

National Grid Acquisition Integration Costs
Change in Deferral Balances - Keyspan Acquisition

	2008
1 Keyspan Acquisition - Beginning Balance	-
2 Keyspan Costs to Achieve	1,688,441
3 Keyspan Amortization	(144,101)
4 Interest Accrued	95,517
5 Keyspan Acquisition--Ending Balance	1,639,857

Line Notes:

- 1 Prior year, Line 5
- 2 Page 2, Line 36
Docket No. DG 06-107, Settlement Agreement Order No. 24,777, Temporary Rate dated August 24, 2008
- 3 Exhibit EN-2, Line 3, Annual amortization $\$409,203/12=\$34,100$
- 4 $[\text{Line 1} + (\text{Line 2} + \text{Line 3})/2] * 12.37\%$ (per Exhibit EN-2)
- 5 Sum (Lines 1 through 4)

National Grid Acquisition Integration Costs Costs to Achieve Actuals - KeySpan Acquisition

Component	2007	2008	Total
Personnel costs			
1 (1) VERO Programs (management)	32,325,171	59,146,628	91,471,799
2 (2) Voluntary Severance (management)	346,483		346,483
3 (3) Retention agreements	2,279,322	3,033,846	5,313,168
4 (4) Relocations	193,635		193,635
5 (5) Executive severance and Options	-	128,505,490	128,505,490
6			
7	Sub-total	35,144,611	190,685,964
8 IT Integration costs			225,830,575
9			
10 (1) Applications consolidation	-	-	-
11 (2) Data center and network consolidation	776,273	1,159,245	1,935,518
12			
13	Sub-total	776,273	1,159,245
14 Other Integration costs			1,935,518
15			
16 (1) CTA merger savings identified by Integration Team	22,568,848	15,212,529	37,781,377
17 (2) Insurance run-offs (Keyspan)		7,258,150	7,258,150
18			
19	Sub-total	22,568,848	22,470,679
20 Transaction costs			45,039,527
21			
22 (1) Bankers fees and expenses	13,025,222	12,122,471	25,147,693
23 (2) Legal fees and expenses	3,032,917	1,972,900	5,005,817
24 (3) Accounting and audit fees	4,701,754	1,044,068	5,745,822
25 (4) Other Professional services	8,447,835	3,562,324	12,010,159
26 (5) Transfer Tax		17,662,640	17,662,640
27			
28	Sub-total	29,207,729	36,364,402
29			
30	Total	87,697,461	250,680,290
31			338,377,751
32 Remove Executive Severance	-	128,505,490	128,505,490
33			
34 Total Costs to Achieve	87,697,461	122,174,800	209,872,261
35 Synergy Savings Allocation % - Energy North	0.80%	0.80%	0.80%
36 Keyspan Cost to Achieve	705,534	982,907	1,688,441

Line Notes:

1-34 Calendar years 2006-2008 General Ledger actuals.

35 Per Joint Petition dated August 2006, Schedule JGC-1, Page 3 of 4, an additional \$136 million was added to LIPA.

36 Line 34 * Line 35