

July 7, 2008

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3943 – National Grid Request for Change of Gas Distribution Rates Responses to Division Data Requests – Sets 6, 7 and 9

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's¹ responses to the ninth set of data requests issued by the Rhode Island Division of Public Utilities and Carriers ("Division") in the above-captioned proceeding on June 16, 2008.

Please note that the Company's filing includes responses to Data Request DIV 6-9; DIV 6-19; DIV 7-14; and DIV 7-21 from the sixth and seventh sets, which were not previously filed. Attached is a listing of the outstanding data requests for which the Company has not yet provided a response. The Company is working to resolve these outstanding requests and plans to make a supplemental filing as soon as possible.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 3943 Service List

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

Outstanding Responses to Information Requests as of July 7, 2008

Data Request DIV 3-6
Data Request DIV 5-2
Data Request DIV 5-8
Data Request DIV 5-13
Data Request DIV 5-15
Data Request DIV 5-16
Data Request DIV 5-35
Data Request DIV 5-36
Data Request DIV 5-41
Data Request DIV 5-42
Data Request DIV 5-43
Data Request DIV 6-14
Data Request DIV 6-22
Data Request DIV 6-24
Data Request DIV 6-25
Data Request DIV 7-3
Data Request DIV 7-5
Data Request DIV 7-6

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Division Data Request DIV 9-1

Request:

Referring to the response to DIV 1-20, part (6), please provide calculations supporting the Internal Rates of Return on NG-SPM-1. The response should show the cash flows by year and the formula used to calculate each IRR.

Response:

Please see the Company's response to Data Request DIV-8-27(b) providing the confidential Excel model used to calculate the internal rates of return set forth on Attachment NG-SPM-1.

Division Data Request DIV 9-2

Request:

Referring to the response to DIV 1-24, please explain how the Company intends to prove in future rate cases that the synergy savings have actually been achieved and continue to be in effect.

Response:

The proposal does not call for a proof of savings. The Company has provided an upfront credit in the cost of service in this filing equal to the expected steady state net synergy value, which is not expected to be realized until Year 4. The Company's share of net synergies related to the National Grid/KeySpan transaction to be included in future costs of service will be fixed at the amount of customer benefit included in the cost of service, or \$2,450,000.

Division Data Request DIV 9-3

Request:

Referring to the response to DIV 1-28, please provide the increase in maintenance expense in the referenced periods due to the effort to catch up on mandatory work.

Response:

The Company incurred incremental maintenance expense associated with its efforts to both reduce the Grade 2 leak backlog and to catch up on paving restoration. Although costs related specifically to the reduction in leak backlogs are not uniquely captured, actual Grade 2 leak backlogs were reduced by 277 from June 2006 to June 2007 (from 866 to 589). Similarly, backlogs were reduced by 343 from August 2006 to June 2007 following National Grid's acquisition of the regulated gas assets in Rhode Island.

It is important to note that the quantity of Grade 2 leak backlogs will fluctuate depending upon the nature of work being performed by the Company at any given time. For example, leak backlogs rose to 798 by December 2007 and were reduced to 633 by March 2008.

In terms of paving restoration, the Company spent an incremental amount of approximately \$700,000 during the twelve months ended June 2007 versus the same period in 2006.

Division Data Request DIV 9-4

Request:

Please provide the actual distribution maintenance expense by month for each month from October 2006 until the most recent month available.

Response:

Distribution maintenance expense by month from October 2006 through May 2008 is shown below.

<u>Month</u>	<u>Amount</u>
October-06	\$1,569,168
November-06	\$1,608,595
December-06	\$1,331,250
January-07	\$1,207,898
February-07	\$1,487,163
March-07	\$1,661,860
April-07	\$1,343,049
May-07	\$1,695,730
June-07	\$1,436,029
July-07	\$1,075,703
August-07	\$1,282,199
September-07	\$1,105,140
October-07	\$1,179,852
November-07	\$1,205,985
December-07	\$1,217,153
January-08	\$1,473,416
February-08	\$1,235,496
March-08	\$1,595,079
April-08	\$1,653,578
May-08	\$1,805,705

Division Data Request DIV 9-5

Request:

Referring to the response to DIV 1-32, please provide the union labor contract negotiation costs incurred in fiscal years 2005 and 2006.

Response:

For the 12 months ended September 30, 2005 and 2006 the Company incurred negotiation costs of \$83,547 and \$174,548, respectively, representing 12 months of amortization associated with the specific union contracts.

Division Data Request DIV 9-6

Request:

Please explain the frequency with which the Company expects to incur union labor contract negotiation costs.

Response:

The Company has two union contracts covering its National Grid – RI Gas operations. The contract covering the United Steel Workers, Local 12431-01, is a three-year contract effective on May 29, 2007. The contract covering the Utility Workers of America, Local 310, is a two-year contract effective on April 1, 2008. The Company expects to incur union labor contract negotiation costs at the time of each contract renegotiation. Although previously these costs were amortized over the lives of the individual contracts, these costs are now expensed as incurred.

Division Data Request DIV 9-7

Request:

Please provide an analysis of charges to Account 926 in the twelve months ended September 30, 2007. The response should provide an itemization of the benefits charged to Account 926.

Response:

Listed below is an itemization of the benefits charged to Account 926 for the twelve months ended September 30, 2007.

Pension	\$9,756,752
Healthcare / Dental	3,688,345
FAS 106 / 112	4,704,728
Thrift Plan (401(k) plans)	1,462,145
Labor-related Costs	625,634
Life Insurance	197,244
Other	340,959
Total	<u>\$20,775,807</u>

It should be noted that the above pension and FAS 106/112 amounts include costs to achieve amounting to \$4,253,834 in connection with a voluntary early retirement offer associated with the KeySpan acquisition.

Division Data Request DIV 9-8

Request:

Please provide an itemization of charges to Account 928 in the twelve months ended September 30, 2007.

Response:

Listed below is an itemization of charges to Account 928 in the 12-months ended September 30, 2007.

<u>Description</u>	<u>Amount</u>
Rhode Island Division of Public Utilities	\$1,333,696
Payroll	126,707
Other Legal and Consulting	73,422
Other	10,484
Total	<u><u>\$1,544,309</u></u>

Division Data Request DIV 9-9

Request:

Referring to the response to DIV 1-35, please provide the operation and maintenance expenses by FERC account for the twelve months ended March 31, 2008 for Accounts 901 – 935.

Response:

Please see Attachment DIV-9-9 showing operation and maintenance expenses by FERC account for the 12-months ended March 31, 2008 for Accounts 901 – 935. Please note that these amounts include costs to achieve in connection with the National Grid acquisitions of KeySpan and the regulated gas operations in Rhode Island.

Narragansett Gas Company
Customer Service & Info and Administrative Expenses
For the Twelve Months Ended March 31, 2008

	Reg Account	Total
<u>Customer Expenses-O&M</u>		
Cust Acct-Supervision	901000	276,479
Cust Acct-Meter Reading Exp	902000	1,783,535
Cust Records & Collection	903000	7,802,367
Uncollectible Accounts	904000	9,838,964
Cust Acct-Misc Expenses	905000	237,627
Customer Accts Oper Exp-Elec		19,938,971
Cust Service-Supervision	907000	355,220
Cust Assistance Expenses	908000	1,949,511
Info&Instruct Advertising Exp	909000	296,624
Cust Service-Misc Expenses	910000	51,209
Demo & Selling Expenses	912000	81,093
Sales-Misc Expenses	916000	71,513
Cust Service & Info Expenses		2,805,170
<u>Administration Expenses-O&M</u>		
A&G-Salaries	920000	6,181,984
A&G-Office Supplies	921000	7,315,609
Admin Expense Transferred-CR	922000	3
A&G-Outside Services Employed	923000	1,551,482
Property Insurance	924000	21,947
Injuries & Damages Insurance	925000	2,421,172
Employee Pensions & Benefits	926000	19,409,386
Regulatory Comm Expenses	928000	2,014,749
A&G-Institutional/Goodwill Adv	930110	237
A&G-Misc Expenses	930200	2,674,699
A&G-Research & Development	930210	48,467
A&G-Rents	931000	1,719,368
Airplane Rent Expense-Elim	931005	25,598
Administrative Oper Exp-Elec		43,384,700
A&G Maint-General Plant-Elec	935000	94,103
Administrative Maint Expenses		94,103
Subtotal Administration Expenses-O&M		43,478,803
Total Cust Service & Info and Admin Expenses - O&M		\$66,222,943

Division Data Request DIV 6-9

Request:

Re: page 9, lines 8-11 of witness Czekanski's direct testimony, please:

- a. Provide all workpapers, data and analyses (including electronic spreadsheet files) used to estimate the incremental customers and delivery volumes for each rate class that were assumed to result from the Company's Gas Marketing Program as presented in the testimony of witness Sean Mongan;
- b. Provide all workpapers, studies, communications and assumptions provided to witness Czekanski by others in the Company relating to the expected impacts of the Company's Gas Marketing Program on numbers of customers and delivery volumes by rate class.
- c. Document the number of requests for service the Company has received in each of the last 24 months for new gas service from:
 - i. Owners/occupants of existing residential dwellings that do not presently use natural gas;
 - ii. Commercial or industrial facilities that do not presently use natural gas.

Response:

- a. Please see Workpapers PCC 5 found in Volume 5 pages 197 through 205 of the Company's filing for the calculation of the monthly incremental customers and delivery volumes presented in the testimony of Mr. Mongan. The analysis underlying the monthly distribution of incremental customers is provided here as Attachment DIV 6-9(a). An electronic spreadsheet file of Workpapers PCC 5 was previously submitted in response to Data Request DIV 2-9. An electronic spreadsheet file of Attachment to DIV 6-9(a) is provided herewith on CD-ROM.
- b. In addition to items referenced in the response to Data Request DIV 6-9(a) above, there are three e-mail communications addressing assumptions provided to Mr. Czekanski by others in the Company relating to the expected impacts of the Company's Gas Marketing Program on numbers of customers and delivery volumes by rate class. Two of the three emails

were transmitting draft work product prepared exclusively for the rate case filing and for review by counsel prior to the Company's April 1st filing. Because these communications are subject to work-product and attorney/client privileges, the emails are not included here. The third e-mail communication is provided herewith as Attachment DIV-6-9(b).

- (c) At the time of a request for new gas service, the Company's systems do not record whether the owner/occupants of existing residential buildings or commercial/industrial facilities presently use natural gas. Therefore, information disaggregating these customers from other requests for gas service is not available.

Projected Load Growth Nov 07 to Dec 07

COMPLETED- WITH ACTIVE METER		AUGUST	SEPTEMBER	SEPTEMBER	OCTOBER	OCTOBER	NOVEMBER	NOVEMBER	DECEMBER	DECEMBER
		2007 Goal	2007 Actual	2007 Goal	2007 Actual	2007 Goal	2007 Actual	2007 Goal	2007 Actual	2007 Goal
RESIDENTIAL NEW	DTH	10,026	4,598	8,594	17,906	8,594	31,995	14,324	27,945	2,865
	CIAC	\$59,416	\$28,531	\$50,928	\$50,400	\$50,928	\$81,217	\$84,880	\$76,189	\$16,976
	MARGIN	\$41,591	\$20,729	\$35,650	\$74,156	\$35,650	\$132,720	\$59,416	\$115,920	\$11,883
	CUSTOMERS	74	47	64	117	64	237	106	207	21
		4%		10%		20%		17%		
RESIDENTIAL EXISTING	DTH	1,985	6,410	1,701	2,950	1,701	4,992	2,836	3,432	567
	CIAC	\$14,840	\$17,962	\$12,720	\$13,600	\$12,720	\$51,503	\$21,200	\$18,090	\$4,240
	MARGIN	\$8,848	\$26,953	\$7,584	\$14,038	\$7,584	\$22,896	\$12,641	\$15,741	\$2,528
	CUSTOMERS	19	59	16	29	16	48	27	33	5
RESIDENTIAL LOW USE UPGRADE	DTH	0	340	0	170	0	0	0	0	0
	CIAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	MARGIN	\$0	\$1,184	\$0	\$592	\$0	\$0	\$0	\$0	\$0
	CUSTOMERS	0	4	0	2	0	0	0	0	0
		1%		1%		0%		0%		
TOTAL RESIDENTIAL	DTH	12,011	11,348	10,295	21,026	10,295	36,987	17,159	31,377	3,432
	CIAC	\$74,256	\$46,493	\$63,648	\$64,000	\$63,648	\$132,720	\$106,080	\$94,279	\$21,216
	MARGIN	\$50,440	\$48,866	\$43,234	\$88,786	\$43,234	\$155,616	\$72,057	\$131,661	\$14,411
	CUSTOMERS	93	110	80	148	80	285	133	240	27
COMMERCIAL NEW & EXISTING	DTH	1,728	17,110	5,614	16,853	7,342	36,816	3,887	11,887	1,728
	CIAC	\$5,856	\$5,433	\$19,032	\$22,114	\$24,888	\$215,150	\$13,176	\$16,259	\$5,856
	MARGIN	\$7,115	\$52,200	\$23,124	\$51,254	\$30,239	\$374,400	\$16,009	\$32,785	\$7,115
	CUSTOMERS	10	29	32	40	41	208	22	23	10
		6%		8%		40%		4%		
KEY NEW & EXISTING	DTH	4,647	23,839	23,839	0	16,380				
	CIAC	\$2,922								
	Margin New Load	\$16,018	\$45,340	\$45,340	\$0	\$86,675	\$45,027	\$45,027	\$10,289	\$10,289
	Margin NF to Firm		\$33,636	\$33,636	\$39,139	\$22,003	\$579,271	\$64,003	\$101,205	\$12,500
			\$ -	\$ -						
	MARGIN Total	\$16,018	\$78,976	\$78,976	\$39,139	\$108,678	\$624,298	\$109,030	\$111,494	\$22,789
CUSTOMERS	6	13	13	3	8	4	11	5	2	
TOTAL BUSINESS MARKETS	DTH	6,375	40,949	29,453	16,853	23,722	36,816	3,887	11,887	1,728
	CIAC	\$8,778	\$5,433	\$19,032	\$22,114	\$24,888	\$215,150	\$13,176	\$16,259	\$5,856
	MARGIN	\$23,133	\$131,176	\$102,100	\$90,393	\$138,917	\$998,698	\$125,039	\$144,279	\$29,904
	CUSTOMERS	16	42	45	43	49	212	33	28	12
TOTAL COMPANY DTH - MONTHLY	DTH	18,386	52,297	39,749	37,879	34,017	73,803	21,046	43,264	5,159
TOTAL COMPANY CIAC - MONTHLY	CIAC	\$83,034	\$51,926	\$82,680	\$86,114	\$88,536	\$347,870	\$119,256	\$110,538	\$27,072
TOTAL COMPANY MARGIN - MONTHLY	MARGIN	\$73,573	\$180,042	\$145,334	\$179,179	\$182,151	\$1,154,314	\$197,095	\$275,940	\$44,315
TOTAL COMPANY CUSTOMERS - MONTHLY	CUSTOMERS	109	152	124	191	129	497	166	268	38
Total Company DTH - YEAR TO DATE	DTH	236,732	382,900	276,480	420,779	310,498	494,582	331,544	537,846	336,703
Total Company CIAC - YEAR TO DATE	CIAC	\$933,883	\$415,219	\$1,016,563	\$501,333	\$1,105,099	\$849,203	\$1,224,355	\$959,741	\$1,251,427
Total Company MARGIN - YEAR TO DATE	MARGIN	\$845,680	\$1,258,388	\$991,014	\$1,437,567	\$1,173,164	\$2,591,881	\$1,370,260	\$2,867,821	\$1,414,575
Total Company CUSTOMERS - YEAR TO DATE	CUSTOMERS	1,175	1,605	1,299	1,796	1,428	2,293	1,594	2,561	1,632

Notes

- Avg DTH New Res 135 and \$560 margin
- Avg DTH Exist Res 104 and \$477 margin
- Avg DTH Exist Res Low use upgrage 85 and \$296 margin
- Avg DTh Com 177 and \$1,800 margin
- Distribution margin excludes gas costs
- Key Account Notes
- Multi Month Agreements for Key Accounts are claimed on contract c
- Rate payers receive 75% of non-firm margin after first \$1.6MM unde

Czekanski, Peter

From: Geaber, Diane
Sent: Tuesday, January 15, 2008 3:02 PM
To: MONGAN, Sean P
Cc: Isberg, John F; DeGregory, Lisa A.; Czekanski, Peter
Subject: FW: Rate Class: Heat

Attachments: Copy of RI Monthly Gas Sales Report DEC 2007f.xls



Copy of RI
Monthly Gas Sales F

Hey Sean,

I was speaking with Peter Czekanski and he was saying you were looking for the number of customers that have gone from non-heat to heat. I have requested that report for John Isberg and it is in motion (see below).

I have attached the load growth for RI, which shows the non-heat to heat by month. Let me know if you have any questions.

Diane

From: Czaplewski, Karen
Sent: Tuesday, January 08, 2008 10:26 AM
To: Geaber, Diane
Subject: Rate Class: Heat

Diane, recently I signed an Advantage request change that would provide a list of all customers whose rate class has been changed from non-heat to heat, in order to track the success of sales efforts. As the business owner of the system, I have to sign all requests for SOX purposes.

Since often times we find by hi/low exceptions or other investigation that a customer is currently on the wrong rate class, I would encourage you to review in Advantage the history of consumption on the premises that appear on the report before you measure it as a successful sales effort. I think many of these could be corrections in improper rate classes.

Thanks, and Happy New Year!

Karen Czaplewski

Director
National Grid

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Ocean State Gas Division National Grid

MONTHLY LOAD GROWTH 2007

Projected Load Growth

COMPLETED- WITH ACTIVE METER		JANUARY 2007 Actual	JANUARY 2007 Goal	FEBRUARY 2007 Actual	FEBRUARY 2007 Goal	MARCH 2007 Actual	March 2007 Goal	APRIL 2007 Actual	APRIL 2007 Goal	MAY 2007 Actual	MAY 2007 Goal	JUNE 2007 Actual	JUNE 2007 Goal	JULY 2007 Actual	JULY 2007 Goal	AUGUST 2007 Actual	AUGUST 2007 Goal	SEPTEMBER 2007 Actual	SEPTEMBER 2007 Goal
RESIDENTIAL NEW	DTH	12,955	12,891	9,993	12,891	15,019	11,459	7,374	18,621	3,078	15,756	2,717	11,459	8,952	15,756	4,289	10,026	4,598	8,594
	CIAC	\$42,101	\$76,392	\$40,900	\$76,392	\$22,650	\$67,904	\$40,339	\$110,344	\$11,600	\$93,368	\$11,700	\$67,904	\$34,531	\$93,368	\$11,000	\$59,416	\$28,531	\$50,928
	MARGIN	\$57,834	\$53,474	\$42,010	\$53,474	\$72,764	\$47,533	\$30,687	\$77,241	\$14,069	\$65,358	\$10,858	\$47,533	\$37,222	\$65,358	\$12,527	\$41,591	\$20,729	\$35,650
	CUSTOMERS	119	95	87	95	164	85	61	138	27	117	24	85	85	117	34	74	47	64
RESIDENTIAL EXISTING	DTH	2,379	2,552	5,910	2,552	4,684	2,268	1,036	3,686	385	3,119	529	2,268	5,958	3,119	109	1,985	6,410	1,701
	CIAC	\$14,550	\$19,080	\$15,914	\$19,080	\$5,500	\$16,960	\$5,400	\$27,560	\$5,650	\$23,320	\$7,771	\$16,960	\$14,000	\$23,320	\$2,175	\$14,840	\$17,962	\$12,720
	MARGIN	\$6,922	\$11,376	\$29,490	\$11,376	\$20,243	\$10,112	\$4,581	\$16,433	\$1,711	\$13,905	\$2,103	\$10,112	\$25,393	\$13,905	\$575	\$8,848	\$26,953	\$7,584
	CUSTOMERS	25	24	80	24	43	21	10	34	4	29	6	21	55	29	2	19	59	16
RESIDENTIAL LOW USE UPGRADE	DTH	11,050	0	7,820	0	4,250	0	3,910	0	1,955	0	935	0	1,530	0	510	0	340	0
	CIAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	MARGIN	\$38,480	\$0	\$27,232	\$0	\$14,800	\$0	\$13,616	\$0	\$6,800	\$0	\$3,256	\$0	\$5,328	\$0	\$1,776	\$0	\$1,184	\$0
	CUSTOMERS	130	0	92	0	50	0	46	0	23	0	11	0	18	0	6	0	4	0
TOTAL RESIDENTIAL	DTH	26,384	15,443	23,723	15,443	23,953	13,727	12,320	22,307	5,418	18,875	4,181	13,727	16,440	18,875	4,908	12,011	11,348	10,295
	CIAC	\$56,651	\$95,472	\$56,814	\$95,472	\$28,150	\$84,864	\$45,739	\$137,904	\$17,250	\$116,688	\$19,471	\$84,864	\$48,531	\$116,688	\$13,175	\$74,256	\$46,493	\$63,648
	MARGIN	\$103,236	\$64,851	\$98,732	\$64,851	\$107,807	\$57,645	\$48,884	\$93,673	\$22,588	\$79,262	\$16,217	\$57,645	\$67,943	\$79,262	\$14,878	\$50,440	\$48,866	\$43,234
	CUSTOMERS	274	119	259	119	257	106	117	172	54	146	41	106	158	146	42	93	110	80
COMMERCIAL NEW & EXISTING	DTH	21,240	2,591	47,200	2,591	18,880	2,591	8,260	4,751	7,670	2,159	2,950	4,751	20,650	3,455	4,720	1,728	17,110	5,614
	CIAC	\$7,600	\$8,784	\$9,198	\$8,784	\$4,627	\$8,784	\$3,472	\$16,104	\$2,600	\$7,320	\$1,800	\$16,104	\$2,588	\$11,712	\$1,400	\$5,856	\$5,433	\$19,032
	MARGIN	\$64,800	\$10,673	\$144,000	\$10,673	\$57,600	\$10,673	\$25,200	\$19,566	\$23,400	\$8,894	\$9,000	\$19,566	\$63,000	\$14,230	\$14,400	\$7,115	\$52,200	\$23,124
	CUSTOMERS	36	15	80	15	32	15	14	27	13	12	5	27	35	20	8	10	29	32
KEY NEW & EXISTING	DTH	4,303	4,303	23,343	23,343	2,185	2,185	2,197	2,197	38,882	38,882	164	164	5,985	5,985	4,647	4,647	23,839	23,839
	CIAC	\$13,100	\$13,100	\$3,157	\$3,157	\$0	\$0	\$14,168	\$14,168	\$0	\$0	\$9,330	\$9,330	\$1,550	\$1,550	\$2,922	\$2,922		
	Margin New Load	\$17,950	\$17,950	\$46,297	\$46,297	\$4,467	\$4,467	\$5,330	\$5,330			\$8,043	\$8,043	\$60,313	\$60,313	\$16,018	\$16,018	\$45,340	\$45,340
	Margin NF to Firm									\$38,243	\$38,243							\$33,636	\$33,636
	MARGIN Total	\$17,950	\$17,950	\$46,297	\$46,297	\$4,467	\$4,467	\$5,330	\$5,330	\$38,243	\$38,243	\$8,043	\$8,043	\$60,313	\$60,313	\$16,018	\$16,018	\$78,976	\$78,976
	CUSTOMERS	6	6	3	3	2	2	4	4	1	1	2	2	4	4	6	6	13	13
TOTAL BUSINESS MARKETS	DTH	25,543	6,894	70,543	25,934	21,065	4,776	10,457	6,948	46,552	41,041	3,114	4,915	26,635	9,440	9,367	6,375	40,949	29,453
	CIAC	\$20,700	\$21,884	\$12,355	\$11,941	\$4,627	\$8,784	\$17,640	\$30,272	\$2,600	\$7,320	\$11,130	\$25,434	\$4,138	\$13,262	\$4,322	\$8,778	\$5,433	\$19,032
	MARGIN	\$82,750	\$28,623	\$190,297	\$56,970	\$62,067	\$15,140	\$30,530	\$24,896	\$61,643	\$47,137	\$17,043	\$27,609	\$123,313	\$74,543	\$30,418	\$23,133	\$131,176	\$102,100
	CUSTOMERS	42	21	83	18	34	17	18	31	14	13	7	29	39	24	14	16	42	45
TOTAL COMPANY DTH - MONTHLY	DTH	51,927	22,337	94,266	41,377	45,018	18,503	22,777	29,254	51,970	59,916	7,295	18,642	43,075	28,315	14,275	18,386	52,297	39,749
TOTAL COMPANY CIAC - MONTHLY	CIAC	\$77,351	\$117,356	\$69,169	\$107,413	\$32,777	\$93,648	\$63,379	\$168,176	\$19,850	\$124,008	\$30,601	\$110,298	\$52,669	\$129,950	\$17,497	\$83,034	\$51,926	\$82,680
TOTAL COMPANY MARGIN - MONTHLY	MARGIN	\$185,986	\$93,473	\$289,029	\$121,820	\$169,874	\$72,785	\$79,414	\$118,570	\$84,231	\$126,399	\$33,260	\$85,255	\$191,256	\$153,805	\$45,296	\$73,573	\$180,042	\$145,334
TOTAL COMPANY CUSTOMERS - MONTHLY	CUSTOMERS	316	140	342	137	291	123	135	203	68	159	48	135	197	169	56	109	152	124
Total Company DTH - YEAR TO DATE	DTH	51,927	22,337	146,193	63,715	191,211	82,218	213,988	111,473	265,958	171,389	273,253	190,031	316,328	218,346	330,603	236,732	382,900	276,480
Total Company CIAC - YEAR TO DATE	CIAC	\$77,351	\$117,356	\$146,520	\$224,769	\$179,297	\$318,417	\$242,676	\$486,593	\$262,526	\$610,601	\$293,127	\$720,899	\$345,796	\$850,849	\$363,293	\$933,883	\$415,219	\$1,016,563
Total Company MARGIN - YEAR TO DATE	MARGIN	\$185,986	\$93,473	\$475,015	\$215,294	\$644,889	\$288,079	\$724,303	\$406,648	\$808,534	\$533,047	\$841,794	\$618,302	\$1,033,050	\$772,107	\$1,078,346	\$845,680	\$1,258,388	\$991,014
Total Company CUSTOMERS - YEAR TO DATE	CUSTOMERS	316	140	658	277	949	400	1,084	603	1,152	762	1,200	897	1,397	1,066	1,453	1,175	1,605	1,299

Notes

- Avg DTH New Res 135 and \$560 margin
- Avg DTH Exist Res 104 and \$477 margin
- Avg DTH Exist Res Low use upgrage 85 and \$296 margin
- Avg Dth Com 177 and \$1,800 margin
- Distribution margin excludes gas costs
- Key Account Notes

Multi Month Agreements for Key Accounts are claimed on contract date
 Rate payers receive 75% of non-firm margin after first \$1.6MM under current RI Tariff

th Nov 07 to Dec 07

COMPLETED- WITH ACTIVE METER		OCTOBER 2007 Actual	OCTOBER 2007 Goal	NOVEMBER 2007 Actual	NOVEMBER 2007 Goal	DECEMBER 2007 Actual	DECEMBER 2007 Goal	Projected Results 2007	YTD Results 2007	YTD Goals 2007	Goals 2007
RESIDENTIAL NEW	DTH	17,906	8,594	31,995	14,324	27,945	2,865	146,821	146,821	126,047	143,235
	CIAC	\$50,400	\$50,928	\$81,217	\$84,880	\$76,189	\$16,976	\$451,158	\$293,752	\$746,944	\$848,800
	MARGIN	\$74,156	\$35,650	\$132,720	\$59,416	\$115,920	\$11,883	\$621,496	\$621,496	\$522,861	\$594,160
	CUSTOMERS	117	64	237	106	207	21	1,209	1,209	934	1,061
RESIDENTIAL EXISTING	DTH	2,950	1,701	4,992	2,836	3,432	567	38,774	30,350	24,952	28,355
	CIAC	\$13,600	\$12,720	\$51,503	\$21,200	\$18,090	\$4,240	\$172,115	\$102,522	\$186,560	\$212,000
	MARGIN	\$14,038	\$7,584	\$22,896	\$12,641	\$15,741	\$2,528	\$170,646	\$132,009	\$111,236	\$126,405
	CUSTOMERS	29	16	48	27	33	5	394	394	233	265
RESIDENTIAL LOW USE UPGRADE	DTH	170	0	0	0	0	0	32,470	32,470	0	0
	CIAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	MARGIN	\$592	\$0	\$0	\$0	\$0	\$0	\$113,072	\$113,072	\$0	\$0
	CUSTOMERS	2	0	0	0	0	0	382	382	0	0
TOTAL RESIDENTIAL	DTH	21,026	10,295	36,987	17,159	31,377	3,432	218,065	209,641	150,999	171,590
	CIAC	\$64,000	\$63,648	\$132,720	\$106,080	\$94,279	\$21,216	\$823,273	\$396,274	\$933,504	\$1,060,800
	MARGIN	\$88,786	\$43,234	\$155,616	\$72,057	\$131,661	\$14,411	\$905,214	\$866,577	\$634,097	\$720,565
	CUSTOMERS	148	80	285	133	240	27	1,985	1,985	1,167	1,326
								Projected Results 2007	YTD Results 2007	YTD Goals 2007	Goals 2007
COMMERCIAL NEW & EXISTING	DTH	16,853	7,342	36,816	3,887	11,887	1,728	214,236	214,236	37,574	43,188
	CIAC	\$22,114	\$24,888	\$215,150	\$13,176	\$16,259	\$5,856	\$292,241	\$292,241	\$127,368	\$146,400
	MARGIN	\$51,254	\$30,239	\$374,400	\$16,009	\$32,785	\$7,115	\$912,039	\$912,039	\$154,752	\$177,876
	CUSTOMERS	40	41	208	22	23	10	523	523	212	244
KEY NEW & EXISTING	DTH	0	16,380					105,545	105,545	121,925	121,925
	CIAC							\$44,227	\$44,227	\$44,227	\$44,227
	Margin New Load	\$0	\$86,675	\$45,027	\$45,027	\$10,289	\$10,289	\$259,074	\$203,758	\$290,433	\$345,749
	Margin NF to Firm	\$39,139	\$22,003	\$579,271	\$64,003	\$101,205	\$12,500	\$791,494	\$111,018	\$93,882	\$170,385
								\$-			
	MARGIN Total	\$39,139	\$108,678	\$624,298	\$109,030	\$111,494	\$22,789	\$1,050,568	\$314,776	\$384,315	\$516,134
	CUSTOMERS	3	8	4	11	5	2	53	44	49	62
TOTAL BUSINESS MARKETS	DTH	16,853	23,722	36,816	3,887	11,887	1,728	319,781	319,781	159,499	165,113
	CIAC	\$22,114	\$24,888	\$215,150	\$13,176	\$16,259	\$5,856	\$336,468	\$336,468	\$171,595	\$190,627
	MARGIN	\$90,393	\$138,917	\$998,698	\$125,039	\$144,279	\$29,904	\$1,962,607	\$1,226,815	\$539,067	\$694,010
	CUSTOMERS	43	49	212	33	28	12	576	567	261	306
								Results 2007	Results 2007	YTD Goals 2007	Total Goals 2007
TOTAL COMPANY DTH - MONTHLY	DTH	37,879	34,017	73,803	21,046	43,264	5,159	537,846	529,422	310,498	336,703
TOTAL COMPANY CIAC - MONTHLY	CIAC	\$86,114	\$88,536	\$347,870	\$119,256	\$110,538	\$27,072	\$959,741	\$732,742	\$1,105,099	\$1,251,427
TOTAL COMPANY MARGIN - MONTHLY	MARGIN	\$179,179	\$182,151	\$1,154,314	\$197,095	\$275,940	\$44,315	\$2,867,821	\$2,093,392	\$1,173,164	\$1,414,575
TOTAL COMPANY CUSTOMERS - MONTHLY	CUSTOMERS	191	129	497	166	268	38	2,561	2,552	1,428	1,632
Total Company DTH - YEAR TO DATE	DTH	420,779	310,498	494,582	331,544	537,846	336,703				
Total Company CIAC - YEAR TO DATE	CIAC	\$501,333	\$1,105,099	\$849,203	\$1,224,355	\$959,741	\$1,251,427				
Total Company MARGIN - YEAR TO DATE	MARGIN	\$1,437,567	\$1,173,164	\$2,591,881	\$1,370,260	\$2,867,821	\$1,414,575				
Total Company CUSTOMERS - YEAR TO DATE	CUSTOMERS	1,796	1,428	2,293	1,594	2,561	1,632				

Notes

Avg DTH New Res 135 and \$560 margin

Avg DTH Exist Res 104 and \$477 margin

Avg DTH Exist Res Low use upgrade 85 and \$296 margin

Avg DTH Com 177 and \$1,800 margin

Distribution margin excludes gas costs

Key Account Notes

Multi Month Agreements for Key Accounts are claimed on contract

Rate payers receive 75% of non-firm margin after first \$1.6MM unde

Division Data Request DIV 6-19

Request:

Re: page 14, lines 12-19 of witness Czekanski's direct testimony, please:

- a. Provide the percentage of the Company's total anticipated rate year expenditures that would be subject to reconciliation through the DAC.
- b. Explain why each of the existing DAC factors is presented in Section 3 of the Company's proposed tariff with a formula that indicates the amount of the adjustment will be converted to a cost per dekatherm as a result of division of the adjustment amount by "*Forecasted annual firm throughput in dekatherms*" while none of the newly proposed factors appears to reflect the conversion of the specified revenue adjustment amounts to a cost per dekatherm basis.

Response:

- a. Based on the Company's total delivery service revenue requirement submitted in this proceeding, which is approximately \$149.885 million (see Attachment MDL-1, Page 1), the following expenditures totaling \$13.005 million, or approximately 8.6 percent, would be subject to reconciliation through the DAC:

Pensions	\$ 5.052 million
PBOP	4.568 million
LIAP Expense	1.585 million
Weatherization Program	.200 million
Advanced gas Technologies	.300 million
Environmental Remediation	<u>1.300 million</u>
Total	<u>\$13.005 million</u>

- b. The P&PBOP Adjustment factor and the Capital Expenditure tracker Factor will be a dollar amount calculated in a separate report. The formula for the Revenue Decoupling Mechanism is included in the DAC tariff Section 3, Schedule A, Item 3.6. All three factors are included in the formula shown in Item 2.0.

Division Data Request DIV 7-14

Request:

Re: page 9, line 19 through page 10, line 2 of witness Simpson's direct testimony, please:

- a. Indicate whether the Company gave consideration to placing a cap on the amount of any surcharge that could be applied to a class under the RPC mechanism;
- b. Provide the witness' understanding of the conceptual consistency of applying RPC related surcharges and credits on a cents per therm basis when one of the goals of the Company's rate designs is to gain more recovery of base rate revenue through fixed charges.
- c. Provide an illustrative example, of the content of the full annual report that the Company intends to file with the Commission.

Response:

- a. The Company did not consider placing a cap on the amount of any surcharge that could be applied to a class under the RPC mechanism.
- b. There is no inconsistency between the Company's rate design goal of recovering a higher proportion of base rate revenues through fixed charges and implementing an RPC component of the DAC that is on a cents per therm basis. As explained in the Company's response to Data Request DIV-7-1, increasing fixed charges addresses two objectives: (1) revenue decoupling, and (2) setting rates on the basis of costs. The RPC mechanism addresses one of these two objectives, which is revenue decoupling.
- c. An illustrative example of the content of the full annual report that the Company intends to file with the Commission has been provided as Attachment NG-PCC-6 to the pre-filed testimony of Mr. Czekanski.

Division Data Request DIV 7-21

Request:

Re: page 15, line 6 through page 16, line 2 of witness Simpson's direct testimony, please provide all information upon which the Company relies to assess the accuracy of its weather normalizations of usage for each rate class on a per customer basis. If the accuracy of such weather normalization calculations varies from year-to-year or month-to-month, provide the Company assessment of the accuracy of such calculations for each rate class for each year and each month included in the periods for which the witness provides data in Attachments NG-JDS-4, NG-JDS-5, NG-JDS-6, NG-JDS-8, NG-JDS-9, and NG-JDS-10.

Response:

The Company's weather normalization calculations are performed on a rate-class basis in accordance with procedures that have been approved by the Commission. The Company believes that its calculations are accurate and in accordance with the Commission's procedures and the Commission has determined such through its approvals.