263		20,896
6		Metrowest Realty LLC			
7		Nantucket Electric Company	154,291		1,394
8		Narragansett Electric Company	131,355		82,113
9		NE Electric Trans Corporation	2,825		
10		NE Hydro-Trans Corporation	5,898		1,913
11		NE Hydro-Trans Elec Co, Inc.			
12		New England Power Company	153,651		
13		NG C.I. II, LTD			
14		NG Corporate Services			
15		KeySpan Corporation	107,724,213		109,051,788
16		NG Development Holdings Corp	1,589,278		1,582,748
17		NG Energy Management LLC	8,405		8,405
18		NG Energy Trading Services LLC	44,446		2,419
19		KeySpan Gas East Corp - KEDLI	1,486,026		71,781
20		NG Generation	41,230,921		
21		NG Glenwood Energy Center, LLC	438,905		
22		NG NEHoldings 2 LLC	23,558		624
23		NG Port Jefferson Energy Cntr	777,595		
24		NG LNG LP Regulated Entity	2,193		2,193
25		NG Services, Inc.	10,455		483
26		NG USA Parent	43,053,065		42,889,212
27		NGUSLLC	8,122		
28		NG Service Company	1,787,323		642,450
29		Transgas Inc			2,923
30		Wayfinder Group, Inc.			
31		Niagara Mohawk Power Corp			444,332
32		Massachusetts Electric Co			148,344
33					
34					
35		Notes Receivable from Associate Companies - Money Pool	158,046,277		156,917,598
36					
37					
38					
39					
40	Total		357,469,769		312,144,660

Name of Responder National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2015
Schedule VI – Fuel Stock Expenses Undistributed					
<p>1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company.</p> <p>2. In a separate footnote, describe in a narrative the fuel functions performed by the service company.</p>					
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	152	Fuel Stock Expenses Undistributed			
2		Associate Company:			
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40	Total				

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2015	
Schedule VII – Stores Expense Undistributed									
1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to stores expense during the year and indicate amount attributable to each associate company.									
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)				
1	163	Stores Expense Undistributed							
2		Associate Company:							
3		None							
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40	Total								

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2015	
Schedule VIII - Miscellaneous Current and Accrued Assets									
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.									
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)					
1	174	Miscellaneous Current and Accrued Assets							
2		Item List:							
3		None							
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40	Total								

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2015
Schedule IX - Miscellaneous Deferred Debits					
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.					
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)	
1	186	Miscellaneous Deferred Debits			
2		Items List:			
3		Intangible Asset - Engineering License	540,307	540,307	
4		Pension Funding Assets	22,134,087	37,605,926	
5		Post Retirement and Healthcare Funding Asset	21,744,343	28,812,259	
6					
7					
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11					
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40	Total		44,418,737	66,958,492	

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2015
Schedule X - Research, Development, or Demonstration Expenditures					
1. Describe each material research, development, or demonstration project that incurred costs by the service corporation during the year. Items less than \$50,000 may be grouped, showing the number of items in each group.					
Line No.	Account Number (a)	Title of Account (b)	Amount (c)		
1	188	Research, Development, or Demonstration Expenditures			
2		Project List:			
3					
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40	Total				

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2015		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2015	
Schedule XI - Proprietary Capital									
<p>1. For miscellaneous paid-in capital (Account 211) and appropriate retained earnings (Account 215), classify amounts in each account, with a brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.</p> <p>2. For the unappropriated retained earnings (Account 216), in a footnote, give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentages, amount of dividend, date declared and date paid.</p>									
Line No.	Account Number (a)	Title of Account (b)	Description (c)	Amount (d)					
1	201	Common Stock Issued	Number of Shares Authorized	300					
2			Par or Stated Value per Share	10.00					
3			Outstanding Number of Shares						
4			Close of Period Amount	540,307					
5		Preferred Stock Issued	Number of Shares Authorized						
6			Par or Stated Value per Share						
7			Outstanding Number of Shares						
8			Close of Period Amount						
9	211	Miscellaneous Paid-In Capital		17,359,636					
10	215	Appropriated Retained Earnings							
11	219	Accumulated Other Comprehensive Income		(52,720,717)					
12	216	Unappropriated Retained Earnings	Balance at Beginning of Year	2,662,244					
13			Net Income or (Loss)	581,343					
14			Dividend Paid						
15			Balance at Close of Year	3,243,587					

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Schedule XII – Long Term Debt									
<p>1. For the advances from associate companies (Account 223), describe in a footnote the advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation in Column (c).</p> <p>2. For the deductions in Column (h), please give an explanation in a footnote.</p> <p>3. For other long-term debt (Account 224), list the name of the creditor company or organization in Column (b).</p>									
Line No.	Account Number	Title of Account	Term of Obligation Class & Series of Obligation (c)	Date of Maturity (d)	Interest Rate (e)	Amount Authorized (f)	Balance at Beginning of Year (g)	Additions Deductions (h)	Balance at Close of Year (i)
1	223	Advances from Associate Companies							
2		Associate Company:							
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13		TOTAL							
14	224	Other Long-Term Debt							
15		List Creditor:							
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28		TOTAL							

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Schedule XIII – Current and Accrued Liabilities					
<p>1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234). 2. Give description and amount of miscellaneous current and accrued liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.</p>					
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)	
1	233	Notes Payable to Associates Companies	0		
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24	234	Accounts Payable to Associate Companies	435,532,793	439,464,411	
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	242	Miscellaneous Current and Accrued Liabilities			
42		Accrued Vacation	2,598,150	2,426,181	
43		Accrued Incentive Compensation	1,149,922	1,740,682	
44		Miscellaneous Payroll Tax Liability	52,086	43,497	
45		Accrued Healthcare	562,499	628,038	
46					
47					
48					
49					
50		(Total)	439,895,450	444,302,809	

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FOOTNOTE DATA

Schedule Page: 203 Line No.: 1 Column: c

Each company has a Money Pool Net Payable - Receivable position, as reflected in Schedule XIV - Notes to Financial Statements Note 4.

Schedule Page: 203 Line No.: 24 Column: c

Boston Gas Company	\$	2,219,675
Brooklyn Union Gas-KEDNY		3,104,850
Colonial Gas Company		481,086
Massachusetts Electric Company		346,126,970
Metro Energy L.L.C.		3,147,137
Metrowest Realty LLC		3,625,385
Nantucket Electric Company		1,129,613
Narragansett Electric Company		10
NE Hydro-Trans Corp		2,455,655
NG Corporate Services LLC		9,877
NG Corporation		17,032
NG Development Holdings Corp		740,286
NG Energy Management LLC		11,831,190
NG Gas East Corp-KEDLI		46,720
NG Generation LLC		8,380,470
NG Glenwood Energy Center LLC		159,053
NG LNG LP RegulatedEntity		18,627
NG NEHoldings 2 LLC		753
NG PortJeff Energy Center		200,095
NG Services, Inc.		18,931
NG USA Parent		25,656,976
NG USA Service Company, Inc		20,453,756
Niagara Mohawk Power Corporation		5,694,182
Transgas Inc		14,445
Wayfinder Group, Inc.		19
		<hr/>
		<hr/>
Total	\$	435,532,793

Schedule Page: 203 Line No.: 24 Column: d

Boston Gas Company	\$	1,962,049
Brooklyn Union Gas-KEDNY		1,778,869
Colonial Gas Company		414,239
KeySpan Corporation		358,579,241
KeySpan Gas East Corp-KEDLI		1,769,957
Massachusetts Electric Company		3,268,237
Metro Energy L.L.C.		1,129,612
Metrowest Realty LLC		10
Nantucket Electric Company		118,026

FERC FORM NO. 60 (NEW 12-05)

Footnotes.1

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FOOTNOTE DATA

Narragansett Electric Company	1,899,349
NE Electric Trans Corp	3,575
NE Hydro-Trans Elec Co	23,802
New England Power Company	133,438
NG Development Holdings Corp	11,809,350
NG Generation LLC	6,161,301
NG Glenwood Energy Center LLC	145,878
NG LNG LP RegulatedEntity	18,629
NG PortJeff Energy Center	307,198
NG USA Parent	25,584,146
NG USA Service Company, Inc	17,794,295
Niagara Mohawk Power Corporation	6,540,603
Transgas Inc	22,591
Wayfinder Group, Inc.	19
<hr/>	
Total	\$ 439,464,411

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Schedule XIV- Notes to Financial Statements			

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Account 434, Extraordinary Income, or Account 435, Extraordinary Deductions.
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate service company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

NATIONAL GRID ENGINEERING & SURVEY, INC.

SCHEDULE XIV - NOTES TO UNAUDITED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization

National Grid Engineering and Survey, Inc. ("NGENG" or the "Company") is a wholly-owned subsidiary of KeySpan Corporation ("KeySpan"), a holding company under the Public Utility Holding Company Act of 2005 ("PUHCA 2005"). The primary operating companies of KeySpan are Brooklyn Union Gas Company, KeySpan Gas East Corporation, Boston Gas Company, Colonial Gas Company and National Grid Generation LLC.

KeySpan is a wholly-owned subsidiary of National Grid USA ("NGUSA"), a public utility holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution and sale of natural gas and electricity.

NGUSA is a wholly-owned subsidiary of National Grid North America, Inc. ("NGNA"), which is a wholly-owned subsidiary of National Grid plc, a public limited company incorporated under the laws of England and Wales.

Pursuant to PUHCA 2005, FERC has jurisdiction over certain holding company activities, including (i) regulating certain transactions among affiliates within KeySpan's and NGUSA's holding company system; (ii) governing the issuance, acquisition and disposition of securities and assets by certain of KeySpan's and NGUSA's public utility subsidiaries; and (iii) approving certain utility mergers and acquisitions.

In addition, KeySpan's and NGUSA's affiliate transactions are subject to certain regulations of the Public Service Commission of the State of New York, the Massachusetts Department of Public Utility, the Rhode Island Public Utilities Commission and the New Hampshire Public Utility Commission.

Description of Business

Pursuant to Service Agreements between NGENG, KeySpan and NGUSA and all affiliated companies (collectively, the "Client Companies"), NGENG advises and assists Client Companies in the study, planning, engineering, maintenance and construction of energy plant facilities of each Client Company and of the Gas Systems and the Electric Systems as a whole, and advise, assist

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Schedule XIV- Notes to Financial Statements			

and manage the planning, engineering and construction operations of Client Companies.

Revenues are recognized on a cost of service basis. Cost of services provided to Client Companies are allocated in accordance with applicable federal and state requirements. Costs are: (1) directly assigned where possible; (2) allocated using a reasonable and equitable allocation ratio based upon a cost-causation relationship; or (3) allocated broad based. Service allocation ratios are defined in the Service Agreements. Cost of service includes all costs of doing business incurred by the Company, including a reasonable return on capital.

Basis of Presentation

The financial statements included in this filing were prepared using the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts for Centralized Service Companies, subject to the provision of PUHCA 2005. Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment is stated at original cost. The cost of repairs and maintenance is charged to expense and the cost of renewals and betterments that extend the useful life of utility plant is capitalized. The capitalized cost of additions to property and equipment includes costs such as direct material, labor and benefits, and capitalized interest.

Depreciation is computed over the estimated useful life of the asset using the composite straight-line method. Depreciation studies are conducted periodically to update the composite rates. The average composite rate for the years ended December 31, 2015 and 2014 was 5.2% and 12.3%, respectively. The average service life for each of the years ended December 31, 2015 and 2014 was 9 years. When utility plant is retired, the original cost, less salvage, is charged to accumulated depreciation.

The following table summarizes property and equipment at cost along with accumulated depreciation and amortization:

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	December 31, 2015	December 31, 2014
	<i>(in thousands of dollars)</i>	
Land and Buildings	\$ 272	\$ 23
Office Furniture and Equipment	1,017	1,009
Machinery and Equipment	34	34
Construction Work in Progress	818	656
Total	2,141	1,722
Accumulated Depreciation	(876)	(748)
Property and Equipment, Net	<u>\$ 1,265</u>	<u>\$ 974</u>

Income Taxes

Federal and state income taxes have been computed utilizing the asset and liability approach that requires the recognition of deferred tax assets and liabilities for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Deferred income taxes also reflect the tax effect of net operating losses, capital losses and general business credit carryforwards.

The effects of tax positions are recognized in the financial statements when it is more likely than not that the position taken or expected to be taken in a tax return will be sustained upon examination by taxing authorities based on the technical merits of the position. The financial effect of changes in tax laws or rates is accounted for in the period of enactment. Deferred investment tax credits are amortized over the useful life of the underlying property.

NGNA files consolidated federal tax returns including all of the activities of its subsidiaries. Each subsidiary company determines its current and deferred taxes based on the separate return method. The Company settles its current tax liability or benefit each year with NGNA pursuant to a tax sharing arrangement between NGNA and its subsidiaries. Tax benefits attributable to the tax attributes of other group companies and allocated by NGNA are treated as capital contributions.

Note 2. Postretirement Benefits

Pension: NGENG employees are members of KeySpan's noncontributory defined benefit pension plans covering substantially all employees associated with KeySpan. Benefits are based on years of service and compensation. Pension costs are allocated to NGENG. Pension obligations and assets are commingled and are not allocated to NGENG and other participating companies. Pension expense attributed to NGENG for the years ended December 31, 2015 and 2014, was approximately \$9.1 million and \$6.1 million, respectively. These costs are allocated to client companies as burden costs based upon direct labor costs of NGENG. Funding for pensions is in accordance with requirements of federal law and regulations.

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Other Postretirement Benefits: NGENG employees are members of KeySpan's noncontributory defined benefit plans, which provide certain health care and life insurance benefits for retired employees of KeySpan. Other postretirement benefit costs are allocated to NGENG. Other postretirement obligations and assets are commingled and are not allocated to NGENG and other participating companies. KeySpan has been funding a portion of future benefits over employees' active service lives through Voluntary Employee Beneficiary Association (VEBA) trusts. Contributions to VEBA trusts are tax deductible, subject to limitations contained in the Internal Revenue Code. Other Postretirement benefit expense attributed to NGENG for the years ended December 31, 2015 and 2014 was approximately \$5.8 million and \$4.1 million, respectively. These costs are allocated to client companies as burden costs based upon direct labor costs of NGENG.

KeySpan's pension and postretirement benefit other than pension ("PBOP") plans that the Company participates in have unfunded obligations at December 31, 2015 of approximately \$1 billion each.

Note 3. Receivable from Associate Companies – Money Pool

The Company participates in the Regulated Money Pool ("Pool") which is administered by National Grid USA Service Company, Inc. on behalf of regulated National Grid entities. The Pool is funded by operating funds from pool participants and, if necessary, advances from KeySpan and NGUSA. The Pool invests excess funds, if any, on a short-term basis. Participants providing funds to the money pool share in the interest earned on loans and investments on a basis proportionate to their investment in the money pool. Participants borrowing from the money pool pay interest at a rate generally equal to NGUSA's short-term borrowing rate, plus a proportionate share of the administrative costs incurred in obtaining required funds.

At December 31, 2015, the Company had a net lending position in the Pool of \$156.9 million. This balance is included in Account Receivable from Associate Companies in the accompanying Balance Sheet.

Note 4. Income Tax

Components of Income Tax Expense

The components of federal and state income tax expense (benefit) are as follows:

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	Years Ended December 31,	
	2015	2014
	<i>(in thousands of dollars)</i>	
Current tax expense (benefit):		
Federal	\$ 157	\$ 10,803
State	1,398	(3,465)
Total current tax expense (benefit)	<u>1,555</u>	<u>7,338</u>
Deferred tax expense (benefit):		
Federal	(109)	(11,404)
State	(1,373)	4,606
Total deferred tax expense (benefit)	<u>(1,482)</u>	<u>(6,798)</u>
Amortized investment tax credits ⁽¹⁾	-	-
Total deferred tax expense	<u>(1,482)</u>	<u>(6,798)</u>
Total income tax expense (benefit)	<u>\$ 73</u>	<u>\$ 540</u>

⁽¹⁾ Investment tax credits (ITC) are being deferred and amortized over the depreciable life of the property giving rise to the credits

Total income taxes in the statements of income:		
Income taxes charged to operations	\$ 73	\$ 540
Income taxes credited to other income (deductions)	-	-
Total	<u>\$ 73</u>	<u>\$ 540</u>

Statutory Rate Reconciliation

The Company's effective tax rates for the years ended December 31, 2015 and 2014 are 11.16% and -741.09%, respectively. The following table presents a reconciliation of income tax expense at the federal statutory tax rate of 35% to the actual tax expense:

	Years Ended December 31,	
	2015	2014
	<i>(in thousands of dollars)</i>	
Computed tax	\$ 229	\$ (26)
Change in computed taxes resulting from:		
State income tax, net of federal benefit	16	742
Adjustments related to prior year, federal and state	(102)	(53)
Employee stock ownership plan dividends		(180)
Other items - net	(70)	57
Total	<u>(156)</u>	<u>566</u>
Federal and state income taxes	<u>\$ 73</u>	<u>\$ 540</u>

The Company is a member of the National Grid North America Inc. ("NGNA") and subsidiaries consolidated federal income tax return. The Company has joint and several liability for any potential assessments against the consolidated group.

The Company adopted the provisions of FASB guidance which clarifies the accounting for uncertain

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tax positions as modified by FERC Docket AI07-2-000. FASB guidance provides that the financial effects of a tax position shall initially be recognized when it is more likely than not, based on the technical merits, that the position will be sustained upon examination, assuming the position will be audited and the taxing authority has full knowledge of all relevant information. FERC docket AI07-2-000 issues supplementary guidance requiring entities to continue to recognize deferred income taxes for Commission accounting and reporting purposes based on the difference between positions taken in tax returns filed or expected to be filed and amounts reported in the financial statements. As of December 31, 2015 and December 31, 2014, the Company did not have any unrecognized tax benefits on a FERC basis.

It is reasonably possible that other events will occur during the next 12 months that would cause the total amount of unrecognized tax benefits to increase or decrease. However, the Company does not believe any such increases or decreases would be material to their results of operations, financial position, or liquidity.

On March 31, 2014, New York's legislature enacted, as part of the 2014-15 budget package, legislation which included significant tax changes. For tax years beginning on or after January 1, 2016, the New York corporate franchise rate is reduced from 7.1% to 6.5%. Additionally, for tax years beginning on or after January 1, 2015, New York State ("NYS") will generally require combined reporting if the taxpayer is engaged in a unitary business and a 50% common ownership test is met. The Metropolitan Transportation Authority ("MTA") surcharge rate increased from 17% to 25.6% of the New York rate for taxable years beginning after 2014 and before 2016. For subsequent years, the rate is to be adjusted by the Commissioner of the New York State Department of Taxation and Finance. As of March 31, 2015, the Company remeasured its NYS deferred tax assets and liabilities based upon the enacted law that will apply when the corresponding state temporary differences are expected to be realized or settled. Specifically, to reflect the decrease in tax rate, the Company decreased its NYS deferred tax liability by \$0.4 million with an offset to deferred tax expense.

Deferred Tax Components

Significant components of the Company's net deferred tax assets and liabilities at December 31, 2015 and December 31, 2014 are as follows:

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	Years Ended December 31,	
	2015	2014
	<i>(in thousands of dollars)</i>	
Deferred tax assets:		
Net operating losses	70,331	46,807
Reserves not currently deducted	37	22
Other items	-	155
Total deferred tax assets ⁽¹⁾	<u>70,368</u>	<u>46,984</u>
Deferred tax liabilities:		
Pensions, OPEB and other employee benefits	28,214	19,086
Future federal benefit on state taxes	5,034	3,663
Property related differences	37	85
Other items	60	-
Total deferred tax liabilities	<u>33,345</u>	<u>22,834</u>
Net deferred income tax asset	37,023	24,150
Deferred investment tax credits	-	-
Net deferred income tax asset and investment tax credits	<u>37,023</u>	<u>24,150</u>
Current portion of net deferred income tax asset, net	-	-
Deferred income tax assets, net	<u>\$ 37,023</u>	<u>\$ 24,150</u>

(1) There were no valuation allowances for deferred tax assets at December 31, 2015 or 2014.

Federal income tax returns have been examined and all appeals and issues have been agreed with the Internal Revenue Service ("IRS") and the NGNA consolidated filing group, through March 31, 2007.

During the year ended March 31, 2014, the IRS concluded its examination of the NGNA consolidated filing group's corporate income tax returns for the years ended March 31, 2008 through 2009. These examinations were completed on March 31, 2014, with an agreement on the majority of income tax issues for the years referenced above, as well as an acknowledgment that certain discrete items remain disputed. NGNA is in the process of appealing these disputed issues with the IRS Office of Appeals. The Company does not anticipate a change in its unrecognized tax positions in the next twelve months as a result of the appeals. However, pursuant to the Company's tax sharing agreement, the audit or appeals may result in a change to allocated tax. The tax returns for the years ended March 31, 2010 through March 31, 2016 remain subject to examination by the IRS.

The years ended March 31, 2009 through March 31, 2016 remain subject to examination by the State of New York.

The following table indicates the earliest tax year subject to examination for each major jurisdiction:

Jurisdiction	Tax Year
Federal	March 31, 2008*
New York	March 31, 2009

*The NGNA consolidated filing group is in the process of appealing certain disputed issues with the IRS Office of Appeals for the fiscal years ended March 31, 2008 through March 31, 2009.

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Schedule XV- Comparative Income Statement					
Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)	
1		SERVICE COMPANY OPERATING REVENUES			
2	400	Service Company Operating Revenues	61,275,997	51,717,792	
3		SERVICE COMPANY OPERATING EXPENSES			
4	401	Operation Expenses	42,195,606	38,833,179	
5	402	Maintenance Expenses	16,525,638	13,206,717	
6	403	Depreciation Expenses	128,014	174,199	
7	403.1	Depreciation Expense for Asset Retirement Costs			
8	404	Amortization of Limited-Term Property			
9	405	Amortization of Other Property			
10	407.3	Regulatory Debits			
11	407.4	Regulatory Credits			
12	408.1	Taxes Other Than Income Taxes, Operating Income	2,717,371	1,353,425	
13	409.1	Income Taxes, Operating Income	1,554,761	7,337,886	
14	410.1	Provision for Deferred Income Taxes, Operating Income	(1,481,711)	(6,797,877)	
15	411.1	Provision for Deferred Income Taxes – Credit , Operating Income			
16	411.4	Investment Tax Credit, Service Company Property			
17	411.6	Gains from Disposition of Service Company Plant			
18	411.7	Losses from Disposition of Service Company Plant			
19	411.10	Accretion Expense			
20	412	Costs and Expenses of Construction or Other Services			
21	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work			
22		TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21)	61,639,679	54,107,529	
23		NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22)	(363,682)	(2,389,737)	
24		OTHER INCOME			
25	418.1	Equity in Earnings of Subsidiary Companies			
26	419	Interest and Dividend Income	991,656	414,837	
27	419.1	Allowance for Other Funds Used During Construction			
28	421	Miscellaneous Income or Loss			
29	421.1	Gain on Disposition of Property			
30		TOTAL OTHER INCOME (Total of Lines 25-29)	991,656	414,837	
31		OTHER INCOME DEDUCTIONS			
32	421.2	Loss on Disposition of Property			
33	425	Miscellaneous Amortization			
34	426.1	Donations			
35	426.2	Life Insurance			
36	426.3	Penalties			
37	426.4	Expenditures for Certain Civic, Political and Related Activities			
38	426.5	Other Deductions	11,861	(1,441,674)	
39		TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38)	11,861	(1,441,674)	
40		TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS			

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Schedule XV- Comparative Income Statement (continued)					
Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)	
41	408.2	Taxes Other Than Income Taxes, Other Income and Deductions			
42	409.2	Income Taxes, Other Income and Deductions			
43	410.2	Provision for Deferred Income Taxes, Other Income and Deductions			
44	411.2	Provision for Deferred Income Taxes – Credit, Other Income and Deductions			
45	411.5	Investment Tax Credit, Other Income Deductions			
46		TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Total of Lines 41-45)			
47		INTEREST CHARGES			
48	427	Interest on Long-Term Debt			
49	428	Amortization of Debt Discount and Expense			
50	429	(less) Amortization of Premium on Debt- Credit			
51	430	Interest on Debt to Associate Companies			2,922
52	431	Other Interest Expense	34,770	76,729	
53	432	(less) Allowance for Borrowed Funds Used During Construction-Credit			
54		TOTAL INTEREST CHARGES (Total of Lines 48-53)	34,770	79,651	
55		NET INCOME BEFORE EXTRAORDINARY ITEMS (Total of Lines 23, 30, minus 39, 46, and 54)	581,343	(612,877)	
56		EXTRAORDINARY ITEMS			
57	434	Extraordinary Income			
58	435	(less) Extraordinary Deductions			
59		Net Extraordinary Items (Line 57 less Line 58)			
60	409.4	(less) Income Taxes, Extraordinary			
61		Extraordinary Items After Taxes (Line 59 less Line 60)			
62		NET INCOME OR LOSS/COST OF SERVICE (Total of Lines 55-61)	581,343	(612,877)	

Name of Respondent		FERC PDF (Unofficial) 04/28/2016		This Report Is:		Resubmission Date		Year/Period of Report	
National Grid Engineering & Survey, Inc.				(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		/ /		Dec 31, 2015	
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies									
1. Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.									
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	
1	403-403.1	Depreciation Expense	128,014		128,014				
2	404-405	Amortization Expense							
3	407.3-407.4	Regulatory Debits/Credits – Net							
4	408.1-408.2	Taxes Other Than Income Taxes	2,717,371		2,717,371				
5	409.1-409.3	Income Taxes		1,554,760	1,554,760				
6	410.1-411.2	Provision for Deferred Taxes		(1,481,711)	(1,481,711)				
7	411.1-411.2	Provision for Deferred Taxes – Credit							
8	411.6	Gain from Disposition of Service Company Plant							
9	411.7	Losses from Disposition of Service Company Plant							
10	411.4-411.5	Investment Tax Credit Adjustment							
11	411.10	Accretion Expense							
12	412	Costs and Expenses of Construction or Other Services							
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies							
14	418	Non-operating Rental Income							
15	418.1	Equity in Earnings of Subsidiary Companies							
16	419	Interest and Dividend Income		991,656	991,656				
17	419.1	Allowance for Other Funds Used During Construction							
18	421	Miscellaneous Income or Loss							
19	421.1	Gain on Disposition of Property							
20	421.2	Loss on Disposition Of Property							
21	425	Miscellaneous Amortization							
22	426.1	Donations							
23	426.2	Life Insurance							
24	426.3	Penalties							
25	426.4	Expenditures for Certain Civic, Political and Related Activities							
26	426.5	Other Deductions	11,864		11,864				
27	427	Interest On Long-Term Debt							
28	428	Amortization of Debt Discount and Expense							
29	429	Amortization of Premium on Debt – Credit							
30	430	Interest on Debt to Associate Companies							
31	431	Other Interest Expense		34,770	34,770				
32	432	Allowance for Borrowed Funds Used During Construction							
33	500-509	Total Steam Power Generation Operation Expenses	7,791,741		7,791,741				
34	510-515	Total Steam Power Generation Maintenance Expenses	8,486,917		8,486,917				

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Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	
35	517-525	Total Nuclear Power Generation Operation Expenses	1,829		1,829				
36	528-532	Total Nuclear Power Generation Maintenance Expenses							
37	535-540.1	Total Hydraulic Power Generation Operation Expenses							
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses							
39	546-550.1	Total Other Power Generation Operation Expenses	1,271,526		1,271,526				
40	551-554.1	Total Other Power Generation Maintenance Expenses	7,784,533		7,784,533				
41	555-557	Total Other Power Supply Operation Expenses							
42	560	Operation Supervision and Engineering							
43	561.1	Load Dispatch-Reliability							
44	561.2	Load Dispatch-Monitor and Operate Transmission System							
45	561.3	Load Dispatch-Transmission Service and Scheduling							
46	561.4	Scheduling, System Control and Dispatch Services							
47	561.5	Reliability Planning and Standards Development							
48	561.6	Transmission Service Studies							
49	561.7	Generation Interconnection Studies							
50	561.8	Reliability Planning and Standards Development Services							
51	562	Station Expenses (Major Only)							
52	563	Overhead Line Expenses (Major Only)							
53	564	Underground Line Expenses (Major Only)							
54	565	Transmission of Electricity by Others (Major Only)							
55	566	Miscellaneous Transmission Expenses (Major Only)	30		30				
56	567	Rents							
57	567.1	Operation Supplies and Expenses (Nonmajor Only)							
58		Total Transmission Operation Expenses	30		30				
59	568	Maintenance Supervision and Engineering (Major Only)							
60	569	Maintenance of Structures (Major Only)							
61	569.1	Maintenance of Computer Hardware							
62	569.2	Maintenance of Computer Software							
63	569.3	Maintenance of Communication Equipment							
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant							
65	570	Maintenance of Station Equipment (Major Only)	109		109				
66	571	Maintenance of Overhead Lines (Major Only)							
67	572	Maintenance of Underground Lines (Major Only)							
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)							

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National Grid Engineering & Survey, Inc.				(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		/ /		Dec 31, 2015	
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	
69	574	Maintenance of Transmission Plant (Nonmajor Only)							
70		Total Transmission Maintenance Expenses	109		109				
71	575.1-575.8	Total Regional Market Operation Expenses							
72	576.1-576.5	Total Regional Market Maintenance Expenses							
73	580-589	Total Distribution Operation Expenses	3,935		3,935				
74	590-598	Total Distribution Maintenance Expenses	212,641		212,641				
75		Total Electric Operation and Maintenance Expenses	28,410,510	(883,837)	27,526,673				
76	700-798	Production Expenses (Provide selected accounts in a footnote)							
77	800-813	Total Other Gas Supply Operation Expenses							
78	814-826	Total Underground Storage Operation Expenses							
79	830-837	Total Underground Storage Maintenance Expenses							
80	840-842.3	Total Other Storage Operation Expenses	31,669		31,669				
81	843.1-843.9	Total Other Storage Maintenance Expenses							
82	844.1-846.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses	18,784		18,784				
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses	24,586		24,586				
84	850	Operation Supervision and Engineering							
85	851	System Control and Load Dispatching							
86	852	Communication System Expenses							
87	853	Compressor Station Labor and Expenses							
88	854	Gas for Compressor Station Fuel							
89	855	Other Fuel and Power for Compressor Stations							
90	856	Mains Expenses							
91	857	Measuring and Regulating Station Expenses							
92	858	Transmission and Compression of Gas By Others							
93	859	Other Expenses							
94	860	Rents							
95		Total Gas Transmission Operation Expenses							
96	861	Maintenance Supervision and Engineering							
97	862	Maintenance of Structures and Improvements							
98	863	Maintenance of Mains	5,969		5,969				
99	864	Maintenance of Compressor Station Equipment							
100	865	Maintenance of Measuring And Regulating Station Equipment							
101	866	Maintenance of Communication Equipment							
102	867	Maintenance of Other Equipment							
103		Total Gas Transmission Maintenance Expenses	5,969		5,969				
104	870-881	Total Distribution Operation Expenses	201,175		201,175				

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National Grid Engineering & Survey, Inc.				(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		/ /		Dec 31, 2015	
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	
105	885-894	Total Distribution Maintenance Expenses	7,535		7,535				
106		Total Natural Gas Operation and Maintenance Expenses	289,718		289,718				
107	901	Supervision							
108	902	Meter reading expenses	238		238				
109	903	Customer records and collection expenses	5,514		5,514				
110	904	Uncollectible accounts							
111	905	Miscellaneous customer accounts expenses							
112	906	Total Customer Accounts Operation Expenses	5,752		5,752				
113	907	Supervision							
114	908	Customer assistance expenses							
115	909	Informational And Instructional Advertising Expenses							
116	910	Miscellaneous Customer Service And Informational Expenses							
117		Total Service and Informational Operation Accounts							
118	911	Supervision							
119	912	Demonstrating and Selling Expenses							
120	913	Advertising Expenses							
121	916	Miscellaneous Sales Expenses							
122		Total Sales Operation Expenses							
123	920	Administrative and General Salaries	11,776,903		11,776,903				
124	921	Office Supplies and Expenses	(845,016)		(845,016)				
125	923	Outside Services Employed	520		520				
126	924	Property Insurance							
127	925	Injuries and Damages	(315,638)		(315,638)				
128	926	Employee Pensions and Benefits	22,252,396		22,252,396				
129	928	Regulatory Commission Expenses							
130	930.1	General Advertising Expenses							
131	930.2	Miscellaneous General Expenses							
132	931	Rents							
133		Total Administrative and General Operation Expenses	32,869,165		32,869,165				
134	935	Maintenance of Structures and Equipment	3,346		3,346				
135		Total Administrative and General Maintenance Expenses	32,878,263		32,878,263				
136		Total Cost of Service	61,578,491	(883,837)	60,694,654				

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National Grid Engineering & Survey, Inc.				(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		/ /		Dec 31, 2015	
Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)									
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (f)	Total Charges for Services Indirect Cost (g)	Total Charges for Services Total Cost (k)				
1	403-403.1	Depreciation Expense	128,014		128,014				
2	404-405	Amortization Expense							
3	407.3-407.4	Regulatory Debits/Credits – Net							
4	408.1-408.2	Taxes Other Than Income Taxes	2,717,371		2,717,371				
5	409.1-409.3	Income Taxes		1,554,760	1,554,760				
6	410.1-411.2	Provision for Deferred Taxes		(1,481,711)	(1,481,711)				
7	411.1-411.2	Provision for Deferred Taxes – Credit							
8	411.6	Gain from Disposition of Service Company Plant							
9	411.7	Losses from Disposition of Service Company Plant							
10	411.4-411.5	Investment Tax Credit Adjustment							
11	411.10	Accretion Expense							
12	412	Costs and Expenses of Construction or Other Services							
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies							
14	418	Non-operating Rental Income							
15	418.1	Equity in Earnings of Subsidiary Companies							
16	419	Interest and Dividend Income		991,656	991,656				
17	419.1	Allowance for Other Funds Used During Construction							
18	421	Miscellaneous Income or Loss							
19	421.1	Gain on Disposition of Property							
20	421.2	Loss on Disposition Of Property							
21	425	Miscellaneous Amortization							
22	426.1	Donations							
23	426.2	Life Insurance							
24	426.3	Penalties							
25	426.4	Expenditures for Certain Civic, Political and Related Activities							
26	426.5	Other Deductions	11,864		11,864				
27	427	Interest On Long-Term Debt							
28	428	Amortization of Debt Discount and Expense							
29	429	Amortization of Premium on Debt – Credit							
30	430	Interest on Debt to Associate Companies							
31	431	Other Interest Expense		34,770	34,770				
32	432	Allowance for Borrowed Funds Used During Construction							
33	500-509	Total Steam Power Generation Operation Expenses	7,791,741		7,791,741				
34	510-515	Total Steam Power Generation Maintenance Expenses	8,486,917		8,486,917				

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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)									
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)				
35	517-525	Total Nuclear Power Generation Operation Expenses	1,829		1,829				
36	528-532	Total Nuclear Power Generation Maintenance Expenses							
37	535-540.1	Total Hydraulic Power Generation Operation Expenses							
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses							
39	546-550.1	Total Other Power Generation Operation Expenses	1,271,526		1,271,526				
40	551-554.1	Total Other Power Generation Maintenance Expenses	7,784,533		7,784,533				
41	555-557	Total Other Power Supply Operation Expenses							
42	560	Operation Supervision and Engineering							
43	561.1	Load Dispatch-Reliability							
44	561.2	Load Dispatch-Monitor and Operate Transmission System							
45	561.3	Load Dispatch-Transmission Service and Scheduling							
46	561.4	Scheduling, System Control and Dispatch Services							
47	561.5	Reliability Planning and Standards Development							
48	561.6	Transmission Service Studies							
49	561.7	Generation Interconnection Studies							
50	561.8	Reliability Planning and Standards Development Services							
51	562	Station Expenses (Major Only)							
52	563	Overhead Line Expenses (Major Only)							
53	564	Underground Line Expenses (Major Only)							
54	565	Transmission of Electricity by Others (Major Only)							
55	566	Miscellaneous Transmission Expenses (Major Only)	30		30				
56	567	Rents							
57	567.1	Operation Supplies and Expenses (Nonmajor Only)							
58		Total Transmission Operation Expenses	30		30				
59	568	Maintenance Supervision and Engineering (Major Only)							
60	569	Maintenance of Structures (Major Only)							
61	569.1	Maintenance of Computer Hardware							
62	569.2	Maintenance of Computer Software							
63	569.3	Maintenance of Communication Equipment							
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant							
65	570	Maintenance of Station Equipment (Major Only)	109		109				
66	571	Maintenance of Overhead Lines (Major Only)							
67	572	Maintenance of Underground Lines (Major Only)							
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)							

Name of Respondent: National Grid Engineering & Survey, Inc. FERC PDF (Unofficial) 04/28/2016 This Report Is: (1) An Original (2) A Resubmission Resubmission Date (Mo, Da, Yr) / / Year/Period of Report Dec 31, 2015

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (j)	Total Charges for Services Indirect Cost (i)	Total Charges for Services Total Cost (k)
69	574	Maintenance of Transmission Plant (Nonmajor Only)			
70		Total Transmission Maintenance Expenses	109		109
71	575.1-575.8	Total Regional Market Operation Expenses			
72	576.1-576.5	Total Regional Market Maintenance Expenses			
73	580-589	Total Distribution Operation Expenses	3,935		3,935
74	590-598	Total Distribution Maintenance Expenses	212,641		212,641
75		Total Electric Operation and Maintenance Expenses	28,410,510	(883,837)	27,526,673
76	700-708	Production Expenses (Provide selected accounts in a footnote)			
77	800-813	Total Other Gas Supply Operation Expenses			
78	814-828	Total Underground Storage Operation Expenses			
79	830-837	Total Underground Storage Maintenance Expenses			
80	840-842.3	Total Other Storage Operation Expenses	31,669		31,669
81	843.1-843.9	Total Other Storage Maintenance Expenses			
82	844.1-846.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses	18,784		18,784
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses	24,586		24,586
84	850	Operation Supervision and Engineering			
85	851	System Control and Load Dispatching			
86	852	Communication System Expenses			
87	853	Compressor Station Labor and Expenses			
88	854	Gas for Compressor Station Fuel			
89	855	Other Fuel and Power for Compressor Stations			
90	856	Mains Expenses			
91	857	Measuring and Regulating Station Expenses			
92	858	Transmission and Compression of Gas By Others			
93	859	Other Expenses			
94	860	Rents			
95		Total Gas Transmission Operation Expenses			
96	861	Maintenance Supervision and Engineering			
97	862	Maintenance of Structures and Improvements			
98	863	Maintenance of Mains	5,969		5,969
99	864	Maintenance of Compressor Station Equipment			
100	865	Maintenance of Measuring And Regulating Station Equipment			
101	866	Maintenance of Communication Equipment			
102	867	Maintenance of Other Equipment			
103		Total Gas Transmission Maintenance Expenses	5,969		5,969
104	870-881	Total Distribution Operation Expenses	201,175		201,175

Name of Respondent		FERC PDF (Unofficial) 04/28/2016		This Report Is:		Resubmission Date		Year/Period of Report	
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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)									
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (f)	Total Charges for Services Indirect Cost (g)	Total Charges for Services Total Cost (k)				
105	885-894	Total Distribution Maintenance Expenses	7,535		7,535				
106		Total Natural Gas Operation and Maintenance Expenses	289,718		289,718				
107	901	Supervision							
108	902	Meter reading expenses	238		238				
109	903	Customer records and collection expenses	5,514		5,514				
110	904	Uncollectible accounts							
111	905	Miscellaneous customer accounts expenses							
112	906	Total Customer Accounts Operation Expenses	5,752		5,752				
113	907	Supervision							
114	908	Customer assistance expenses							
115	909	Informational And Instructional Advertising Expenses							
116	910	Miscellaneous Customer Service And Informational Expenses							
117		Total Service and Informational Operation Accounts							
118	911	Supervision							
119	912	Demonstrating and Selling Expenses							
120	913	Advertising Expenses							
121	916	Miscellaneous Sales Expenses							
122		Total Sales Operation Expenses							
123	920	Administrative and General Salaries	11,776,903		11,776,903				
124	921	Office Supplies and Expenses	(845,016)		(845,016)				
125	923	Outside Services Employed	520		520				
126	924	Property Insurance							
127	925	Injuries and Damages	(315,638)		(315,638)				
128	926	Employee Pensions and Benefits	22,252,396		22,252,396				
129	928	Regulatory Commission Expenses							
130	930.1	General Advertising Expenses							
131	930.2	Miscellaneous General Expenses							
132	931	Rents							
133		Total Administrative and General Operation Expenses	32,869,165		32,869,165				
134	935	Maintenance of Structures and Equipment	3,346		3,346				
135		Total Administrative and General Maintenance Expenses	32,878,263		32,878,263				
136		Total Cost of Service	61,578,491	(883,837)	60,694,654				

Name of Respondent National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2016		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2015	
Schedule XVII - Analysis of Billing – Associate Companies (Account 457)									
1. For services rendered to associate companies (Account 457), list all of the associate companies.									
Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)				
1	Boston Gas Company	260,013			260,013				
2	Brooklyn Union Gas-KEDNY	815,674	(636,028)	10,905	190,551				
3	Colonial Gas Company	114,828			114,828				
4	Massachusetts Electric Co	846,339			846,339				
5	Nantucket Electric Co	50,411			50,411				
6	NE Electric Trans Corp	1,280			1,280				
7	NE Hydro-Trans Corp	2			2				
8	NE Hydro-Trans Elec Co	624			624				
9	New England Power Company	193,635			193,635				
10	NG Corporation	(1,707,751)			(1,707,751)				
11	NG Development Holdings Corp	99			99				
12	NG Energy Trading Svcs	(7)			(7)				
13	NG Gas East Corp-KEDLI	2,440,793	(302,893)	5,396	2,143,296				
14	NG Generation LLC	53,759,471	(4,687)	88	53,754,872				
15	NG Glenwood Energy Center	1,422,103			1,422,103				
16	NG LNG LP RegulatedEntity	2,534			2,534				
17	NG Port Jeff Energy Center	1,805,077	(201)	8	1,804,884				
18	NG Services, Inc.	1,342			1,342				
19	NG USA Parent	(1,088)			(1,088)				
20	NGUSA Service Company	302,314			302,314				
21	Niagara Mohawk Power Corp	1,424,593			1,424,593				
22	Transgas Inc	1,392			1,392				
23	Narragansett Electric Co	469,731			469,731				
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									
35									
36									
37									
38									
39									
40	Total	62,203,409	(943,809)	16,397	61,275,997				

Name of Responder National Grid Engineering & Survey, Inc.		FERC PDF (Unofficial) 04/28/2015		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2015	
Schedule XVIII – Analysis of Billing – Non-Associate Companies (Account 458)									
1. For services rendered to nonassociate companies (Account 458), list all of the nonassociate companies. In a footnote, describe the services rendered to each respective nonassociate company.									
Line No.	Name of Non-associate Company (a)	Account 458.1 Direct Costs Charged (b)	Account 458.2 Indirect Costs Charged (c)	Account 458.3 Compensation For Use of Capital (d)	Account 458.4 Excess of Deficiency on Servicing Non-associate Utility Companies (e)	Total Amount Billed (f)			
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
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31									
32									
33									
34									
35									
36									
37									
38									
39									
40	Total								

Name of Respondent 20160428-3006 FERC PDF (Unofficial) 04/28/2016 National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2015
Schedule XIX - Miscellaneous General Expenses - Account 930.2				
<p>1. Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses" classifying such expenses according to their nature. Amounts less than \$50,000 may be grouped showing the number of items and the total for the group. 2. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.</p>				
Line No.	Title of Account (a)	Amount (b)		
1	Misc Other Expenses			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
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24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	Total			

20160428-8006 FERC PDF (Unofficial) 04/28/2016

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2015
Schedule XX - Organization Chart			

1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization.

**National Grid Service Company
Organizational Chart
For the Year Ended December 31, 2014**

Appointed Category	Appointed As
Board	Director
Positions	
Officers	Chief Executive Officer - Engineer
Officers	Chief Executive Officer - Surveyor
Officers	Vice President
Officers	Vice President
Officers	Vice President
Officers	Vice President and Treasurer
Officers	Secretary
Officers	Controller
Officers	Assistant Treasurer
Officers	Assistant Secretary
Officers	Assistant Secretary
Officers	Assistant Secretary

20160428-8006 FERC PDF (Unofficial) 04/28/2016

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2015
Schedule XXI - Methods of Allocation			

1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator.
2. Include any other allocation methods used to allocate costs.

20160428-8006 FERC PDF (Unofficial) 04/28/2016

Document Content(s)

Form6020151200017.PDF.....1-44

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. ____

Form 60 Approved
OMB No. 1902-0215
Expires 05/31/2019



FERC FINANCIAL REPORT FERC FORM No. 60: Annual Report of Centralized Service Companies

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company) National Grid Engineering & Survey, Inc.	Year of Report Dec 31, 2016
---	---------------------------------------

FERC FORM No. 60 (12-06)

GENERAL INSTRUCTIONS FOR FILING FERC FORM NO. 60

I. Purpose

Form No. 60 is an annual regulatory support requirement under 18 CFR 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

II. Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to §§ 18 CFR 366.3 and 366.4 of this chapter, every centralized service company (see § 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

III. How to Submit

Submit FERC Form No. 60 electronically through the Form No. 60 Submission Software. Retain one copy of each report for your files. For any resubmissions, submit the filing using the Form No. 60 Submission Software including a justification. Respondents must submit the Corporate Officer Certification electronically.

IV. When to Submit

Submit FERC Form No. 60 according to the filing date contained § 18 CFR 369.1 of the Commission's regulations.

V. Preparation

Prepare this report in conformity with the Uniform System of Accounts (18 CFR 367) (USof A). Interpret all accounting words and phrases in accordance with the USof A.

VI. Time Period

This report covers the entire calendar year.

VII. Whole Dollar Usage

Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's amounts.

VIII. Accurateness

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IX. Applicability

For any page(s) that is not applicable to the respondent, enter "NONE," or "Not Applicable" in column (c) on the List of Schedules, page 2.

X. Date Format

Enter the month, day, and year for all dates. Use customary abbreviations. The "Resubmission Date" included in the header of each page is to be completed only for resubmissions (see III. above).

XI. Number Format

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by use of a minus sign.

XII. Required Entries

Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

XIII. Prior Year References

Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

XIV. Where to Send Comments on Public Reporting Burden

The public reporting burden for the Form No. 60 collection of information is estimated to average 75 hours per response, including

- the time for reviewing instructions, searching existing data sources,
- gathering and maintaining the data-needed, and
- completing and reviewing the collection of information.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to:

Federal Energy Regulatory Commission, (Attention: Information Clearance Officer, CIO),
888 First Street NE,
Washington, DC 20426
or by email to DataClearance@ferc.gov

And to:

Office of Information and Regulatory Affairs,
Office of Management and Budget, Washington, DC 20503 (Attention: Desk Office for the Federal
Energy Regulatory Commission).
Comments to OMB should be submitted by email to: oir_submission@omb.eop.gov

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

DEFINITIONS
I. Respondent -- The person, corporation, or other legal entity in whose behalf the report is made.

**FERC FORM NO. 60
ANNUAL REPORT FOR SERVICE COMPANIES**

IDENTIFICATION		
01 Exact Legal Name of Respondent National Grid Engineering & Survey, Inc.		02 Year of Report Dec 31, <u>2016</u>
03 Previous Name (If name changed during the year)		04 Date of Name Change / /
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 175 East Old Country Road, Hicksville, NY 11801		06 Name of Contact Person Joseph Marrese
07 Title of Contact Person Director of Regulatory Reporting		08 Address of Contact Person One Metrotech Center, Brooklyn, NY 11201
09 Telephone Number of Contact Person (929) 324-4805		10 E-mail Address of Contact Person joeseeph.marrese@nationalgrid.com
11 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		12 Resubmission Date (Month, Day, Year) / /
13 Date of Incorporation 07/09/1931	14 If Not Incorporated, Date of Organization / /	
15 State or Sovereign Power Under Which Incorporated or Organized NEW YORK		
16 Name of Principal Holding Company Under Which Reporting Company is Organized: KeySpan Corporation		
CORPORATE OFFICER CERTIFICATION		
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
17 Name of Signing Officer Sharon Partridge	19 Signature of Signing Officer Sharon Partridge	20 Date Signed (Month, Day, Year) 05/01/2017
18 Title of Signing Officer VP US Financial Controller		

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016
List of Schedules and Accounts				
1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.				
Line No.	Description (a)	Page Reference (b)	Remarks (c)	
1	Schedule I - Comparative Balance Sheet	101-102		
2	Schedule II - Service Company Property	103		
3	Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property	104		
4	Schedule IV - Investments	105	None	
5	Schedule V - Accounts Receivable from Associate Companies	106		
6	Schedule VI - Fuel Stock Expenses Undistributed	107	None	
7	Schedule VII - Stores Expense Undistributed	108	None	
8	Schedule VIII - Miscellaneous Current and Accrued Assets	109	None	
9	Schedule IX - Miscellaneous Deferred Debits	110		
10	Schedule X - Research, Development, or Demonstration Expenditures	111	None	
11	Schedule XI - Proprietary Capital	201		
12	Schedule XII - Long-Term Debt	202	None	
13	Schedule XIII - Current and Accrued Liabilities	203		
14	Schedule XIV - Notes to Financial Statements	204		
15	Schedule XV - Comparative Income Statement	301-302		
16	Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies	303-306		
17	Schedule XVII - Analysis of Billing - Associate Companies (Account 457)	307		
18	Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)	308	None	
21	Schedule XIX - Miscellaneous General Expenses - Account 930.2	307	None	
23	Schedule XX - Organization Chart	401		
24	Schedule XXI - Methods of Allocation	402		

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2016
Schedule 1 - Comparative Balance Sheet					
1. Give balance sheet of the Company as of December 31 of the current and prior year.					
Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		Service Company Property			
2	101	Service Company Property	103	1,791,380	1,323,043
3	101.1	Property Under Capital Leases	103		
4	106	Completed Construction Not Classified			
5	107	Construction Work In Progress	103	135,438	817,641
6		Total Property (Total Of Lines 2-5)		1,927,419	2,140,684
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104	459,488	876,331
8	111	Less: Accumulated Provision for Amortization of Service Company Property			
9		Net Service Company Property (Total of Lines 6-8)		1,467,931	1,264,353
10		Investments			
11	123	Investment In Associate Companies	105		
12	124	Other Investments	105		
13	128	Other Special Funds	105		
14		Total Investments (Total of Lines 11-13)			
15		Current And Accrued Assets			
16	131	Cash			
17	134	Other Special Deposits			
18	135	Working Funds			
19	138	Temporary Cash Investments			
20	141	Notes Receivable			
21	142	Customer Accounts Receivable			
22	143	Accounts Receivable		2,074	
23	144	Less: Accumulated Provision for Uncollectible Accounts			
24	146	Accounts Receivable From Associate Companies	106	304,442,849	312,144,660
25	152	Fuel Stock Expenses Undistributed	107		
26	154	Materials And Supplies			
27	163	Stores Expense Undistributed	108		
28	165	Prepayments			
29	171	Interest And Dividends Receivable			
30	172	Rents Receivable			
31	173	Accrued Revenues			
32	174	Miscellaneous Current and Accrued Assets			
33	175	Derivative Instrument Assets	109		
34	176	Derivative Instrument Assets - Hedges			
35		Total Current and Accrued Assets (Total of Lines 16-34)		304,444,923	312,144,660
36		Deferred Debits			
37	181	Unamortized Debt Expense			
38	182.3	Other Regulatory Assets			
39	183	Preliminary Survey And Investigation Charges			
40	184	Clearing Accounts			
41	185	Temporary Facilities			
42	186	Miscellaneous Deferred Debits		96,937,446	66,958,492
43	188	Research, Development, or Demonstration Expenditures	110		
44	189	Unamortized loss on reacquired debt	111		
45	190	Accumulated Deferred Income Taxes		78,439,763	70,367,776
46		Total Deferred Debits (Total of Lines 37-45)		175,377,209	137,326,268
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		481,290,063	450,735,287

Name of Respondent National Grid Engineering & Survey, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016
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Schedule I - Comparative Balance Sheet (continued)

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
48		Proprietary Capital			
49	201	Common Stock Issued	201	540,307	540,307
50	204	Preferred Stock Issued	201		
51	211	Miscellaneous Paid-In-Capital	201	17,359,636	17,359,636
52	215	Appropriated Retained Earnings	201		
53	216	Unappropriated Retained Earnings	201	4,411,288	3,243,587
54	219	Accumulated Other Comprehensive Income	201	(46,635,498)	(52,720,717)
55		Total Proprietary Capital (Total of Lines 49-54)		(24,324,267)	(31,577,187)
56		Long-Term Debt			
57	223	Advances From Associate Companies	202		
58	224	Other Long-Term Debt	202		
59	225	Unamortized Premium on Long-Term Debt			
60	226	Less: Unamortized Discount on Long-Term Debt-Debit			
61		Total Long-Term Debt (Total of Lines 57-60)			
62		Other Non-current Liabilities			
63	227	Obligations Under Capital Leases-Non-current			
64	228.2	Accumulated Provision for Injuries and Damages		2,042,502	2,051,951
65	228.3	Accumulated Provision For Pensions and Benefits			
66	230	Asset Retirement Obligations			
67		Total Other Non-current Liabilities (Total of Lines 63-66)		2,042,502	2,051,951
68		Current and Accrued Liabilities			
69	231	Notes Payable			
70	232	Accounts Payable		544,855	234,032
71	233	Notes Payable to Associate Companies	203		
72	234	Accounts Payable to Associate Companies	203	449,681,419	439,464,411
73	236	Taxes Accrued		(1,377,020)	(896,942)
74	237	Interest Accrued			
75	241	Tax Collections Payable		154	42,704
76	242	Miscellaneous Current and Accrued Liabilities	203	4,910,779	4,838,398
77	243	Obligations Under Capital Leases - Current			
78	244	Derivative Instrument Liabilities			
79	245	Derivative Instrument Liabilities - Hedges			
80		Total Current and Accrued Liabilities (Total of Lines 69-79)		453,760,187	443,682,603
81		Deferred Credits			
82	253	Other Deferred Credits		4,782,173	3,233,115
83	254	Other Regulatory Liabilities			
84	255	Accumulated Deferred Investment Tax Credits			
85	257	Unamortized Gain on Recquired Debt			
86	282	Accumulated deferred income taxes-Other property		6,685	36,900
87	283	Accumulated deferred income taxes-Other		45,022,783	33,307,905
88		Total Deferred Credits (Total of Lines 82-87)		49,811,641	36,577,920
89		TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88)		481,290,063	450,735,287

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2016	
Schedule II - Service Company Property							
1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote. 2. Describe each construction work in progress on lines 18 through 30 in Column (b).							
Line No.	Acct # (a)	Title of Account (b)	Balance at Beginning of Year (c)	Additions (d)	Retirements or Sales (e)	Other Changes (f)	Balance at End of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant					
3	306	Leasehold Improvements					
4	389	Land and Land Rights					
5	390	Structures and Improvements	272,241				272,241
6	391	Office Furniture and Equipment	1,017,015		543,750		473,265
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	3,658	397,075			400,733
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment	30,135				30,135
13	398	Miscellaneous Equipment		615,606			615,606
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs					
16		Total Service Company Property (Total of Lines 1-15)	1,323,049	1,012,681	543,750		1,791,980
17	107	Construction Work in Progress:					
18		Buildings & Structures					
19		Capitalized Software					
20		Office Furniture & Equipment	817,641			(682,202)	135,439
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31		Total Account 107 (Total of Lines 18-30)	817,641			(682,202)	135,439
32		Total (Lines 16 and Line 31)	2,140,690	1,012,681		(682,202)	1,927,419

Name of Respondent National Grid Engineering & Survey, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2016
FOOTNOTE DATA			

Schedule Page: 103 Line No.: 16 Column: g

Account Balance	Title of Company	Balance at December 31, 2015	Footnote Data			Balance at December 31, 2016
			Additions	Retirements or Sales	Other Changes	
	Total Line 16 of Page 103	1,323,049	1,012,681	(543,750)		1,791,980
121	Non Utility Property		-		-	-
	Total Service Company Property Per Schedule 1	1,323,049	1,012,681	(543,750)	-	1,791,980

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /		Year/Period of Report Dec 31, 2016	
Schedule III – Accumulated Provision for Depreciation and Amortization of Service Company Property							
1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.							
Line No.	Account Number (a)	Description (b)	Balance at beginning of Year (c)	Additions Charged To Account 403-403.1 404-405 (d)	Retirements (e)	Other Charges Additions (Deductions) (f)	Balance at Close of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant					
3	306	Leasehold Improvements					
4	389	Land and Land Rights					
5	390	Structures and Improvements	582				582
6	391	Office Furniture and Equipment	871,358	112,374	543,750		439,982
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	1,147	6,318			7,465
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment	18,258	1,808			20,066
13	398	Miscellaneous Equipment	(1,872)	6,407			4,535
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs	(13,142)				(13,142)
16		Total	876,331	126,907	543,750		459,488

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016
Schedule IV – Investments				
<p>1. For other investments (Account 124) and other special funds (Account 128), in a footnote state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.</p> <p>2. For temporary cash investments (Account 136), list each investment separately in a footnote.</p> <p>3. Investments less than \$50,000 may be grouped, showing the number of items in each group.</p>				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	123	Investment In Associate Companies		
2	124	Other Investments		
3	128	Other Special Funds		
4	136	Temporary Cash Investments		
5		(Total of Lines 1-4)		

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2016
Schedule V – Accounts Receivable from Associate Companies					
1. List the accounts receivable from each associate company.					
2. If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.					
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)	
1	146	Accounts Receivable From Associate Companies			
2		Associate Company:			
3		Boston Gas	111,163		135,846
4		Brooklyn Union Gas Co - KEDNY	161,861		193,992
5		Colonial Gas-Lowell	20,896		26,001
6		Nantucket Electric Company	1,394		2,165
7		Narragansett Electric Company	62,113		114,442
8		NE Electric Trans Corporation			57
9		NE Hydro-Trans Corporation	1,913		2,346
10		New England Power Company			13,870
11		NG Corporation	109,051,788		114,888,999
12		NG Development Holdings Corp	1,582,748		1,583,205
13		NG Energy Management LLC	8,405		8,405
14		NG Energy Trading Services LLC	2,419		2,447
15		NG Gas East Corp - KEDLI	71,781		100,588
16		NG LNG LP Regulated Entity	2,193		2,564
17		NG NEHoldings 2 LLC	624		624
18		NG Services, Inc.	483		1,116
19		NG USA Parent	42,889,213		42,889,213
20		NG USA Service Company	642,450		638,791
21		Transgas Inc	2,923		3,209
22		Niagara Mohawk Power Corp	444,332		527,416
23		Massachusetts Electric Co	148,343		205,980
24		NE Hydro-Trans Elec Co			486
25					
26					
27					
28		Detail of Convenience Payments Included Above - see footnote			
29					
30					
31		Notes Receivable from Associate Companies	156,917,598		143,101,387
32					
33					
34					
35					
36					
37					
38					
39					
40	Total		312,144,660		304,442,849

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016	
Schedule VI – Fuel Stock Expenses Undistributed					
<p>1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company.</p> <p>2. In a separate footnote, describe in a narrative the fuel functions performed by the service company.</p>					
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	162	Fuel Stock Expenses Undistributed			
2		Associate Company.			
3					
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Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016	
Schedule VII – Stores Expense Undistributed					
1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to stores expense during the year and indicate amount attributable to each associate company.					
Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	163	Stores Expense Undistributed			
2		Associate Company:			
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
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31					
32					
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37					
38					
39					
40	Total				

Name of Respondent		This Report Is:	Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2016
Schedule VIII - Miscellaneous Current and Accrued Assets				
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	174	Miscellaneous Current and Accrued Assets		
2		Item List:		
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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40	Total			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016
Schedule IX - Miscellaneous Deferred Debits				
1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	186	Miscellaneous Deferred Debits		
2		Items List:		
3		Intangible Asset - Engineering License	540,307	540,307
4		Pension Funding Assets	37,605,926	56,827,926
5		Post Retirement Healthcare Funding Asset	28,812,259	39,555,358
6		Miscellaneous Deferred Debits		13,859
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
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26				
27				
28				
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30				
31				
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38				
39				
40	Total		66,958,492	96,937,446

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016
Schedule X - Research, Development, or Demonstration Expenditures				
1. Describe each material research, development, or demonstration project that incurred costs by the service corporation during the year. Items less than \$50,000 may be grouped, showing the number of items in each group.				
Line No.	Account Number (a)	Title of Account (b)	Amount (c)	
1	186	Research, Development, or Demonstration Expenditures		
2		Project List:		
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	Total			

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016
Schedule XI - Proprietary Capital				
<p>1. For miscellaneous paid-in capital (Account 211) and appropriate retained earnings (Account 215), classify amounts in each account, with a brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.</p> <p>2. For the unappropriated retained earnings (Account 216), in a footnote, give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentages, amount of dividend, date declared and date paid.</p>				
Line No.	Account Number (a)	Title of Account (b)	Description (c)	Amount (d)
1	201	Common Stock Issued	Number of Shares Authorized	300
2			Par or Stated Value per Share	10.00
3			Outstanding Number of Shares	
4			Close of Period Amount	540,307
5		Preferred Stock Issued	Number of Shares Authorized	
6			Par or Stated Value per Share	
7			Outstanding Number of Shares	
8			Close of Period Amount	
9	211	Miscellaneous Paid-in Capital		17,359,636
10	215	Appropriated Retained Earnings		
11	219	Accumulated Other Comprehensive Income		(46,635,498)
12	216	Unappropriated Retained Earnings	Balance at Beginning of Year	3,243,587
13			Net Income or (Loss)	1,167,701
14			Dividend Paid	
15			Balance at Close of Year	4,411,288

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report				
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2016				
Schedule XII - Long Term Debt									
<p>1. For the advances from associate companies (Account 223), describe in a footnote the advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation in Column (c).</p> <p>2. For the deductions in Column (h), please give an explanation in a footnote.</p> <p>3. For other long-term debt (Account 224), list the name of the creditor company or organization in Column (b).</p>									
Line No.	Account Number	Title of Account	Term of Obligation Class & Series of Obligation (c)	Date of Maturity (d)	Interest Rate (e)	Amount Authorized (f)	Balance at Beginning of Year (g)	Additions/Deductions (h)	Balance at Close of Year (i)
1	223	Advances from Associate Companies							
2		Associate Company:							
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13		TOTAL							
14	224	Other Long-Term Debt							
15		List Creditor:							
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28		TOTAL							

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2016
Schedule XIII – Current and Accrued Liabilities					
<p>1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234).</p> <p>2. Give description and amount of miscellaneous current and accrued liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.</p>					
Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)	
1	233	Notes Payable to Associates Companies			
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24	234	Accounts Payable to Associate Companies	439,464,411	449,681,419	
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	242	Miscellaneous Current and Accrued Liabilities			
42		Accrued Vacation	2,426,181	2,478,741	
43		Accrued Incentive Compensation	1,740,682	1,571,529	
44		Miscellaneous Payroll Tax Liability	43,497	278,272	
45		Accrued Healthcare	628,036	582,237	
46					
47					
48					
49					
50		(Total)	444,302,809	454,592,198	

Name of Respondent	This Report is: (1) X An Original (2) A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report
National Grid Engineering & Survey, Inc.	(1) X An Original (2) A Resubmission		2016

FOOTNOTE DATA

Schedule Page: 203 Line No.: 24 Column: c

Boston Gas Company	1,962,049
Brooklyn Union Gas-KEDNY	1,778,869
Colonial Gas Company	414,239
EnergyNorth Natural Gas	-
KeySpan Corporation	358,579,241
KeySpan Gas East Corp-KEDLI	1,769,957
Massachusetts Electric Company	3,268,237
Metro Energy L.L.C.	1,129,612
Metrowest Realty LLC	10
Nantucket Electric Company	118,026
Narragansett Electric Company	1,899,349
National Grid Corporate Services LLC	-
NE Electric Trans Corp	3,575
NE Hydro-Trans Corp	-
NE Hydro-Trans Elec Co	23,802
New England Power Company	133,438
NG Development Holdings Corp	11,809,350
NG Energy Management LLC	-
NG Energy Trading Services LLC	-
NG Generation LLC	6,161,301
NG Glenwood Energy Center LLC	145,878
NG LNG LP RegulatedEntity	18,629
NG NEHoldings 2 LLC	-
NG PortJeff Energy Center	307,198
NG Services, Inc.	-
NG USA Parent	25,584,146
NG USA Service Company, Inc	17,794,295
NG Utility Services LLC	-
Niagara Mohawk Power Corporation	6,540,603
Transgas Inc	22,591
Wayfinder Group, Inc.	19
<hr/>	
Total	439,464,411

Schedule Page: 203 Line No.: 24 Column: d

Boston Gas Company	\$	1,961,748.21
Brooklyn Union Gas-KEDNY		1,826,582
Colonial Gas Company		414,169
KeySpan Corporation		367,748,721
KeySpan Gas East Corp-KEDLI		1,823,307
Massachusetts Electric Company		3,267,684

FERC FORM NO. 60 (NEW 12-05)

Footnotes.1

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report
National Grid Engineering & Survey, Inc.			2016

FOOTNOTE DATA

Metro Energy L.L.C.	1,129,612
Metrowest Realty LLC	10
Nantucket Electric Company	118,191
Narragansett Electric Company	1,899,012
NE Electric Trans Corp	3,587
NE Hydro-Trans Elec Co	23,906
New England Power Company	135,214
NG Development Holdings Corp	11,809,345
NG Generation LLC	7,041,008
NG Glenwood Energy Center LLC	145,617
NG LNG LP RegulatedEntity	18,626
NG PortJeff Energy Center	314,642
NG USA Parent	25,636,904
NG USA Service Company, Inc	17,801,185
Niagara Mohawk Power Corporation	6,539,633
Transgas Inc	22,698
Wayfinder Group, Inc.	19
Total	\$ 449,681,418.86

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2016
Schedule XIV- Notes to Financial Statements			

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Account 434, Extraordinary Income, or Account 435, Extraordinary Deductions.
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate service company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

NATIONAL GRID ENGINEERING & SURVEY, INC.

SCHEDULE XIV - NOTES TO UNAUDITED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization

National Grid Engineering and Survey, Inc. ("NGENG" or the "Company") is a wholly-owned subsidiary of KeySpan Corporation ("KeySpan"), a holding company under the Public Utility Holding Company Act of 2005 ("PUHCA 2005"). The primary operating companies of KeySpan are Brooklyn Union Gas Company, KeySpan Gas East Corporation, Boston Gas Company, Colonial Gas Company and National Grid Generation LLC.

KeySpan is a wholly-owned subsidiary of National Grid USA ("NGUSA"), a public utility holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution and sale of natural gas and electricity.

NGUSA is a wholly-owned subsidiary of National Grid North America, Inc. ("NGNA"), which is a wholly-owned subsidiary of National Grid plc, a public limited company incorporated under the laws of England and Wales.

Pursuant to PUHCA 2005, FERC has jurisdiction over certain holding company activities, including (i) regulating certain transactions among affiliates within KeySpan's and NGUSA's holding company system; (ii) governing the issuance, acquisition and disposition of securities and assets by certain of KeySpan's and NGUSA's public utility subsidiaries; and (iii) approving certain utility mergers and acquisitions.

In addition, KeySpan's and NGUSA's affiliate transactions are subject to certain regulations of the Public Service Commission of the State of New York, the Massachusetts Department of Public Utility, the Rhode Island Public Utilities Commission and the New Hampshire Public Utility Commission.

Description of Business

Pursuant to Service Agreements between NGENG, KeySpan and NGUSA and all affiliated companies (collectively, the "Client Companies"), NGENG advises and assists Client Companies in the study, planning, engineering, maintenance and construction of energy plant facilities of each Client Company and of the Gas Systems and the Electric Systems as a whole, and advise, assist and manage the planning, engineering and construction operations of Client Companies.

Revenues are recognized on a cost of service basis. Costs of services provided to Client Companies are allocated in accordance with applicable federal and state requirements. Costs are: (1) directly assigned where possible; (2)

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Schedule XIV- Notes to Financial Statements			

allocated using a reasonable and equitable allocation ratio based upon a cost-causation relationship; or (3) allocated broad based. Service allocation ratios are defined in the Service Agreements. Cost of service includes all costs of doing business incurred by the Company, including a reasonable return on capital.

Basis of Presentation

The financial statements included in this filing were prepared using the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts for Centralized Service Companies, subject to the provision of PUHCA 2005. Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment is stated at original cost. The cost of repairs and maintenance is charged to expense and the cost of renewals and betterments that extend the useful life of utility plant is capitalized. The capitalized cost of additions to property and equipment includes costs such as direct material, labor and benefits, and capitalized interest.

Depreciation is computed over the estimated useful life of the asset using the composite straight-line method. Depreciation studies are conducted periodically to update the composite rates. The average composite rate for the years ended December 31, 2016 and 2015 was 10.8% and 5.2%, respectively. The average service life for each of the years ended December 31, 2016 and 2015 was 9 years. When utility plant is retired, the original cost, less salvage, is charged to accumulated depreciation.

The following table summarizes property and equipment at cost along with accumulated depreciation and amortization:

	December 31, 2016	December 31, 2015
	<i>(in thousands of dollars)</i>	
Land and Buildings	272	\$ 272
Office Furniture and Equipment	473	1,017
Machinery and Equipment	1047	34
Construction Work in Progress	135	818
Total	<u>1927</u>	<u>2,141</u>
Accumulated Depreciation	<u>(459)</u>	<u>(876)</u>
Property and Equipment, Net	<u>\$ 1,468</u>	<u>\$ 1,265</u>

Income Taxes

Federal and state income taxes have been computed utilizing the asset and liability approach that requires the recognition of deferred tax assets and liabilities for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Deferred income taxes also reflect the tax effect of net operating losses, capital losses and general business credit carryforwards.

FERC FORM 60 (NEW 12-05)	204.2
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Schedule XIV- Notes to Financial Statements			

The effects of tax positions are recognized in the financial statements when it is more likely than not that the position taken or expected to be taken in a tax return will be sustained upon examination by taxing authorities based on the technical merits of the position. The financial effect of changes in tax laws or rates is accounted for in the period of enactment. Deferred investment tax credits are amortized over the useful life of the underlying property.

NGNA files consolidated federal tax returns including all of the activities of its subsidiaries. Each subsidiary company determines its current and deferred taxes based on the separate return method. The Company settles its current tax liability or benefit each year with NGNA pursuant to a tax sharing arrangement between NGNA and its subsidiaries. Tax benefits attributable to the tax attributes of other group companies and allocated by NGNA are treated as capital contributions.

New and Recent Accounting Guidance

Accounting Guidance Not Yet Adopted

Income Taxes

In October 2016, the FASB issued ASU No. 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory," which eliminates the exception for all intra-entity sales of assets other than inventory. As a result, a reporting entity would recognize the tax expense from the sale of the asset in the seller's tax jurisdiction when the transfer occurs, even though the pre-tax effects of that transaction are eliminated in consolidation. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2020, and interim periods thereafter, with early adoption permitted. The application of this guidance is not expected to have a material impact on the results of operations, cash flows, or financial position of the Company.

Financial Instruments—Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." The amendment replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2022, and interim periods thereafter, with early adoption permitted for the fiscal year ended March 31, 2020 and interim periods within. The Company is currently evaluating the impact of the new guidance on the presentation, results of operations, cash flows, and financial position of the Company.

Revenue Recognition

In August 2015, the FASB issued ASU 2015-14, "Revenue from Contracts with Customers – Deferral of the Effective Date." The new standard defers by one year the effective date of ASU 2014-09 "Revenue from Contracts with Customers (Topic 606)." The underlying principle of "Revenue from Contracts with Customers" is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to, in exchange for those goods or services. The new guidance must be adopted using either a full retrospective approach or a modified retrospective approach. For the Company, the new guidance is effective the fiscal year ended March 31, 2019, and interim periods thereafter, with early adoption permitted for the fiscal year ended March 31, 2018 and interim periods within.

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National Grid Engineering & Survey, Inc.		/ /	2016
Schedule XIV- Notes to Financial Statements			

Further, in March 2016, the FASB issued ASU 2016-08, which clarifies the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU No. 2016-10, "Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing," which provides guidance in the new revenue standard on identifying performance obligations and accounting for licenses of intellectual property. In May 2016, the FASB issued ASU 2016-12, providing additional clarity on various aspects of Topic 606, including a) Assessing the Collectability Criterion and Accounting for Contracts That Do Not Meet the Criteria for Step 1, b) Presentation of Sales Taxes and Other Similar Taxes Collected from Customers, c) Noncash Consideration, d) Contract Modifications at Transition, e) Completed Contracts at Transition, and f) Technical Correction. Lastly, in December 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-20, "Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers." The amendments in this Update cover a variety of corrections and improvements to the Codification related to the new revenue recognition standard (Accounting Standards Update No. 2014-09). The effective date and transition requirements for the amendments in these updates are the same as the effective date and transition requirements of ASU 2014-09. The Company is currently evaluating the impact of the new guidance on the presentation, results of operations, cash flows, and financial position of the Company.

Employee Share-Based Payment Accounting

In March 2016, the FASB issued ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting (Topic 718)," which simplifies several aspects of the accounting for share-based payment transactions, including the accounting for income taxes, forfeitures and statutory tax withholding requirements, as well as classification in the statement of cash flows. Most notably, entities will be required to recognize all excess tax benefits and shortfalls as income tax expense or benefit in the income statement within the reporting period in which they occur. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2019, and interim periods thereafter, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on the presentation, results of operations, cash flows, and financial position of the Company.

Leases

In February 2016, the FASB issued a new lease accounting standard, ASU 2016-02, "Leases (Topic 842)." The key objective of the new standard is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Lessees will need to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). For income statement purposes, a dual model has been retained, with leases to be designated as operating leases or finance leases. Expenses will be recognized on a straight-line basis for operating leases, and a front-loaded basis for finance leases. For the Company, the new standard is effective for the fiscal year ended March 31, 2021, and interim periods thereafter, with early adoption permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. The Company is currently evaluating the impact of the new guidance on the presentation, results of operations, cash flows, and financial position of the Company.

Financial Instruments – Classification and Measurement

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities." The new guidance principally affects the accounting for equity investments and financial liabilities where the fair value option has been elected, as well as the disclosure requirements for financial instruments. For the Company, the new guidance is effective for the fiscal year ended March 31, 2020, and interim

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National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2016
Schedule XIV- Notes to Financial Statements			

periods thereafter, with early adoption permitted for the fiscal year ended March 31, 2019 and interim periods within. The Company is currently evaluating the impact of the new guidance on the presentation, results of operations, cash flows, and financial position of the Company.

Measurement of Inventory

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory." The new guidance requires that inventory be measured at the lower of cost and net realizable value (other than inventory measured using "last-in, first out" and the "retail inventory method"). For the Company, the new guidance, which must be applied prospectively, is effective for the fiscal year ended March 31, 2018, and interim periods thereafter, with early adoption permitted. The application of this guidance is not expected to have a material impact on the results of operations, cash flows, or financial position of the Company.

Intangibles – Goodwill and Other – Internal-Use Software, Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement

In April 2015, the FASB issued ASU 2015-05 "Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement." The amendments provide guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The guidance will not change U.S. GAAP for a customer’s accounting for service contracts. In addition, all software licenses within the scope of Subtopic 350-40 will be accounted for consistent with other licenses of intangible assets. For the Company, the new guidance will be effective for the fiscal year ended March 31, 2017, and interim periods thereafter, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on the presentation, results of operations, cash flows, and financial position of the Company.

Presentation of Financial Statements – Going Concern, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern

In August 2014, the FASB issued amendments on reporting about an entity’s ability to continue as a going concern. In ASU 2014-15, "Presentation of Financial Statements – Going Concern (Subtopic 205 - 40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern." The amendments provide guidance about management’s responsibility to evaluate whether there is substantial doubt surrounding an entity’s ability to continue as a going concern. If management concludes that substantial doubt exists, the amendments require additional disclosures relating to management’s evaluation and conclusion. For the Company, the amendments will be effective for the fiscal year ended March 31, 2017, and interim periods thereafter. The application of this guidance is not expected to have a material impact on the results of operations, cash flows, or financial position of the Company.

Note 2. Postretirement Benefits

Pension: NGENG employees are members of KeySpan’s noncontributory defined benefit pension plans covering substantially all employees associated with KeySpan. Benefits are based on years of service and compensation. Pension costs are allocated to NGENG. Pension obligations and assets are commingled and are not allocated to NGENG and other participating companies. Pension expense attributed to NGENG for the years ended December 31, 2016 and

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National Grid Engineering & Survey, Inc.	(1) X An Original (2) A Resubmission	/ /	2016
Schedule XIV- Notes to Financial Statements			

2015, was approximately \$9.8 million and \$9.1 million, respectively. These costs are allocated to client companies as burden costs based upon direct labor costs of NGENG. Funding for pensions is in accordance with requirements of federal law and regulations.

Other Postretirement Benefits: NGENG employees are members of KeySpan’s noncontributory defined benefit plans, which provide certain health care and life insurance benefits for retired employees of KeySpan. Other postretirement benefit costs are allocated to NGENG. Other postretirement obligations and assets are commingled and are not allocated to NGENG and other participating companies. KeySpan has been funding a portion of future benefits over employees active service lives through Voluntary Employee Beneficiary Association (VEBA) trusts. Contributions to VEBA trusts are tax deductible, subject to limitations contained in the Internal Revenue Code. Other Postretirement benefit expense attributed to NGENG for the years ended December 31, 2016 and 2015 was approximately \$4.3 million and \$5.8 million, respectively. These costs are allocated to client companies as burden costs based upon direct labor costs of NGENG.

KeySpan’s pension and postretirement benefit other than pension (“PBOP”) plans that the Company participates in have unfunded obligations at December 31, 2016 of approximately \$1 billion each.

Note 3. Receivable from Associate Companies – Money Pool

The Company participates in the Regulated Money Pool (“Pool”) which is administered by National Grid USA Service Company, Inc. on behalf of regulated National Grid entities. The Pool is funded by operating funds from pool participants and, if necessary, advances from KeySpan and NGUSA. The Pool invests excess funds, if any, on a short-term basis. Participants providing funds to the money pool share in the interest earned on loans and investments on a basis proportionate to their investment in the money pool. Participants borrowing from the money pool pay interest at a rate generally equal to NGUSA’s short-term borrowing rate, plus a proportionate share of the administrative costs incurred in obtaining required funds.

At December 31, 2016, the Company had a net lending position in the Pool of \$143.1 million. This balance is included in Account Receivable from Associate Companies in the accompanying Balance Sheet.

Note 4. Income Tax

Components of Income Tax Expense

The components of federal and state income tax expense (benefit) are as follows:

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Schedule XIV- Notes to Financial Statements			

	December 31, 2016	December 31, 2015
<i>(in thousands of dollars)</i>		
Current tax expense (Benefit)		
Federal	\$ 435	\$ 157
State	(966)	1,398
Total current tax expense (benefit)	<u>(531)</u>	<u>1,555</u>
Deferred tax expense (benefit):		
Federal	178	(109)
State	(785)	(1,373)
Total deferred tax expense	<u>(607)</u>	<u>(1,482)</u>
Amortized investment tax credits ⁽¹⁾	-	-
Total deferred tax expense	<u>(607)</u>	<u>(1,482)</u>
Total income tax expense (benefit)	<u>\$ (1,138)</u>	<u>\$ 73</u>
<small>(1) Investment tax credits (ITC) are being deferred and amortized over the depreciable life of the property giving rise to the credits</small>		
Total income taxes in the statement of income:		
Income taxes charged to operations	(1,138)	73
Income taxes credited to other income (deductions)	-	-
Total	<u>\$ (1,138)</u>	<u>\$ 73</u>

Statutory Rate Reconciliation

The Company's effective tax rates for the years ended December 31, 2016 and 2015 are (3,891%) and 11.16%, respectively. The following table presents a reconciliation of income tax expense at the federal statutory tax rate of 35% to the actual tax expense:

	December 31, 2016	December 31, 2015
<i>(in thousands of dollars)</i>		
Computed tax	10	\$ 229
Charge in computed taxes resulting from		
State income tax, net of federal benefit	(1,138)	16
Adjustments related to prior year federal and state	-	(102)
Other items - net	(10)	(70)
Total	<u>(1,148)</u>	<u>(156)</u>
Federal and state income taxes	<u>\$ (1,138)</u>	<u>\$ 73</u>

The Company is included in the NGNA and subsidiaries consolidated federal income tax return and six unitary state income tax returns. The Company has joint and several liability for any potential assessments against the consolidated group.

During the period there was no material change in the Company's deferred tax liability for the decrease in the tax rate from 7.1% to 6.5% applicable to New York entities beginning with the fiscal year ended March 31, 2017. Likewise there

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016
Schedule XIV- Notes to Financial Statements			

was no material change in the Company's deferred tax liability for the increase in the MTA surcharge from 25.6% to 28%.

Deferred Tax Components

Significant components of the Company's net deferred tax assets and liabilities at December 31, 2016 and December 31, 2015 are as follows:

	December 31, 2016	December 31, 2015
	<i>(in thousands of dollars)</i>	
Deferred tax assets:		
Net operating losses	\$ 77,837	\$ 70,331
Reserves Not currently deducted	53	37
Other items	550	-
Total deferred tax assets	<u>78,440</u>	<u>70,368</u>
Deferred tax liabilities:		
Pensions OPEB and other employee benefits	40,044	28,214
Future federal benefit on state taxes	4,979	5,034
Property Future related differences	7	37
Other items	-	60
Total deferred tax liabilities	<u>45,030</u>	<u>33,345</u>
Net deferred income tax asset	33,410	37,023
Deferred investment tax credits	-	-
Deferred income tax assets, net	<u>\$ 33,410</u>	<u>\$ 37,203</u>

Net Operating Losses

The following table presents the amounts and expiration dates of net operating losses as of March 31, 2016:

Name of Respondent	This Report is:	Resubmission Date	Year of Report
National Grid Engineering & Survey, Inc.	(1) X An Original (2) - A Resubmission	(Mo, Da, Yr) / /	2016
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Expiration of net operating losses:	Federal	New York	New York City
	(in thousands of dollars)		
3/31/2021	-		
3/31/2032	-		
3/31/2033	78,526		
3/31/2034	-		
3/31/2035	46,623	233,763	7,940
3/31/2036	10,719		

The Company adopted the provisions of FASB guidance which clarifies the accounting for uncertain tax positions as modified by FERC Docket AI07-2-000. FASB guidance provides that the financial effects of a tax position shall initially be recognized when it is more likely than not, based on the technical merits, that the position will be sustained upon examination, assuming the position will be audited and the taxing authority has full knowledge of all relevant information. FERC docket AI07-2-000 issues supplementary guidance requiring entities to continue to recognize deferred income taxes for Commission accounting and reporting purposes based on the difference between positions taken in tax returns filed or expected to be filed and amounts reported in the financial statements. As of December 31, 2016 and December 31, 2015, the Company did not have any unrecognized tax benefits on a FERC basis.

The Company is included in NGNA and subsidiaries' administrative appeal with the Internal Revenue Service ("IRS") related to the issues disputed in the examination cycles for the years ended August 24, 2007, March 31, 2008 and March 31, 2009. During the period, the IRS commenced its next examination cycle which includes income tax returns for the years ended March 31, 2010 through March 31, 2012. The examination is not expected to conclude until December 2017. The income tax returns for the years ended March 31, 2013 through March 31, 2016 remain subject to examination by the IRS.

The state of New York is in the process of examining the Company's income tax returns for the years ended March 31, 2003 through March 31, 2008. The income tax returns for the years ended March 31, 2009 through March 31, 2016 remain subject to examination by the state of New York.

The following table indicates the earliest tax year subject to examination for each major jurisdiction:

Jurisdiction	Tax Year
Federal	March 31, 2008
New York	March 31, 2009

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National Grid Engineering & Survey, Inc.			2016
Schedule XIV - Notes to Financial Statements			

Name of Respondent		This Report Is:	Resubmission Date	Year/Period of Report
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2016
Schedule XV- Comparative Income Statement				
Line No.	Account Number	Title of Account	Current Year	Prior Year
	(a)	(b)	(c)	(d)
1		SERVICE COMPANY OPERATING REVENUES		
2	400	Service Company Operating Revenues	61,744,506	61,275,997
3		SERVICE COMPANY OPERATING EXPENSES		
4	401	Operation Expenses	42,190,026	42,195,606
5	402	Maintenance Expenses	17,957,244	16,525,638
6	403	Depreciation Expenses	126,907	128,074
7	403.1	Depreciation Expense for Asset Retirement Costs		
8	404	Amortization of Limited-Term Property		
9	405	Amortization of Other Property		
10	407.3	Regulatory Debits		
11	407.4	Regulatory Credits		
12	408.1	Taxes Other Than Income Taxes, Operating Income	2,870,744	2,717,371
13	409.1	Income Taxes, Operating Income	(531,330)	1,554,760
14	410.1	Provision for Deferred Income Taxes, Operating Income	(607,111)	(1,481,711)
15	411.1	Provision for Deferred Income Taxes – Credit, Operating Income		
16	411.4	Investment Tax Credit, Service Company Property		
17	411.6	Gains from Disposition of Service Company Plant		
18	411.7	Losses from Disposition of Service Company Plant		
19	411.10	Accretion Expense		
20	412	Costs and Expenses of Construction or Other Services		
21	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work		
22		TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21)	62,006,480	61,639,678
23		NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22)	(261,974)	(363,681)
24		OTHER INCOME		
25	418.1	Equity in Earnings of Subsidiary Companies		
26	419	Interest and Dividend Income	1,464,484	991,656
27	419.1	Allowance for Other Funds Used During Construction		
28	421	Miscellaneous Income or Loss	(31)	
29	421.1	Gain on Disposition of Property		
30		TOTAL OTHER INCOME (Total of Lines 25-29)	1,464,453	991,656
31		OTHER INCOME DEDUCTIONS		
32	421.2	Loss on Disposition of Property		
33	425	Miscellaneous Amortization		
34	426.1	Donations		
35	426.2	Life Insurance		
36	426.3	Penalties		
37	426.4	Expenditures for Certain Civic, Political and Related Activities		
38	426.5	Other Deductions	(17,355)	11,861
39		TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38)	(17,355)	11,861
40		TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		

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Schedule XV- Comparative Income Statement (continued)				
Line No.	Account Number	Title of Account	Current Year	Prior Year
	(a)	(b)	(c)	(d)
41	408.2	Taxes Other Than Income Taxes, Other Income and Deductions		
42	409.2	Income Taxes, Other Income and Deductions		
43	410.2	Provision for Deferred Income Taxes, Other Income and Deductions		
44	411.2	Provision for Deferred Income Taxes – Credit, Other Income and Deductions		
45	411.5	Investment Tax Credit, Other Income Deductions		
46		TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Total of Lines 41-45)		
47		INTEREST CHARGES		
48	427	Interest on Long-Term Debt		
49	428	Amortization of Debt Discount and Expense		
50	429	(less) Amortization of Premium on Debt- Credit		
51	430	Interest on Debt to Associate Companies		
52	431	Other Interest Expense	52,133	34,771
53	432	(less) Allowance for Borrowed Funds Used During Construction-Credit		
54		TOTAL INTEREST CHARGES (Total of Lines 48-53)	52,133	34,771
55		NET INCOME BEFORE EXTRAORDINARY ITEMS (Total of Lines 23, 30, minus 39, 46, and 54)	1,167,701	581,343
56		EXTRAORDINARY ITEMS		
57	434	Extraordinary Income		
58	435	(less) Extraordinary Deductions		
59		Net Extraordinary Items (Line 57 less Line 58)		
60	409.4	(less) Income Taxes, Extraordinary		
61		Extraordinary Items After Taxes (Line 59 less Line 60)		
62		NET INCOME OR LOSS/COST OF SERVICE (Total of Lines 55-61)	1,167,701	581,343

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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies								
1. Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.								
Line No.	Account Number	Title of Account	Associate Company Direct Cost	Associate Company Indirect Cost	Associate Company Total Cost	Nonassociate Company Direct Cost	Nonassociate Company Indirect Cost	Nonassociate Company Total Cost
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	403-403.1	Depreciation Expense	126,907		126,907			
2	404-405	Amortization Expense						
3	407.3-407.4	Regulatory Debits/Credits – Net						
4	408.1-408.2	Taxes Other Than Income Taxes	2,870,744		2,870,744			
5	409.1-409.3	Income Taxes		(531,330)	(531,330)			
6	410.1-411.2	Provision for Deferred Taxes		(607,111)	(607,111)			
7	411.1-411.2	Provision for Deferred Taxes – Credit						
8	411.6	Gain from Disposition of Service Company Plant						
9	411.7	Losses from Disposition of Service Company Plant						
10	411.4-411.5	Investment Tax Credit Adjustment						
11	411.10	Accretion Expense						
12	412	Costs and Expenses of Construction or Other Services						
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies						
14	418	Non-operating Rental Income						
15	418.1	Equity in Earnings of Subsidiary Companies						
16	419	Interest and Dividend Income		1,464,484	1,464,484			
17	419.1	Allowance for Other Funds Used During Construction						
18	421	Miscellaneous Income or Loss	(31)		(31)			
19	421.1	Gain on Disposition of Property						
20	421.2	Loss on Disposition Of Property						
21	425	Miscellaneous Amortization						
22	426.1	Donations						
23	426.2	Life Insurance						
24	426.3	Penalties						
25	426.4	Expenditures for Certain Civic, Political and Related Activities						
26	426.5	Other Deductions	(17,354)		(17,354)			
27	427	Interest On Long-Term Debt						
28	428	Amortization of Debt Discount and Expense						
29	429	Amortization of Premium on Debt – Credit						
30	430	Interest on Debt to Associate Companies						
31	431	Other Interest Expense		52,133	52,133			
32	432	Allowance for Borrowed Funds Used During Construction						
33	500-509	Total Steam Power Generation Operation Expenses	7,981,863		7,981,863			
34	510-515	Total Steam Power Generation Maintenance Expenses	9,166,675		9,166,675			

Name of Respondent		This Report Is:			Resubmission Date		Year/Period of Report	
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		/ /		Dec 31, 2016	
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
35	517-525	Total Nuclear Power Generation Operation Expenses	7,898		7,898			
36	526-532	Total Nuclear Power Generation Maintenance Expenses						
37	535-540.1	Total Hydraulic Power Generation Operation Expenses						
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses						
39	546-550.1	Total Other Power Generation Operation Expenses	1,171,524		1,171,524			
40	551-554.1	Total Other Power Generation Maintenance Expenses	8,569,261		8,569,261			
41	555-557	Total Other Power Supply Operation Expenses						
42	560	Operation Supervision and Engineering						
43	561.1	Load Dispatch-Reliability						
44	561.2	Load Dispatch-Monitor and Operate Transmission System						
45	561.3	Load Dispatch-Transmission Service and Scheduling						
46	561.4	Scheduling, System Control and Dispatch Services						
47	561.5	Reliability Planning and Standards Development						
48	561.6	Transmission Service Studies						
49	561.7	Generation Interconnection Studies						
50	561.8	Reliability Planning and Standards Development Services						
51	562	Station Expenses (Major Only)						
52	563	Overhead Line Expenses (Major Only)						
53	564	Underground Line Expenses (Major Only)						
54	565	Transmission of Electricity by Others (Major Only)						
55	566	Miscellaneous Transmission Expenses (Major Only)						
56	567	Rents						
57	567.1	Operation Supplies and Expenses (Nonmajor Only)						
58		Total Transmission Operation Expenses						
59	568	Maintenance Supervision and Engineering (Major Only)						
60	569	Maintenance of Structures (Major Only)						
61	569.1	Maintenance of Computer Hardware						
62	569.2	Maintenance of Computer Software						
63	569.3	Maintenance of Communication Equipment						
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant						
65	570	Maintenance of Station Equipment (Major Only)						
66	571	Maintenance of Overhead Lines (Major Only)						
67	572	Maintenance of Underground Lines (Major Only)						
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)						

Name of Respondent		This Report Is:		Resubmission Date	Year/Period of Report			
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	Dec 31, 2016			
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
69	574	Maintenance of Transmission Plant (Nonmajor Only)						
70		Total Transmission Maintenance Expenses						
71	575.1-575.5	Total Regional Market Operation Expenses						
72	576.1-576.5	Total Regional Market Maintenance Expenses						
73	580-589	Total Distribution Operation Expenses	808		808			
74	590-596	Total Distribution Maintenance Expenses	180,000		180,000			
75		Total Electric Operation and Maintenance Expenses	30,058,358	(2,550,792)	27,507,566			
76	700-795	Production Expenses (Provide selected accounts in a footnote)						
77	800-813	Total Other Gas Supply Operation Expenses						
78	814-826	Total Underground Storage Operation Expenses						
79	830-837	Total Underground Storage Maintenance Expenses						
80	840-842.3	Total Other Storage Operation Expenses	163,941		163,941			
81	843.1-843.9	Total Other Storage Maintenance Expenses						
82	844.1-846.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses	394		394			
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses	18,036		18,036			
84	850	Operation Supervision and Engineering						
85	851	System Control and Load Dispatching						
86	852	Communication System Expenses						
87	853	Compressor Station Labor and Expenses						
88	854	Gas for Compressor Station Fuel						
89	855	Other Fuel and Power for Compressor Stations						
90	856	Mains Expenses						
91	857	Measuring and Regulating Station Expenses						
92	858	Transmission and Compression of Gas By Others						
93	859	Other Expenses						
94	860	Rents						
95		Total Gas Transmission Operation Expenses						
96	861	Maintenance Supervision and Engineering	848		848			
97	862	Maintenance of Structures and Improvements						
98	863	Maintenance of Mains	2,236		2,236			
99	864	Maintenance of Compressor Station Equipment						
100	865	Maintenance of Measuring And Regulating Station Equipment	9,029		9,029			
101	866	Maintenance of Communication Equipment						
102	867	Maintenance of Other Equipment						
103		Total Gas Transmission Maintenance Expenses	12,112		12,112			
104	870-881	Total Distribution Operation Expenses	260,299		260,299			

Name of Respondent		This Report Is:			Resubmission Date		Year/Period of Report	
National Grid Engineering & Survey, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		/ /		Dec 31, 2016	
Line No.	Account Number	Title of Account	Associate Company Direct Cost	Associate Company Indirect Cost	Associate Company Total Cost	Nonassociate Company Direct Cost	Nonassociate Company Indirect Cost	Nonassociate Company Total Cost
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
105	885-894	Total Distribution Maintenance Expenses	11,159		11,159			
		Total Natural Gas Operation and Maintenance Expenses	465,941		465,941			
107	901	Supervision						
108	902	Meter reading expenses						
109	903	Customer records and collection expenses						
110	904	Uncollectible accounts						
111	905	Miscellaneous customer accounts expenses						
112	906	Total Customer Accounts Operation Expenses						
113	907	Supervision						
114	908	Customer assistance expenses						
115	909	Informational And Instructional Advertising Expenses						
116	910	Miscellaneous Customer Service And Informational Expenses						
117		Total Service and Informational Operation Accounts						
118	911	Supervision						
119	912	Demonstrating and Selling Expenses						
120	913	Advertising Expenses						
121	916	Miscellaneous Sales Expenses						
122		Total Sales Operation Expenses						
123	920	Administrative and General Salaries	9,807,884		9,807,884			
124	921	Office Supplies and Expenses	675,829		675,829			
125	923	Outside Services Employed	773		773			
126	924	Property Insurance						
127	925	Injuries and Damages	30,192		30,192			
128	926	Employee Pensions and Benefits	22,088,622		22,088,622			
129	928	Regulatory Commission Expenses						
130	930.1	General Advertising Expenses						
131	930.2	Miscellaneous General Expenses						
132	931	Rents						
133		Total Administrative and General Operation Expenses	32,603,300		32,603,300			
134	935	Maintenance of Structures and Equipment						
135		Total Administrative and General Maintenance Expenses	32,603,300		32,603,300			
136		Total Cost of Service	63,127,599	(2,550,792)	60,576,807			

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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
1	403-403.1	Depreciation Expense	126,907		126,907
2	404-405	Amortization Expense			
3	407.3-407.4	Regulatory Debits/Credits – Net			
4	408.1-408.2	Taxes Other Than Income Taxes	2,870,744		2,870,744
5	409.1-409.3	Income Taxes		(531,330)	(531,330)
6	410.1-411.2	Provision for Deferred Taxes		(607,111)	(607,111)
7	411.1-411.2	Provision for Deferred Taxes – Credit			
8	411.6	Gain from Disposition of Service Company Plant			
9	411.7	Losses from Disposition of Service Company Plant			
10	411.4-411.5	Investment Tax Credit Adjustment			
11	411.10	Accretion Expense			
12	412	Costs and Expenses of Construction of Other Services			
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies			
14	418	Non-operating Rental Income			
15	418.1	Equity in Earnings of Subsidiary Companies			
16	419	Interest and Dividend Income		1,464,484	1,464,484
17	419.1	Allowance for Other Funds Used During Construction			
18	421	Miscellaneous Income or Loss	(31)		(31)
19	421.1	Gain on Disposition of Property			
20	421.2	Loss on Disposition Of Property			
21	425	Miscellaneous Amortization			
22	426.1	Donations			
23	426.2	Life Insurance			
24	426.3	Penalties			
25	426.4	Expenditures for Certain Civic, Political and Related Activities			
26	426.5	Other Deductions	(17,354)		(17,354)
27	427	Interest On Long-Term Debt			
28	428	Amortization of Debt Discount and Expense			
29	429	Amortization of Premium on Debt – Credit			
30	430	Interest on Debt to Associate Companies			
31	431	Other Interest Expense		52,133	52,133
32	432	Allowance for Borrowed Funds Used During Construction			
33	500-509	Total Steam Power Generation Operation Expenses	7,981,863		7,981,863
34	510-515	Total Steam Power Generation Maintenance Expenses	9,166,675		9,166,675

Name of Respondent: National Grid Engineering & Survey, Inc.
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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
35	517-525	Total Nuclear Power Generation Operation Expenses	7,898		7,898
36	528-532	Total Nuclear Power Generation Maintenance Expenses			
37	535-540.1	Total Hydraulic Power Generation Operation Expenses			
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses			
39	546-550.1	Total Other Power Generation Operation Expenses	1,171,524		1,171,524
40	551-554.1	Total Other Power Generation Maintenance Expenses	8,569,266		8,569,266
41	555-557	Total Other Power Supply Operation Expenses			
42	560	Operation Supervision and Engineering			
43	561.1	Load Dispatch-Reliability			
44	561.2	Load Dispatch-Monitor and Operate Transmission System			
45	561.3	Load Dispatch-Transmission Service and Scheduling			
46	561.4	Scheduling, System Control and Dispatch Services			
47	561.5	Reliability Planning and Standards Development			
48	561.6	Transmission Service Studies			
49	561.7	Generation Interconnection Studies			
50	561.8	Reliability Planning and Standards Development Services			
51	562	Station Expenses (Major Only)			
52	563	Overhead Line Expenses (Major Only)			
53	564	Underground Line Expenses (Major Only)			
54	565	Transmission of Electricity by Others (Major Only)			
55	566	Miscellaneous Transmission Expenses (Major Only)			
56	567	Rents			
57	567.1	Operation Supplies and Expenses (Nonmajor Only)			
58		Total Transmission Operation Expenses			
59	568	Maintenance Supervision and Engineering (Major Only)			
60	569	Maintenance of Structures (Major Only)			
61	569.1	Maintenance of Computer Hardware			
62	569.2	Maintenance of Computer Software			
63	569.3	Maintenance of Communication Equipment			
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant			
65	570	Maintenance of Station Equipment (Major Only)			
66	571	Maintenance of Overhead Lines (Major Only)			
67	572	Maintenance of Underground Lines (Major Only)			
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)			

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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
69	574	Maintenance of Transmission Plant (Nonmajor Only)			
70		Total Transmission Maintenance Expenses			
71	575.1-575.5	Total Regional Market Operation Expenses			
72	576.1-576.5	Total Regional Market Maintenance Expenses			
73	580-589	Total Distribution Operation Expenses	808		808
74	590-598	Total Distribution Maintenance Expenses	180,001		180,001
75		Total Electric Operation and Maintenance Expenses	30,058,358	(2,550,792)	27,507,566
76	700-708	Production Expenses (*Provide selected accounts in a footnote)			
77	800-813	Total Other Gas Supply Operation Expenses			
78	814-826	Total Underground Storage Operation Expenses			
79	830-837	Total Underground Storage Maintenance Expenses			
80	840-842.3	Total Other Storage Operation Expenses	163,941		163,941
81	843.1-843.9	Total Other Storage Maintenance Expenses			
82	844.1-846.2	Total Liquefied Natural Gas Terminaling and Processing Operation Expenses	394		394
83	847.1-847.8	Total Liquefied Natural Gas Terminaling and Processing Maintenance Expenses	18,036		18,036
84	850	Operation Supervision and Engineering			
85	851	System Control and Load Dispatching			
86	852	Communication System Expenses			
87	853	Compressor Station Labor and Expenses			
88	854	Gas for Compressor Station Fuel			
89	855	Other Fuel and Power for Compressor Stations			
90	856	Mains Expenses			
91	857	Measuring and Regulating Station Expenses			
92	858	Transmission and Compression of Gas By Others			
93	859	Other Expenses			
94	860	Rents			
95		Total Gas Transmission Operation Expenses			
96	861	Maintenance Supervision and Engineering	848		848
97	862	Maintenance of Structures and Improvements			
98	863	Maintenance of Mains	2,235		2,235
99	864	Maintenance of Compressor Station Equipment			
100	865	Maintenance of Measuring And Regulating Station Equipment	9,029		9,029
101	866	Maintenance of Communication Equipment			
102	867	Maintenance of Other Equipment			
103		Total Gas Transmission Maintenance Expenses	12,112		12,112
104	870-881	Total Distribution Operation Expenses	260,299		260,299

Name of Respondent: National Grid Engineering & Survey, Inc.
This Report Is: (1) An Original (2) A Resubmission
Resubmission Date: (Mo, Da, Yr) / /
Year/Period of Report: Dec 31, 2016

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
105	885-894	Total Distribution Maintenance Expenses	11,159		11,159
106		Total Natural Gas Operation and Maintenance Expenses	465,941		465,941
107	901	Supervision			
108	902	Meter reading expenses			
109	903	Customer records and collection expenses			
110	904	Uncollectible accounts			
111	905	Miscellaneous customer accounts expenses			
112	906	Total Customer Accounts Operation Expenses			
113	907	Supervision			
114	908	Customer assistance expenses			
115	909	Informational And Instructional Advertising Expenses			
116	910	Miscellaneous Customer Service And Informational Expenses			
117		Total Service and Informational Operation Accounts			
118	911	Supervision			
119	912	Demonstrating and Selling Expenses			
120	913	Advertising Expenses			
121	916	Miscellaneous Sales Expenses			
122		Total Sales Operation Expenses			
123	920	Administrative and General Salaries	9,807,884		9,807,884
124	921	Office Supplies and Expenses	675,829		675,829
125	923	Outside Services Employed	773		773
126	924	Property Insurance			
127	925	Injuries and Damages	30,192		30,192
128	926	Employee Pensions and Benefits	22,088,622		22,088,622
129	928	Regulatory Commission Expenses			
130	930.1	General Advertising Expenses			
131	930.2	Miscellaneous General Expenses			
132	931	Rents			
133		Total Administrative and General Operation Expenses	32,603,300		32,603,300
134	935	Maintenance of Structures and Equipment			
135		Total Administrative and General Maintenance Expenses	32,603,300		32,603,300
136		Total Cost of Service	63,127,599	(2,550,792)	60,576,807

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016
Schedule XVII - Analysis of Billing - Associate Companies (Account 457)					
1. For services rendered to associate companies (Account 457), list all of the associate companies.					
Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	Boston Gas Company	110,952	31,340	(889,169)	(746,877)
2	Brooklyn Union Gas-KEDNY	752,868			752,868
3	Colonial Gas Company	31,116	21,959	(523,041)	(469,966)
4	Massachusetts Electric Co	163,029			163,029
5	Nantucket Electric Co	1,514			1,514
6	NE Electric Trans Corp	112			112
7	NE Hydro-Trans Corp	842			842
8	NE Hydro-Trans Elec Co	953			953
9	New England Power Company	65,419			65,419
10	NG Corporation	(18,631)			(18,631)
11	NG Development Holdings Corp	898			898
12	NG Energy Trading Svcs	56			56
13	NG Gas East Corp-KEDLI	1,734,287			1,734,287
14	NG Generation LLC	56,118,822			56,118,822
15	NG Glenwood Energy Center	1,708,442			1,708,442
16	NG LNG LP Regulated Entity	727			727
17	NG Port Jeff Energy Center	2,257,804			2,257,804
18	NG Services, Inc.	1,226	1,680	(25,859)	(22,953)
19	NG USA Parent	285			285
20	NGUSA Service Company	(259,275)			(259,275)
21	Niagara Mohawk Power Corp	350,912			350,912
22	Transgas Inc	569			569
23	Narragansett Electric Co	104,669			104,669
24					
25					
26					
27					
28					
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40	Total	63,127,596	54,979	(1,438,069)	61,744,506

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016	
Schedule XVIII – Analysis of Billing – Non-Associate Companies (Account 458)						
1. For services rendered to nonassociate companies (Account 458), list all of the nonassociate companies. In a footnote, describe the services rendered to each respective nonassociate company.						
Line No.	Name of Non-associate Company (a)	Account 458.1 Direct Costs Charged (b)	Account 458.2 Indirect Costs Charged (c)	Account 458.3 Compensation For Use of Capital (d)	Account 458.4 Excess or Deficiency on Servicing Non-associate Utility Companies (e)	Total Amount Billed (f)
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40	Total					

Name of Respondent National Grid Engineering & Survey, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016
Schedule XIX - Miscellaneous General Expenses - Account 930.2				
<p>1. Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses" classifying such expenses according to their nature. Amounts less than \$50,000 may be grouped showing the number of items and the total for the group. 2. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.</p>				
Line No.	Title of Account (a)	Amount (b)		
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40	Total			

Name of Respondent	This Report is: (1) X An Original (2) A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2016
Schedule XXI - Methods of Allocation			

1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator.
2. Include any other allocation methods used to allocate costs.

Cost Allocation Principles

The following principles guide the allocation of costs of products or services provided by the Service Company to the Client or Operating Companies. These principles also pertain to transactions among Operating Companies such as storm restoration services.

- Direct charging or direct assignment is the preferred allocation methodology and should be used if the cost of providing a product or service can be identified with the specific affiliates receiving the benefit of that product or service. Direct charging should only be used if the cost of providing a product or service to an individual Client Company can be isolated and reported separately from costs to provide other products or services and from costs to provide the same product and service to other Client Companies.
- The costs of products and services that cannot be direct charged should be allocated based on cost causative allocation bases representative of the underlying cost drivers of that product or service.
- The cost allocation methodology should be comprehensive, transparent, stable and administratively manageable and cost effective.
- The calculation of the cost allocation bases should be supported by a clearly defined methodology, model and supporting policy and procedure documentation.
- The cost allocation methodology should accommodate changes in the size of the allocation bases from period to period based on changes in the underlying cost drivers; the allocation bases should not vary significantly from period to period for uncontrollable factors not related to the underlying cost drivers.
- The calculation of the allocation bases should be updated at least annually and more frequently if needed to reflect significant events (e.g., the sale of a significant affiliate).

Services Provided by the Service Company - Description and Allocation Methodology

The following table lists those services provided by the Service Company and the Client Companies to whom these services are provided. These services are provided in accordance with the service agreements filed with the Commissions. In addition, the provision of these services is governed by the Service Level Agreements. Service Level Agreements describe the services offered, services selected, compensation and billing, terms and cost accumulation, assignment and allocation methodologies. These documents are filed with the utility regulatory commissions.

- Operations – Activities include maintenance and construction, electric power plant operations, Management of Complex Construction Projects, Resource Planning and Response and Operations Performance activities.

Cost Allocation Methodology for Services Provided:

- **Operations**
 - Direct Charge
 - General Allocator

Service Company Orders and Work Breakdown Structure

National Grid uses an Order and Work Breakdown Structure (WBS) elements within SAP as the mechanisms by which the appropriate allocation bases are applied to resources consumed. Individual Orders/WBS have been established for each cost center based on the work performed, the nature of resources consumed (e.g., labor, materials, outside services) in performing that work, and the operating companies benefitting from the work performed. Embedded in the WBS is the allocation code associated with the "operating companies benefitting from the work performed.

Approved Cost Allocation Bases – SAP Internal Order Code, Description and Source

SAP Allocation Code	Description	Definition / Source
G-xxx	Net margin, net plant, & Net O&M expenses (GENERAL ALLOCATOR)	<p>"Net Margins" are Total Operating Revenues less "Cost of Goods Sold" and revenues related to recovery of stranded costs.</p> <p>"Net Plant" is the sum of Net Utility Plant and Net Non-Utility Plant .</p> <p>"Net O&M Expenses" are all non "Cost of Goods Sold" expenses less costs allocated from the Service Company distributed to the Affiliate companies using the general allocator.</p>
FERC FORM 60 (NEW 12-05)		402.1

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2016
Schedule XXI - Methods of Allocation			

	A ratio based on the average of Net Margin (33%), Net Plant (33%) and Net O&M (33%) where the numerator is weighted average of the Client Company and the denominator is for All Companies that have these 3 factors reported on their financial statements
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Manual Allocations

There will be instances in which employees will choose to assign costs in a manner that is different from the allocation bases described above in order to ensure that costs are properly allocated among companies. To accomplish this requires a Manual Allocation. When employees choose to use a non-standard cost driver to allocate costs, the basis for that decision and the method used to allocate costs among companies should be thoroughly documented, approved by department supervision and sent to the Service Company Integrity Department in a timely manner for review.