

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "*Agreement*") is made and entered into as of **July 3, 2012**, by and among National Grid USA, a corporation organized under the laws of Delaware ("*National Grid*"), and Bank of America, National Association, a national banking association duly organized and existing under the laws of the United States of America, having an office in Chicago, Illinois (the "*Escrow Agent*").

WHEREAS, National Grid is a party to two certain Stock Purchase Agreements dated as of December 8, 2010 and amended and restated as of January 21, 2011 (together, and as modified from time to time, "*Stock Purchase Agreements*"), pursuant to which National Grid and National Grid NE Holdings 2 LLC ("*National Grid NE*") agreed to sell all of the issued and outstanding common stock in Granite State Electric Company ("*Granite State*") and EnergyNorth Natural Gas, Inc. ("*EnergyNorth*" and together with Granite State, the "*Companies*" and each, a "*Company*") to Liberty Energy Utilities Co. ("*Liberty*").

WHEREAS, Liberty subsequently assigned its rights under the Stock Purchase Agreements to Liberty Energy Utilities (New Hampshire) Corp. ("*Liberty Energy NH*"), and National Grid and Liberty Energy NH modified the Stock Purchase Agreements, pursuant to which National Grid and National Grid NE agreed to sell all of its common stock in the Companies to Liberty Energy NH ("*Sale*").

WHEREAS, in connection with the Stock Purchase Agreements, National Grid entered into a Transition Services Agreement dated March 2, 2011 with EnergyNorth, which was subsequently amended and restated on July 3, 2012 (as amended, "*ENGI TSA*"), and a Transition Services Agreement dated March 2, 2011 with Granite State, which was subsequently amended and restated on July 3, 2012 (as amended, "*GSE TSA*" and together with the ENGI TSA, "*TSAs*"), pursuant to which National Grid agreed to provide each Company certain transition services (each, a "*Transition Service*" and collectively, "*Transition Services*") until such date as Liberty and/or each Company, as the case may be, achieves the capability to perform the Transition Services without assistance from National Grid.

WHEREAS, National Grid, National Grid NE, Liberty, Liberty Energy NH, and the Companies filed a joint petition with the New Hampshire Public Utilities Commission ("*Commission*") requesting Commission approval of the Stock Purchase Agreements, the Sale, and related transactions ("*Sale Proceeding*").

WHEREAS, in connection with the Sale Proceeding, National Grid, National Grid NE, Liberty, Liberty Energy NH, the Companies, and the Staff of the New Hampshire Public Utilities ("*Staff*"), among others, entered into that certain Settlement Agreement dated April 10, 2012 ("*Settlement Agreement*"), which was approved by the Commission by Order No. 25,370 in Docket No. DG 11-040.

WHEREAS, to provide further assurance of the provision of the Transition Services by National Grid and pursuant to the Settlement Agreement, Staff has requested

and National Grid has agreed to establish an escrow account to hold a portion of the Sale proceeds.

WHEREAS, National Grid desires to appoint the Escrow Agent as escrow agent, and the Escrow Agent desires and is willing to act and serve as escrow agent pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 ESTABLISHMENT OF ESCROW

Subsequent to the execution of this Agreement, the following will occur

1.1 Within five (5) business days following the Closing Date, National Grid will deposit Twenty-Eight Million Five Hundred Thousand Dollars (\$28,500,000) (the "*Escrow Deposit*") with the Escrow Agent. Promptly thereafter, the Escrow Agent shall notify National Grid of the receipt of the Escrow Deposit. The Escrow Deposit, together with any investment earnings thereon, shall hereinafter collectively be referred to as the "*Escrow Funds*."

1.2 National Grid hereby appoints the Escrow Agent, and the Escrow Agent hereby agrees to serve, as the escrow agent and depository subject to the terms and conditions set forth herein. The Escrow Agent shall receive the Escrow Deposit and agrees to hold the Escrow Funds in a separate, distinct, and interest-bearing account (the "*Escrow Account*") which is hereby established and which will be held and disbursed by the Escrow Agent only in accordance with the express terms and conditions of this Agreement.

1.3 The Escrow Agent shall account for the Escrow Funds in three (3) separate "pools" in its records as forth in this Section 1.3:

- (a) Thirteen Million Five Hundred Thousand Dollars (\$13,500,000) of the Initial Deposit shall be identified and accounted for as the "*Pool A Escrow Funds*", of which One Million Five Hundred Thousand Dollars (\$1,500,000) shall, in turn, be identified and accounted for separately as the "*Reserve Funds*".
- (b) Five Million Dollars (\$5,000,000) of the Initial Deposit shall be identified and accounted for as the "*Pool B Escrow Funds*".
- (c) Ten Million Dollars (\$10,000,000) of the Initial Deposit shall be identified and accounted for as the "*Pool C Escrow Funds*", of which an amount of Two Hundred Fifty Thousand Dollars (\$250,000) shall, in turn, be identified and accounted for separately as "*Earmarked Funds*" in each instance in which the Escrow Agent receives written instruction,

substantially in the form attached hereto as Schedule 1.3(i), from National Grid to earmark funds; *provided, however*, that the Escrow Agent shall promptly release and return Earmarked Funds to the non-earmarked Pool C Escrow Funds upon receipt of written instructions, substantially in the form attached hereto as Schedule 1.3(ii), from National Grid to release such funds.

1.4 All interest accruing on the Escrow Funds in the Escrow Account shall be for the benefit of National Grid, and all such interest shall be held in the Escrow Account as part of the pool of Escrow Funds to which it is attributable, and disbursed in the manner set forth in Section 3.2.

ARTICLE 2

INVESTMENT OF ESCROW FUND

2.1 The Escrow Funds, including earnings thereon, shall be invested as instructed in writing on Schedule I by National Grid, in a specific money market fund or bank deposit investment vehicle. It is understood and agreed that Schedule I represents money market funds which are currently available for investment of funds held in Bank of America, N.A. escrow accounts, which availability is subject to change following the date of this Agreement.

2.2 The investment may be changed by delivery to the Escrow Agent of a written request including a revised and re-executed Schedule I. Upon receipt of such request the Escrow Agent will reinvest the Escrow Funds in the indicated investment within two (2) Business Days or such additional time as may be required due to circumstances beyond the Escrow Agent's control.

2.3 The Escrow Agent shall not be responsible to National Grid or to any other person or entity for any loss or liability arising in respect of any investment made in accordance with the terms of Article 2.

2.4 In the event that a money market fund is designated herein as the initial investment for the Escrow Funds, National Grid acknowledges receipt of the prospectus for such fund at the time of execution of this Agreement.

ARTICLE 3

DISBURSEMENTS FROM THE ESCROW ACCOUNT

3.1 The Escrow Agent shall only disburse amounts held in the Escrow Account upon receipt of a written request, substantially in the form attached hereto as Schedule 3.1,

[REDACTED]
[REDACTED] The Escrow Agent is authorized to disinvest the requisite amount of Escrow Funds one (1) Business Day prior to the requested disbursement date, or may do so earlier if the Escrow Agent determines in its sole good faith discretion that disinvesting more than one (1) Business Day prior to the disbursement date is necessary in order to assure the availability of funds on the requested disbursement date. All Disbursement Requests shall [REDACTED]

3.2 The Escrow Agent shall make interest payments to National Grid on a quarterly basis in an amount equal to the accrued interest on the Escrow Account.

ARTICLE 4

REIMBURSEMENT OF EXPENSES

Escrow Agent shall be reimbursed by National Grid upon request for all expenses, disbursements and advances, including reasonable fees of outside counsel, if any, incurred or made by it in connection with the carrying out of its duties under this Agreement. All such expenses associated with the maintenance of the Escrow Fund and Escrow Account shall be paid directly by National Grid and shall not be taken from the principal amount in the Escrow Account.

ARTICLE 5

EXCULPATION AND INDEMNIFICATION

5.1

- (a) The obligations and duties of the Escrow Agent are confined to those specifically set forth in this Agreement which obligations and duties shall be deemed purely ministerial in nature. No additional obligations and duties of the Escrow Agent shall be inferred or implied from the terms of any other documents or agreements, notwithstanding references herein to other documents or agreements. In the event that any of the terms and provisions of any other agreement between any of the parties hereto conflict or are inconsistent with any of the terms and provisions of this Agreement, the terms and provisions of this Agreement shall govern and control the duties of the Escrow Agent in all respects. The Escrow Agent shall not be subject to, or be under any obligation to ascertain or construe the terms and conditions of any other instrument, or to interpret this Agreement in light of any other agreement whether or not now or hereafter deposited with or delivered to the Escrow Agent or referred to in this Agreement. The Escrow Agent shall not be obligated to inquire as to the form, execution, sufficiency, or validity of any such instrument nor to inquire as to the identity, authority, or rights of the person or persons executing or delivering same. The Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document. National Grid shall provide the Escrow Agent with a list of authorized representatives, initially authorized hereunder as set forth on Exhibit B; as such Exhibit B may be amended or supplemented from time to time by delivery of a revised and re-executed Exhibit B to the Escrow Agent. The Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by the

parties or by a person or persons authorized by the parties. The Escrow Agent specifically allows for receiving direction by written or electronic transmission from an authorized representative with the following caveat, National Grid agrees to indemnify and hold harmless the Escrow Agent against any and all claims, losses, damages, liabilities, judgments, costs and expenses (including reasonable attorneys' fees) (collectively, "Losses") incurred or sustained by the Escrow Agent as a result of or in connection with the Escrow Agent's reliance upon and compliance with instructions or directions given by written or electronic transmission, provided, however, that such Losses have not arisen from the gross negligence or willful misconduct of the Escrow Agent, it being understood that the failure of the Escrow Agent to verify or confirm that the person giving the instructions or directions, is, in fact, an authorized person does not constitute gross negligence or willful misconduct.

- (b) In the event funds transfer instructions are given to the Escrow Agent pursuant to the terms of this Agreement (other than with respect to fund transfers to be made contemporaneously with the execution of this agreement), regardless of the method used to transmit such instructions, such instructions must be given by an individual designated on Exhibit B. Further, the Escrow Agent is authorized to obtain confirmation of such instructions by telephone call-back to the person or persons designated for verifying such instructions on Exhibit B. The Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The Escrow Agent may require any party hereto which is entitled to direct the delivery of fund transfers to designate a phone number or numbers for purposes of confirming the requested transfer. National Grid agrees that the Escrow Agent may delay the initiation of any fund transfer until all security measures it deems to be necessary and appropriate have been completed and shall incur no liability for such delay.

5.2 The Escrow Account shall be maintained in accordance with applicable laws, rules and regulations and policies and procedures of general applicability to escrow accounts established by the Escrow Agent. The Escrow Agent shall not be liable for any act that it may do or omit to do hereunder in good faith and in the exercise of its own best judgment or for any damages not directly resulting from its gross negligence or willful misconduct. Without limiting the generality of the foregoing sentence, it is hereby agreed that in no event will the Escrow Agent be liable for any lost profits or other indirect, special, incidental or consequential damages which National Grid may incur or experience by reason of having entered into or relied on this Agreement or arising out of or in connection with the Escrow Agent's duties hereunder, notwithstanding that the Escrow Agent was advised or otherwise made aware of the possibility of such damages. The Escrow Agent shall not be liable for acts of God, acts of war, breakdowns or malfunctions of machines or computers, interruptions or malfunctions of communications or power supplies, labor difficulties, actions of public authorities, or any other similar cause or catastrophe beyond the Escrow Agent's reasonable control. Any act done or omitted to be done by the Escrow Agent pursuant to the advice of its attorneys shall be

conclusively presumed to have been performed or omitted in good faith by the Escrow Agent.

5.3 In the event the Escrow Agent is notified of any dispute, disagreement or legal action relating to or arising in connection with the escrow, the Escrow Funds, or the performance of the Escrow Agent's duties under this Agreement, the Escrow Agent will not be required to determine the controversy or to take any action regarding it. The Escrow Agent may hold all documents and funds and may wait for settlement of any such controversy by final appropriate legal proceedings, arbitration, or other means as, in the Escrow Agent's discretion, it may require. In such event, the Escrow Agent will not be liable for interest or damages. Furthermore, the Escrow Agent may, at its option, file an action of interpleader requiring the parties to answer and litigate any claims and rights among themselves. The Escrow Agent is authorized, at its option, to deposit with the court in which such action is filed, all documents and funds held in escrow, except all costs, expenses, charges, and reasonable attorneys' fees incurred by the Escrow Agent due to the interpleader action and which National Grid agrees to pay. Upon initiating such action, the Escrow Agent shall be fully released and discharged of and from all obligations and liability imposed by the terms of this Agreement.

5.4 National Grid hereby agrees to indemnify and hold the Escrow Agent, and its directors, officers, employees, and agents, harmless from and against all costs, damages, judgments, attorneys' fees (whether such attorneys shall be regularly retained or specifically employed), expenses, obligations and liabilities of every kind and nature which the Escrow Agent, and its directors, officers, employees, and agents, may incur, sustain, or be required to pay in connection with or arising out of this Agreement, unless the aforementioned results from the Escrow Agent's gross negligence or willful misconduct, and to pay the Escrow Agent on demand the amount of all such costs, damages, judgments, attorneys' fees, expenses, obligations, and liabilities. Specifically with respect to a breach of the representations, warranties or covenants in Section 10.2 of this Agreement costs shall include, but are not limited to, (i) taxes, penalties and interest arising from such a breach and (ii) fees charged by accountants, attorneys, or other professionals to confirm the taxable status of the Escrow Account and to prepare any tax returns or other required filings with the Internal Revenue Service ("IRS") (or reasonable fees charged by the Escrow Agent for similar services provided by its own employees) arising from such a breach. The costs and expenses of enforcing this right of indemnification also shall be paid by National Grid. The foregoing indemnities in this paragraph shall survive the resignation or substitution of the Escrow Agent and the termination of this Agreement.

ARTICLE 6

TERMINATION OF AGREEMENT

This Agreement shall terminate:

- (a) This Agreement and the Escrow Account shall automatically terminate upon the earlier of: (i) the Escrow Agent's disbursement of the last of the Escrow Fund held in the Escrow Account pursuant to the terms hereof; and (ii) the Escrow Agent's receipt of a termination notice signed by

National Grid and the General Counsel of the Commission, substantially in the form attached hereto as Exhibit C (the "*Termination Notice*"), setting forth (i) the requested termination date and (ii) instructions for the return or delivery of the then-escrowed property; provided, however, that the provisions in Section 5.4 hereof shall survive termination. Upon termination of this Escrow Agreement, the Escrow Agent shall be discharged from any further obligation hereunder. The Termination Notice shall be received by the Escrow Agent not fewer than two (2) Business Days prior to the requested termination date. If the Termination Notice does not set forth instructions for the return or delivery of the then-escrowed property, the Escrow Agent shall presume that such property is to be returned to National Grid and the Escrow Agent shall incur no liability for so presuming; and

- (b) Should National Grid terminate the Agreement pursuant to this Article 6, it is understood and agreed that the Escrow Agent shall be entitled to keep any monies paid to it in respect of expenses previously due and owing. The Escrow Agent is authorized to disinvest the remainder of the Escrow Fund one (1) Business Day prior to the requested date of termination set forth in the Termination Notice, or may do so earlier if the Escrow Agent determines in its sole good faith discretion that disinvesting more than one (1) Business Day prior to the requested date is necessary in order to assure the availability of funds on the requested termination date. Notwithstanding any other provision hereof, this Agreement shall not terminate before all amounts in the Escrow Account (including interest which has accrued but cannot be distributed prior to being posted) shall have been distributed by the Escrow Agent in accordance with the terms of this Agreement.

ARTICLE 7

RESIGNATION OF ESCROW AGENT

The Escrow Agent may resign at any time upon giving at least thirty (30) days prior written notice to National Grid and Staff; provided that no such resignation shall become effective until the appointment of a successor escrow agent which shall be accomplished as follows: National Grid shall use its best efforts to select a successor escrow agent within thirty (30) days after receiving such notice. If National Grid fails to appoint a successor escrow agent within such time, the Escrow Agent shall have the right at the expense of National Grid to petition any court of general jurisdiction sitting in New Hampshire for the appointment of a successor escrow agent. The successor escrow agent shall execute and deliver an instrument accepting such appointment and it shall, without further acts, be vested with all the estates, properties, rights, powers, and duties of the predecessor escrow agent as if originally named as escrow agent. Upon delivery of such instrument, the Escrow Agent shall be discharged from any further duties and liability under this Agreement. The Escrow Agent shall be paid any outstanding expenses prior to transferring assets to a successor escrow agent.

ARTICLE 8

NOTICES

All notices required by this Agreement shall be in writing and shall be deemed to have been received (a) immediately if sent by facsimile transmission (with a confirming copy sent the same Business Day by registered or certified mail), or by hand delivery (with signed return receipt), (b) the next Business Day if sent by nationally recognized overnight courier or (c) the second following Business Day if sent by registered or certified mail, in any case to the respective addresses as follows:

If to National Grid:

National Grid USA
One MetroTech Center
Brooklyn, New York 11201
Attention: Lorraine Lynch
National Grid
Vice President, US Treasury
Phone: (718) 403-2736
Fax: (718) 403-6423

If to the Escrow Agent:

Bank of America, National Association
Global Custody and Agency Services
135 South LaSalle Street, Suite 1400
IL4--135--14-01
Chicago, Illinois 60603
Attention: Thomas Popovics
Telephone: (312) 993-9800
Fax: (312) 992-9833

ARTICLE 9

TAX REPORTING

9.1 The Escrow Agent shall, for each calendar year (or portion thereof) that the Escrow Account is in existence, report the income of the Escrow Account (i) to National Grid, and (ii) to the IRS, as required by law. National Grid agrees that it will not take any position in connection with the preparation, filing or audit of any tax return that is in any way inconsistent with the foregoing determination or the information returns or reports provided by the Escrow Agent.

9.2 National Grid understands and agrees that it is required to provide the Escrow Agent with a properly completed and signed Tax Certification (as defined below) and that the Escrow Agent may not perform its duties hereunder without having been provided with such Tax Certification. Accordingly, National Grid understands and agrees that unless and until it has provided Tax Certifications to the Escrow Agent, the

Escrow Account shall not be invested as otherwise provided herein nor shall disbursements be made from the Escrow Account as otherwise provided at Article 3. In the case of a person that is a "United States person" within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "*Code*"), an original IRS Form W-9 (or applicable successor form) will be provided. As used herein "*Tax Certification*" shall mean an IRS form W-9 or W-8 as described above. Under current law, the applicable IRS Form W-8ECI, W-8IMY, W-8EXP or W-8BEN generally will expire every three (3) years and must be replaced with another properly completed and signed original sent to the Escrow Agent. A new original IRS Form W-8, indicating the relevant Escrow Account number, (or such other information or forms as required by law) must be delivered by each foreign person to, and received by, the Escrow Agent either prior to December 31st of the calendar year inclusive of the third (3rd) anniversary date of the date listed on the previously submitted form or as otherwise required by law.

9.3 The Escrow Agent will comply with any U.S. tax withholding or backup withholding and reporting requirements that are required by law. With respect to earnings allocable to a United States person, the Escrow Agent will report such income, if required, on IRS Form 1099 or any other form required by law. The IRS Forms 1099 and/or 1042-S shall show the Escrow Agent as payor and National Grid as payee.

9.4 National Grid hereby (i) represents and warrants that, as of the date this Agreement is made and entered into, the Escrow Account is not a Qualified Settlement Fund, Designated Settlement Fund, or Disputed Ownership Fund within the meaning of Section 468B of the Code (and the regulations thereunder) and (ii) covenants that National Grid shall not take, fail to take or permit to occur any action or inaction, on or after the date this Agreement is made and entered into, that causes the Escrow Account to become such a Qualified Settlement Fund, Designated Settlement Fund, or Disputed Ownership Fund at any time.

9.5 National Grid agrees that it is not relieved of its obligation, if any, to prepare and file information reports under Section 6041 of the Code, and the Treasury regulations thereunder, with respect to amounts of imputed interest income, as determined pursuant to Sections 483 or 1272 of the Code. The Escrow Agent shall not be responsible for determining or reporting such imputed interest.

ARTICLE 10

MISCELLANEOUS PROVISIONS

10.1 The Escrow Agent shall provide monthly statements for the Escrow Account to National Grid and Staff contemporaneously. The monthly statements shall set forth all activity with regard to the Escrow Funds held in Pool A, B, and C, including any disbursements, additions, interest or other earnings accrued, and amount of any Pool C Escrow Funds set aside or earmarked under Section 1.3(c) hereof.

10.2 Each party hereto represents and warrants that such party has all necessary power and authority to execute and deliver this Agreement and to perform all of such party's obligations hereunder. This Agreement constitutes the legal, valid, and binding obligation of each party hereto, enforceable against such party in accordance with its

respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law.

10.3 This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire and the parties hereto consent to jurisdiction in the State of New Hampshire and venue in any state or Federal court located in the State of New Hampshire.

10.4 Any bank or corporation into which the Escrow Agent may be merged or with which it may be consolidated, or any bank or corporation to whom the Escrow Agent may transfer a substantial amount of its escrow business, shall be the successor to the Escrow Agent without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding.

10.5 This Agreement may be amended, modified, and/or supplemented only by an instrument in writing executed by all parties hereto and by the General Counsel of the Commission.

10.6 This Agreement may be executed by the parties hereto individually or in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same agreement. This Agreement, signed and transmitted by facsimile machine or pdf file, is to be treated as an original document and the signature of any party hereon, if so transmitted, is to be considered as an original signature, and the document so transmitted is to be considered to have the same binding effect as a manually executed original.

10.7 The headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement. Any references in this Agreement to any other agreement, instrument, or document are for the convenience of the parties and shall not constitute a part of this Agreement.

10.8 As used in this Agreement, "*Business Day*" means a day other than a Saturday, Sunday, or other day when banking institutions in Chicago, Illinois are authorized or required by law or executive order to be closed.

10.9 This Agreement constitutes a contract solely among the parties by which it has been executed and is enforceable solely by the parties by which it has been executed and no other persons. It is the intention of the parties hereto that this Agreement may not be enforced on a third party beneficiary or any similar basis.

10.10 The parties agree that if any provision of this Agreement shall under any circumstances be deemed invalid or inoperative this Agreement shall be construed with the invalid or inoperative provisions deleted and the rights and obligations of the parties shall be construed and enforced accordingly.

10.11 No party hereto shall assign its rights hereunder until its assignee has submitted to the Escrow Agent (i) Patriot Act disclosure materials and the Escrow Agent has determined that on the basis of such materials it may accept such assignee as a customer and (ii) assignee has delivered an IRS Form W-8 or W-9, as appropriate, to the Escrow Agent which the Escrow Agent has determined to have been properly signed and completed. In addition, the foregoing rights to assign shall be subject, in the case of any party having an obligation to indemnify the Escrow Agent, to the Escrow Agent's approval based upon the financial ability of assignee to indemnify it being reasonably comparable to the financial ability of assignor, which approval shall not be unreasonably withheld.

10.12 Confidentiality. This Agreement shall be treated by the parties as confidential, except:

- (a) with the express prior written consent of the other parties, which consent shall not be unreasonably withheld;
- (b) as required by applicable law, the rules of any relevant securities exchange, by order or decree of a court or other governmental authority having jurisdiction over such party, or in connection with such party's enforcement of any rights it may have at law or in equity;
- (c) if disclosure is required by any tribunal or governmental agency or body, after reasonable efforts by the party providing the Agreement to such tribunal, agency or body to protect the Agreement from disclosure beyond such tribunal, agency, or body and the parties to any proceeding in which the Agreement was filed; provided, however, that such efforts shall not require the party making such filing to appeal any adverse ruling of such tribunal, agency, or body;
- (d) on a "need to know" basis to Persons within or outside such party's organization (including Affiliates of such party), such as attorneys, accountants, bankers, financial advisors, auditors and other consultants of such party and its Affiliates; or
- (e) after such information has become publicly available without breach of this Agreement.

10.13 This Agreement may not be amended, supplemented, or discharged, and no provision hereof may be modified or waived, except expressly by an instrument in writing signed by all the parties hereto. No waiver of any provision hereof by any party shall be deemed a waiver by the other party nor shall any such waiver be deemed a continuing waiver of any matter by such party.

[signatures appear on the following page(s)]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

National Grid:

NATIONAL GRID USA

By: Lorraine M. Lynch
Name: LORRAINE M. LYNCH
Title: ASSISTANT TREASURER

Escrow Agent:

**BANK OF AMERICA, NATIONAL
ASSOCIATION**

By: John Mistrretta
Name: JOHN MISTRETTA
Title: VICE PRESIDENT

EXHIBIT A

RESERVED

ESCROW AGREEMENT

EXHIBIT B

Escrow Agreement Dated as of [date] by and among
National Grid USA and Bank of America, NA
Certificate of Authorized Representatives – National Grid USA

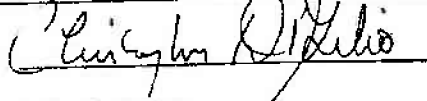
Name: Christopher DiGilio

Title: Director

Phone: 718 403 2356

Facsimile: 718 403 6423

E-mail: Christopher.digilio@us.ngrid.com

Signature: 

Fund Transfer Authority Level:

- ☒ Initiate
☒ Verify transfers initiated by others
☐ Verify transfers initiated by self

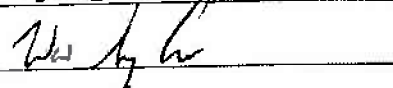
Name: Wai Sang Chi

Title: Analyst

Phone: 718 403 2137

Facsimile: 718 403 6423

E-mail: waisang.chi@nationalgrid.com

Signature: 

Fund Transfer Authority Level:

- ☒ Initiate
☒ Verify transfers initiated by others
☐ Verify transfers initiated by self

Name: Estrella Tindaan

Title: Senior Analyst

Phone: 718 403 2217

Facsimile: 718 403 6423

E-mail: Estrella.tindaan@nationalgrid.com

Signature: 

Fund Transfer Authority Level:

- ☒ Initiate
☒ Verify transfers initiated by others
☐ Verify transfers initiated by self

Name: _____

Title: _____

Phone: _____

Facsimile: _____

E-mail: _____

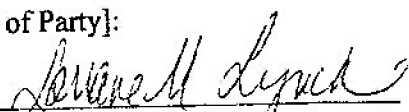
Signature: _____

Fund Transfer Authority Level:

- ☐ Initiate
☐ Verify transfers initiated by others
☐ Verify transfers initiated by self

The Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by the person or persons identified above including without limitation, to initiate and verify funds transfers as indicated.

[Name of Party]:

By: 

Name: Lorraine Lynch

Title: Assistant Treasurer

Date: July 2, 2012

EXHIBIT C
FORM OF TERMINATION NOTICE
[Date]

Bank of America, National Association
Global Custody and Agency Services
135 South LaSalle Street, Suite 1400
IL4--135--14-01
Chicago, Illinois 60603
Attention: Thomas Popovics
Fax: (312) 992-9833

NOTICE OF TERMINATION

Ladies and Gentlemen:

We refer you to that certain Escrow Agreement (the "*Agreement*"), dated as of [•], among National Grid USA and Bank of America, National Association, a photocopy of which is attached hereto. Capitalized terms used but not defined in this letter shall have the meanings given them in the Agreement.

We hereby notify you, in accordance with the terms and provisions of Article 6(a) of the Agreement, that we are terminating the Agreement. Accordingly, we request that you terminate the Agreement as of [•]¹. Those undertakings that, under the provisions of the Agreement, shall survive termination of the Agreement shall continue as provided therein. All Escrow Funds on deposit or held in the Escrow Account or by the Escrow Agent pursuant to the Agreement shall, concurrently with the termination of the Agreement, be delivered by, as applicable, federal wire transfer or nationally recognized overnight courier service as follows:

[Describe escrowed property or funds amount to be delivered]:

To National Grid, at: *[insert fed wire instructions or physical address for overnight courier delivery]*.

Very truly yours,

National Grid USA:

By:

Name: _____

Title: _____

New Hampshire Public Utilities Commission Staff:

By:

Name: _____

Title: _____

¹ Date should be not fewer than 2 Business Days after the date of this Notice.

EXHIBIT D

RESERVED

SCHEDULE I

ESCROW ACCOUNT INVESTMENT SELECTION FORM **INFORMATION AND DISCLOSURES REGARDING INVESTMENTS**

Institutional Deposit Account:

U.S and non U.S. Corporate and Institutional Investor Use Only

The Institutional Deposit Account is a Money Market Deposit Account held at Bank of America, N.A. For more complete information about IDA, please refer to the terms and conditions and fact sheet. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Funds deposited in IDA are insured to the maximum extent permitted by law and regulation by the Federal Deposit Insurance Corporation. IDA has a normal cutoff time of 4:00PM (central time) and any cash received after that time will not be invested until the next business day.

Repurchase Agreement Account:

U.S Corporate and Institutional Investor Use Only

The Repurchase Agreement Account ("RAA") is a Repurchase Agreement with Bank of America, National Association ("Bank") and is available with the establishment of an account with Global Custody and Agency Services, a division of Bank acting on your behalf ("GCAS"). For more complete information about RAA, please refer to the terms and conditions and fact sheet. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Repurchase Agreements are not deposits within the meaning of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)), are not insured or guaranteed by the U.S. Government, the FDIC or any other government agency, and involve investment risk, including possible loss of principal. If a receiver were appointed for Bank of America, the client would have an ownership interest in the securities sold to the client that are described in the applicable trade confirmation received by GCAS on behalf of all clients investing in RAA or, if the transaction were deemed to be a loan, the client would be a secured creditor and have a perfected interest in such securities. RAA has a normal cutoff time of 1:00PM (central time) and any cash received after that time will not be invested until the next business day.

Money Market Funds:

U.S Corporate and Institutional Investor Use Only

For more complete information about a money market fund listed in this form, including expenses, investment objectives, and past performance, please refer to the prospectus. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Investments in money market mutual funds are neither insured nor guaranteed by Bank of America, N.A. and its affiliates, or by any Government Agency. **There can be no assurance that the funds can maintain a stable net asset value of \$1.00 per share.** Bank of America, N. A. typically has a normal cut-off time of one hour prior to the money market mutual fund's stated cut off time and any cash received after that time will not be invested until the next Business Day.

The parties to the agreement understand and agree that the Escrow Agent may receive certain revenue associated with money market fund investments. These revenues take one of two forms:

Shareholder Servicing Payments: The Escrow Agent may receive shareholder servicing payments commensurate with the shareholder services provided for the money market fund company. Shareholder services typically provided by Bank of America, N.A. include the maintenance of shareholder ownership records, distributing prospectuses and other shareholder information materials to investors and handling proxy-voting materials. Typically shareholder servicing payments are paid under a money market fund's 12b-1 distribution plan and impact the investment performance of the fund by the amount of the fee. The shareholder servicing fee payable from any money market fund is detailed in the fund's prospectus provided to you.

Revenue Sharing Payments: The Escrow Agent may receive revenue sharing payments from a money market fund company. These payments represent a reallocation to the Escrow Agent of a portion of the compensation payable to the fund company in connection with a money market fund investment. Revenue sharing payments constitute a form of fee sharing between the fund company and the Escrow Agent and do not, as a general rule, result in any additional charge or expense in connection with a money market fund investment, are not paid under a 12b-1 plan, and do not impact the investment performance of the fund. The amount of any revenue share, if any, payable to the Escrow Agent with respect to your account's investments is available upon request.

In the event that a money market fund has been designated as the investment, the parties hereto acknowledge delivery of the prospectus for such fund. **The Parties hereto acknowledge that money market funds and other non-deposit investments are not deposits in or obligations of, or guaranteed by, Bank of America Corporation or any of its affiliates and are not insured by the FDIC or any government agency. Investments in money market funds involve investment risks, including possible loss of principal.**

Acknowledged and agreed to this ____ day of _____, 20__ :
[DESIGNATE PARTY OR PARTIES]

By: _____

Name: _____

Title: _____

ESCROW ACCOUNT INVESTMENT SELECTION FORM (Con't)				
		CUSIP	TICKER	INTERNAL
<i>Money Market Deposit Account ("MMDA") held at Bank of America, N.A.</i>				
	Bank of America Institutional Deposit Account (IDA) (a Money Market Deposit Account at Bank of America, N.A.)	N/A	N/A	999100845
<i>Repurchase Agreement Account ("RAA") is a Repurchase Agreement with Bank of America, N.A.</i>				
	Repurchase Agreement Account ("RAA") (a Repurchase Agreement with Bank of America, N.A.)	N/A	N/A	9998SF748
<i>Prime Money Market Funds</i>				
	BofA Cash Reserves - Daily Share	19765K605	NSHXX	999301229
<i>US Government & Agency Money Market Funds</i>				
	BofA Government Reserves - Daily Share	19765K761	NRDXX	999301195
<i>Treasury Money Market Funds</i>				
	BofA Treasury Reserves - Daily Share	19765K282	NDLXX	999301138
<i>Tax-Exempt Money Market Funds</i>				
	BofA Municipal Reserves Daily	097100416	NMDXX	999301161
	BOFA Tax Exempt Reserves - Daily Share	097100192	NEDXX	999301153

NATIONAL GRID

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1.3(i)

INSTRUCTIONS TO EARMARK FUNDS

On this ____ day of _____, 201__, National Grid USA hereby directs the Escrow Agent to promptly earmark and separately account for an amount of Two-Hundred Fifty Thousand Dollars (\$250,000) of the Pool C Escrow Funds pending further release or disbursement instructions from National Grid USA.¹

NATIONAL GRID USA

By: _____

ACKNOWLEDGED AND AGREED TO:

By: _____
General Counsel
Staff of the New Hampshire Public Utilities
Commission

¹ All capitalized terms used but not otherwise defined herein shall have the same meanings as in the Escrow Agreement.

SCHEDULE 1.3(ii)

INSTRUCTIONS TO RELEASE EARMARKED FUNDS

On this ____ day of _____, 201__, National Grid USA hereby directs the Escrow Agent to promptly release and return \$_____ of the Earmarked Funds which were earmarked pursuant to the Instructions to Earmark Funds dated _____, to the non-earmarked Pool C Escrow Funds.¹

NATIONAL GRID USA

By: _____

ACKNOWLEDGED AND AGREED TO:

By: _____

General Counsel
Staff of the New Hampshire Public Utilities
Commission

¹ All capitalized terms used but not otherwise defined herein shall have the same meanings as in the Escrow Agreement.

SCHEDULE 3.1

DISBURSEMENT REQUEST

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

¹ All capitalized terms used but not otherwise defined herein shall have the same meanings as in the Escrow Agreement.