

January 7, 2008

VIA HAND DELIVERY AND ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

2008 JAN -7 PM 3:44
RHODE ISLAND PUBLIC UTILITIES COMMISSION

RE: Docket 2509 - Storm Contingency Fund

Dear Ms. Massaro:

In accordance with Order No. 15360 (August 19, 1997) and paragraph 4(b) of the Settlement approved by the Commission in the above-captioned docket, enclosed please find ten (10) copies of National Grid's¹ report detailing the costs of the April 15-16, 2007 storm for inclusion in the Company's Storm Contingency Fund.

This report supplements the letter notice filed with the Commission on July 11, 2007 with regard to the April storm. Until recently, however, the Company did not have a final accounting of all costs associated with the storm. The attached report details the both total costs and incremental restoration costs incurred as a direct result of the April storm.

Thank you for your attention to this filing. Please feel free to contact me if you have any questions concerning this matter at (401) 784-7667.

Very truly yours,



Laura S. Olton

Enclosure

cc: Paul Roberti, Esq.
Steve Scialabba, RI Division
John Bell, RI Division

¹ Filed by The Narragansett Electric Company, d/b/a National Grid ("Company").

The Narragansett Electric Company
d/b/a National Grid
April 15 - 16, 2007 Storm Total O&M Restoration Costs
Between Normal and Incremental Costs

	<u>Total Restoration Costs</u>	<u>Normal Costs</u>	<u>Incremental Costs (1)</u>
Payroll charges excluding payroll overheads for Narragansett employees	\$642,769.53	\$121,725.93	\$521,043.60
Charges for Transportation on Narragansett Vehicles	\$57,336.60	\$57,336.60	\$0.00
Charges from outside companies	\$706,160.52	\$0.00	\$706,160.52
Charges for materials and supplies (2)	\$5,507.72	\$1,043.04	\$4,464.68
Charges for employee expenses	<u>\$2,511.71</u>	<u>\$0.00</u>	<u>\$2,511.71</u>
Total	<u>\$1,414,286.08</u>	<u>\$180,105.57</u>	<u>\$1,234,180.51</u>

(1) Incremental costs are defined as the costs which Narragansett incurred as a direct result of the storm which were over and above Narragansett's normal cost of doing business.

(2) Materials and supplies were allocated between normal costs and incremental costs using the ratio of incremental payroll to total payroll.

The Narragansett Electric Company
d/b/a National Grid
Incremental Costs associated with Storm of April 15 - 16, 2007

<u>Outside Companies</u>	<u>Amount</u>	<u>Apr-2007</u>	<u>May-2007</u>	<u>Jun-2007</u>	<u>Jul-2007</u>	<u>Aug-2007</u>
Harlan Electric Company	\$56,319.92		\$56,319.92			
Hawkeye Electric LLC	\$151,710.22		\$47,369.51	\$104,340.71		
JCR Construction	\$17,757.09			\$7,408.94	\$10,348.15	
Lewis Tree Service	\$93,683.64		\$76,770.36			\$16,913.28
Pro Unlimited, Inc.	\$14,267.33		\$14,267.33			
The Davey Tree Expert Co	\$56,118.37		\$56,118.37			
Thiro USA, Inc.	\$165,049.82		\$165,037.82		\$12.00	
Narragansett Electric	\$11,761.54		\$11,761.54			
National Grid USA Service Co.	\$137,900.80	\$66,687.35	\$55,564.60	\$12,728.34		\$2,920.51
Items under \$10,000	<u>\$1,591.79</u>	<u>\$224.64</u>	<u>\$1,367.15</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Outside Companies	\$706,160.52	\$66,911.99	\$484,576.60	\$124,477.99	\$10,360.15	\$19,833.79
Incremental Company Payroll	\$521,043.60	\$426,748.56	\$106,437.31	\$435.82		(\$12,577.89)
Incremental Materials & Supplies	\$4,464.68	\$0.00	\$4,464.68	\$0.00		
Incremental Employee Expenses	<u>\$2,511.71</u>	<u>\$1,058.34</u>	<u>\$899.84</u>	<u>\$553.53</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Incremental Costs	\$1,234,180.51	\$494,718.89	\$596,378.43	\$125,467.14	\$10,360.15	\$7,255.90
Less Deductible	<u>(\$375,000.00)</u>	<u>(\$375,000.00)</u>				
Amount Charged to Storm Fund	<u>\$859,180.51</u>	<u>\$119,718.89</u>	<u>\$596,378.43</u>	<u>\$125,467.14</u>	<u>\$10,360.15</u>	<u>\$7,255.90</u>