

Memorandum

**To: L. Massaro
Commission Clerk**

**From: D. R. Stearns
A. Contente
Division of Public Utilities & Carriers**

Date: 8/29/2006

**Re: Narragansett Electric d/b/a National Grid - Line Extension Policy
Docket 3716**

In its memo filed with the Commission on August 25, 2006 the Division stated that a comparison of line extension rates between Narragansett Electric d/b/a/ National Grid and other electric utilities would be filed on August 28, 2006. Due to the difficulty caused by, among other issues, the failure of the Division's Internet network and e-mail system, gathering information was a more time-consuming process than anticipated. The results of the comparison are presented below.

The comparison is for illustrative purposes. The Division is aware that such a comparison is not necessarily an accurate barometer of costs incurred by the utilities. Consideration must be given to issues such as: different regulatory philosophies regarding which customers should bear the cost of line extensions, state construction codes, length of time since the utility has conducted a cost study, etc.

Most important is the fact that using the cost study prepared by Narragansett as part of this docket will allow the Company to implement rates that more closely represent the costs incurred, and to be reimbursed by the customers who benefit from the line extensions.

Line Extension Policies:

RI – NGrid (2006)

O/H

Allowed two span and poles at no direct charge

Charge in excess of 2 spans: **\$15.03**

U/G

Allowed O/H credit of two poles and spans @ \$15.03 for first 300' ($\$22.68 - \$15.03 = \$7.65/\text{ft}$)

Charge over 300': **\$22.68**

MA – NGrid (2000)

O/H

Allowed one span or 150', whichever is greater

Charge in excess of one span: **\$12.89**

U/G

Allowed O/H credit of one pole and span @ \$12.89 for first 150' ($\$23.20 - \$12.89 = \$10.31/\text{ft}^*$)

Charge over 150': **\$23.20**

NH – NGrid (1998)

O/H

Allowed 300' at no direct charge

Charge over 300': monthly surcharge of \$0.04 per foot for five years
($.04 \times 12 \times 5 = \$2.40/\text{ft}$)

U/G

Charged the estimated cost minus the estimated cost for the allowable 300' of O/H

NH – NGrid (2006)

O/H

Allowed 500' at no direct charge

Charge in excess of 500': **\$14.00**

U/G

Charge in excess on 100': \$14.04

CT – Conn. Power and Light

O/H

Allowed ½ mile of distribution line by state statute at no direct charge.

Charged actual costs in excess of ½ mile

Service drop of 200' allowed at no direct charge

Charged actual cost for additional in excess of 200'

U/G

Charged actual cost minus the actual estimated O/H for ½ mile per customer

Service drop charged \$104 up to 200'

Charged actual cost in excess of 200'