

April 30, 2010

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3628 - 2009 Annual Service Quality Report, Electric Operations

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's¹ performance results for 2009 under its Service Quality Plan ("Plan") as established in the above-captioned docket. Based on actual performance results, the Company has incurred no penalties for calendar year 2009.

The Company's Plan is described in Attachment 1 to the Company's Agreement to Modify Performance Benchmarks ("Agreement") filed on March 14, 2007, and approved by the Commission in Docket 3628. The Plan provides for penalties and offsets relating to performance standards in the areas of reliability and customer service. The service quality standards under the Plan became effective as of January 1, 2007.

This report is organized as follows:

- Section 1: Provides a summary of each performance standard in the areas of reliability and customer service. Section 1 contains descriptions of each of the performance standards, the targeted performance levels for 2009 with their related dollar values, and the actual 2009 results with the applicable annual penalty or offset.
- Section 2: Provides a summary calculation of the Company's annual penalty or offset for each of the performance standards for 2009. Based on actual performance results for 2009, the Company has incurred no penalties.
- Section 3: The Plan requires the Company to report on additional aspects of service quality, including: (1) worst performing circuits; (2) trouble, non-outage calls received; (3) annual meter reading performance; and (4) information on

¹ Submitted on behalf of The Narragansett Electric Company, d/b/a National Grid ("Company").

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2009 Service Quality Report
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Major Event Days. Section 3 summarizes the results of these reporting requirements.

Thank you for your attention to this filing. If you have any questions concerning this report, please do not hesitate to call me at (401) 784-7667.

Very truly yours,

A handwritten signature in blue ink, appearing to read "T. R. Teehan", is positioned above the printed name.

Thomas R. Teehan

Enclosures

cc: Docket 3628 Service List
Leo Wold, Esq.
Steve Scialabba, Division

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been electronically transmitted, sent via U.S. mail or hand-delivered to the individuals listed below.



Joanne M. Scanlon

April 30, 2010

Date

Narragansett Electric Company – Service Quality Plan Docket 3628 - Service List

Name	E-mail Distribution List	Phone/FAX
Thomas Teehan, Esq. National Grid 280 Melrose Street Providence RI 02907-1438	Thomas.teehan@us.ngrid.com	401-784-7667
	Joanne.scanlon@us.ngrid.com	401-784-4321
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	lwold@riag.state.ri.us	401-222-2424
	Steve.scialabba@ripuc.state.ri.us	ext. 2299
	David.stearns@ripuc.state.ri.us	401-222-3016
	Al.contente@ripuc.state.ri.us	
John Stutz Tellus Institute 11 Arlington St. Boston MA 02116-3411	Jstutz@tellus.org	
W. Mark Russo, Esq.	mrusso@frlawri.com	
Original & nine (9) copies file w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Boulevard Warwick RI 02888	Lmassaro@puc.state.ri.us	401-941-4500
	plucarelli@puc.state.ri.us	
	sccamara@puc.state.ri.us	
W. Mark Russo, Esq.	mrusso@frlawri.com	

The Narragansett Electric Company,
d/b/a National Grid

2009 Service Quality Report

May 1, 2010

Submitted to:
Rhode Island Public Utilities Commission
RIPUC Docket 3628

Submitted by:

nationalgrid

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RELIABILITY PERFORMANCE STANDARDS

Interruption Frequency and Duration

Under the Service Quality Plan, an interruption is defined as the loss of electric service to more than one customer for more than one minute. The interruption duration is defined as the period of time, measured in minutes, from the initial notification of the interruption event to the time when service has been restored to the customers. Interruptions are tracked using System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI). SAIFI is calculated by dividing the total number of customers interrupted by the total number of customers served. SAIFI measures the number of times per year the average customer experienced an interruption. This is an average, so in any given year some customers will experience no interruptions and some will experience several interruptions. SAIDI measures the length of interruption time that the average customer experienced for the year. It is calculated by dividing the total customer minutes of interruption by the total number of customers served.

Certain events are defined as Major Event Days and are excluded from the calculation of reliability performance standards for the purpose of penalty and offset assessment. There were no Major Event Days that occurred during 2009.

2009 Frequency (SAIFI) Standard

2009 Frequency (SAIFI) Results

Frequency of Interruptions per Customer	(Penalty) <u>Offset</u>	Frequency of Interruptions per Customer	Annual (Penalty) <u>Offset</u>
Greater than 1.18	(\$916,000)		
1.06-1.18	linear interpolation		
0.84-1.05	\$0		
0.75-0.83	linear interpolation	0.828	\$30,533
Less than 0.75	\$229,000		

2009 Duration (SAIDI) Standard

Duration of Interruptions (minutes)	(Penalty) Offset
Greater than 89.9	(\$916,000)
72.0-89.9	linear interpolation
45.9-71.9	\$0
36.7-45.8	linear interpolation
Less than 36.7	\$229,000

2009 Duration (SAIDI) Results

Duration of Interruptions (minutes)	Annual (Penalty) Offset
50.17	\$0

CUSTOMER SERVICE PERFORMANCE STANDARDS

Customer Contact Survey

The customer contact survey results are based on responses from National Grid's Rhode Island customers, from a survey performed by an independent third-party consultant. The consultant surveys samples of customers who have contacted the call center during the year in order to determine their overall level of satisfaction with their contact. Eight types of transactions are included in the survey, and the overall results are weighted based on the number of these transactions actually performed at the call center during the year. The percent satisfied represents the responses in the top two categories of customer contact satisfaction on a seven-point scale, where 1 means extremely dissatisfied and 7 means extremely satisfied.

2009 Customer Contact Standard

Percent Satisfied	(Penalty) Offset
Less than 74.5%	(\$184,000)
74.5%-76.7%	linear interpolation
76.8%-81.4%	\$0
81.5%-83.7%	linear interpolation
Greater than 83.7%	\$46,000

2009 Customer Contact Results

Percent Satisfied	Annual (Penalty) Offset
80.2%	\$0

Telephone Calls Answered Within 20 Seconds

The calls answered performance standard reflects the annual average of calls answered within 20 seconds. "Calls answered" include calls answered by a customer service representative (CSR) and calls completed within the Voice Response Unit (VRU). The time to answer is measured once the customer makes a selection to either speak with a CSR or use the VRU.

2009 Calls Answered Standard

2009 Calls Answered Results

<u>% Answered Within 20 Seconds</u>	<u>(Penalty) Offset</u>	<u>% Answered Within 20 Seconds</u>	<u>Annual (Penalty) Offset</u>
Less than 53.5%	(\$184,000)		
53.5%-65.7%	linear interpolation		
65.8%-90.4%	\$0	85.1%	\$0
90.5%-100.0%	linear interpolation, to a maximum of \$46,000		

National Grid
2009 Results of Service Quality Plan
Calculation of Penalty/Offset

<u>Performance Standard</u>	<u>Potential Penalty</u> (a)	<u>Potential Offset</u> (b)	<u>2009 Results</u> (c)	<u>Maximum Penalty</u> (d)	<u>One Std Dev. Worse Than Mean</u> (e)	<u>Mean</u> (f)	<u>One Std Dev. Better Than Mean</u> (g)	<u>Maximum Offset</u> (h)	<u>Annual (Penalty)/ Offset</u> (i)
Reliability - Frequency	\$ 916,000	\$ 229,000	0.83	1.18	1.05	0.94	0.84	0.75	\$30,533
Reliability - Duration	\$ 916,000	\$ 229,000	50.2	89.9	71.9	57.5	45.9	36.7	\$0
Customer Service - Customer Contact Survey	\$ 184,000	\$ 46,000	80.2%	74.5%	76.8%	79.1%	81.4%	83.7%	\$0
Customer Service - Telephone Calls Answered	\$ 184,000	\$ 46,000	85.1%	53.5%	65.8%	78.1%	90.4%	100.0%	\$0
Total Penalty/Offset	\$ 2,200,000	\$ 550,000							\$30,533 *

Notes:

Columns (a), (b), and (d)-(h) are per the Amended Electric Service Quality Plan, RIPUC Docket No. 3628.

Column (c) represents the actual 2009 annual results for the performance standards listed in the first column.

Column (i) is calculated as follows:

- For Reliability Standards:

If Column (c) is between Column (g) and Column (e): \$0

If Column (c) is between Column (h) and Column (g): $[\text{Column (g)} - \text{Column (c)}] \div [\text{Column (g)} - \text{Column (h)}] \times \text{Column (b)}$

If Column (c) is between Column (e) and Column (d): $[\text{Column (c)} - \text{Column (e)}] \div [\text{Column (d)} - \text{Column (e)}] \times \text{Column (a)}$

If Column (c) is greater than Column (d): 100% of Column (a)

If Column (c) is less than Column (h): 100% of Column (b)

- For Customer Service Standards:

If Column (c) is between Column (e) and Column (g): \$0

If Column (c) is between Column (g) and Column (h): $[\text{Column (c)} - \text{Column (g)}] \div [\text{Column (e)} - \text{Column (d)}] \times \text{Column (b)}$

If Column (c) is between Column (d) and Column (e): $[\text{Column (e)} - \text{Column (c)}] \div [\text{Column (e)} - \text{Column (d)}] \times \text{Column (a)}$

If Column (c) is less than Column (d): 100% of Column (a)

If Column (c) is greater than Column (h): 100% of Column (b)

*The total penalty/offset calculation results in a net offset of \$30,533. According to the Company's Service Quality Plan, positive performance in one category can be used to offset penalties in other categories only within a given year. Since there were no penalties incurred during the year, the net offset of \$30,533 has no value and cannot be carried over to 2010.

ADDITIONAL REPORTING CRITERIA

Under the Company's Service Quality Plan, the following additional reporting criteria are required to be filed with the Commission.

1. **Reporting Requirement:** Each quarter, the Company will file a report of 5% of all circuits designated as worst performing on the basis of customer frequency.

Included in the report will be:

1. The circuit id and location.
2. The number of customers served.
3. The towns served.
4. The number of events.
5. The average duration.
6. The total customer minutes.
7. A discussion of the cause or causes of events.
8. A discussion of the action plan for improvements including timing.

Results: The Company filed its first quarter 2009 feeder ranking results on April 15, 2009, the second quarter results on July 17, 2009, the third quarter results on October 27, 2009, and the fourth quarter results on January 26, 2010.

2. **Reporting Requirement:** The Company will track and report monthly the number of calls it receives in the category of Trouble, Non-Outage. This includes inquiries about dim lights, low voltage, half-power, flickering lights, reduced TV picture size, high voltage, frequently burned-out bulbs, motor running problems, damaged appliances and equipment, computer operation problems, and other non-interruptions related inquiries.

Results: The Company filed the required Trouble, Non-Outage reports on a monthly basis during 2009, with the final report filed on January 28, 2010.

3. **Reporting Requirement:** The Company will report its annual meter reading performance as an average of monthly percentage of meters read.

Results: During 2009, the Company's annual meter reading performance (as an average of monthly percentage of meters read) was 98.7%, compared to 97.4% during 2008 and 99.1% during 2007. The following table details the percentage of meters read per month for 2009, 2008, and 2007.

**Narragansett Electric Company
Monthly Percentage of Meters Read**

	<u>2009</u>	<u>2008</u>	<u>2007</u>
January	98.8%	98.9%	98.9%
February	98.9%	98.7%	99.0%
March	98.8%	98.6%	99.1%
April	98.9%	98.7%	99.1%
May	98.8%	99.0%	99.2%
June	98.7%	98.9%	99.1%
July	98.7%	98.9%	99.1%
August	98.7%	98.9%	99.1%
September	98.4%	98.9%	99.1%
October	98.7%	98.9%	99.2%
November	98.8%	98.9%	99.2%
December	98.7%	82.1%	99.0%

4. **Reporting Requirement:** For each event defined as a Major Event Day, the Company will prepare a report, which will be filed annually as part of the annual SQ filing, detailing the following information:

1. Start date/Time of event.
2. Number/Location of crews on duty (both internal and external crews).
3. Number of crews assigned to restoration efforts.
4. The first instance of mutual aid coordination.
5. First contact with material suppliers.
6. Inventory levels: pre-event/daily/post-event.
7. Date/Time of request for external crews.
8. Date/Time of external crew assignment.
9. # of customers out of service by hour.
10. Impacted area.
11. Cause.
12. Weather impact on restoration.
13. Analysis of protective device operation.
14. Summary of customers impacted.

Results:

IEEE Std.1366-2003 identifies reliability performance during both day-to-day operations and Major Event Days. Major Event Days represent those few days during the year on which the energy delivery system experienced stresses beyond that normally expected, such as severe weather. A day is considered a Major Event Day if the daily SAIDI exceeds a threshold value, calculated using the IEEE methodology. The Agreement to Modify Performance Benchmarks fixed the threshold value (T_{MED}) at 5.34 minutes for 2007 and 2008. For 2009 and beyond, performance benchmarks recalculated annually using the IEEE Std. 1366-2003 definition. In 2009, the T_{MED} value was 5.21 minutes of SAIDI. There were no storms that exceeded this threshold in 2009, and thus there were no Major Event Days.