

August 14, 2008

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 2509 – Storm Contingency Fund
November 3-4, 2007 Storm Costs**

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 final costs of the November 3 - 4, 2007 storm for inclusion in the Company's Storm Contingency Fund.

On February 4, 2008, the Company filed a letter notice describing the storm with the Commission; however, until recently, the Company did not have a final accounting of all costs associated with the storm. The attached report details both the total costs and the incremental restoration costs incurred as a direct result of that 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,



Thomas R. Teehan

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
November 3 - 4, 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	\$457,679.53	\$44,025.60	\$413,653.93
Charges for Transportation on Narragansett Vehicles	\$38,020.70	\$38,020.70	\$0.00
Charges from outside companies	\$651,839.11	\$0.00	\$651,839.11
Charges for materials and supplies (2)	\$791.79	\$76.16	\$715.63
Charges for employee expenses	\$2,372.41	\$0.00	\$2,372.41
Total	<u>\$1,150,703.54</u>	<u>\$82,122.46</u>	<u>\$1,068,581.08</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 November 3 - 4, 2007

<u>Outside Companies</u>	<u>Amount</u>	<u>Nov-2007</u>	<u>Dec-2007</u>	<u>Jan-2008</u>	<u>Feb-2008</u>	<u>Mar-2008</u>	<u>Apr-2008</u>
D&D Power, Inc.	\$14,867		\$14,867				
Lewis Tree Service	\$46,408	\$10,209	\$36,199				
McDonough Electric Const Corp.	\$29,187		\$29,187				
Northeast Line Construction Corp.	\$34,639		\$34,639				
On Target Utility Services	\$20,517						\$20,517
The Davey Tree Expert Company	\$47,576	\$25,531	\$22,045				
Thiro USA, Inc.	\$343,761			\$173,921	\$169,840		
National Grid USA Service Co.	\$80,481	\$53,238	\$7,430	\$6,017	\$11,763	\$2,033	
Items under \$10,000	<u>\$34,403</u>	<u>\$13,819</u>	<u>\$16,139</u>	<u>\$1,736</u>	<u>\$2,709</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Outside Companies	\$651,839	\$102,797	\$160,506	\$181,674	\$184,312	\$2,033	\$20,517
Incremental Company Payroll	\$413,654	\$404,756	\$8,898	\$0	\$0	\$0	\$0
Incremental Materials & Supplies	\$716	\$716	\$0	\$0	\$0	\$0	\$0
Incremental Employee Expenses	<u>\$2,372</u>	<u>\$1,443</u>	<u>\$818</u>	<u>\$111</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Incremental Costs	\$1,068,581	\$509,711	\$170,222	\$181,785	\$184,312	\$2,033	\$20,517
Less Deductible	<u>(\$375,000)</u>	<u>(\$375,000)</u>					
Amount Charged to Storm Fund	<u>\$693,581</u>	<u>\$134,711</u>	<u>\$170,222</u>	<u>\$181,785</u>	<u>\$184,312</u>	<u>\$2,033</u>	<u>\$20,517</u>