

January 28, 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 3881 – Gas Submetering  
Response to Commission Inquiry**

Dear Ms. Massaro:

On September 25, 2007, National Grid (the "Company") filed a tariff advice requesting approval by the Public Utilities Commission to amend RIPUC NG No. 101, Section 1, Schedule A, General Terms and conditions, to allow for submetering by a customer for the purpose of allocating gas bills if a property has more than six (6) units. The tariff advice also allows the customer to separately include a reasonable administrative fee when allocating such charges to its tenants. At an Open Meeting on December 20, 2007, the Commission approved National Grid's proposed amendments to the tariff and ordered National Grid to provide the Commission with information regarding what was considered a "reasonable administrative fee." The Commission's written Order No. 19174, issued on January 10, 2008 also required the Company to provide information regarding the fee provision.

In response, the Company believes that an administrative fee charged by the Company's customer to its tenants should be nominal (minimal) and intended to cover no more than the administrative costs of submetering. National Grid does not intend to intervene in the private relationship between a landlord and its tenants, or a condominium association and its members. National Grid is concerned, however, that its customers are not reselling gas or making a profit on the sale of gas sold to it by National Grid. As such, when a customer utilizes submetering, the burden is on the customer to demonstrate that the allocated charges are no greater than the customer's bill from the Company, and that any administrative fee is "reasonable" in nature.

Thank you for your time and attention to this matter. Please let me know if you have further questions or comments.

Very truly yours,



Laura S. Olton

cc: Tom Ahern, Division  
Paul Roberti, Esq.