

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

	2008	2009	2010	2011
1 Keyspan Acquisition - Beginning Balance	-	1,755,633	2,203,003	2,266,975
2 Keyspan Costs to Achieve	1,797,473	625,994	212,810	23,765
3 Keyspan Amortization	(144,101)	(409,203)	(409,203)	(409,203)
4 Interest Accrued	102,261	230,580	260,365	256,585
5 Keyspan Acquisition--Ending Balance *	1,755,633	2,203,003	2,266,975	2,138,122

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 Exhibit EN-2, Line 3,

3 Annual amortization \$409,203/12=\$34,100

4 [Line 1 + (Line 2 + Line 3)/2]*12.37% (per Exhibit EN-2)

5 Sum (Lines 1 through 4)

*Adjust CTA total to include prior years deferrals

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

Component	2007	2008	2009	2010	2011	Total
Personnel costs						
1 (1) VERO Programs (management)	32,861,288	60,604,669	58,406,922	14,375,182	-	166,248,061
2 (2) Voluntary Severance (management)	36,893	2,365,184	5,637,903	4,564,036	3,481,411	16,085,427
3 (3) Retention agreements	1,179,939	3,464,922	1,150,745	703,481	29,225	6,528,312
4 (4) Relocations	194,579	51,617	51,488	24,593	1,449	323,726
5 (5) Executive severance and Options	-	128,505,490	-	-	-	128,505,490
6						
7						
8 IT Integration costs						
9						
10 (1) Applications consolidation	-	-	-	-	-	-
11 (2) Data center and network consolidation	821,335	2,602,945	2,896,029	2,692,024	(138,477)	8,873,856
12						
13						
14 Other Integration costs						
15						
16 (1) CTA merger savings identified by Integration Team	21,804,931	25,031,185	8,238,499	3,410,273	(459,871)	58,025,017
17 (2) Insurance run-offs (Keyspan)	26,182	6,807,041	1,429,061	682,591	40,223	8,985,098
18						
19						
20 Transaction costs						
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						
29						
30						
31						
32 Remove Executive Severance	-	128,505,490	-	-	-	128,505,490
33						
34 Total Costs to Achieve	86,132,877	137,291,964	77,810,648	26,452,180	2,953,958	330,641,627
35 Synergy Savings Allocation % - Energy North	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
36 Keyspan Cost to Achieve	692,947	1,104,526	625,994	212,810	23,765	2,660,041

Line Notes:

1-34 Calendar years 2006-2011 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 35 * Line 36

*Adjust CTA total to include prior years deferrals