

September 10, 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
Response to Outstanding Data Requests**

Dear Ms. Massaro:

Enclosed please find eight (8) copies of National Grid's¹ responses to the Wiley Center's third set of data requests issued in the above-referenced proceeding. Please note that the Wiley Center referred to this set of data requests as its fourth set of data requests in its original cover letter, but it is the third set issued in this proceeding and therefore, the Company has listed it as such. Attached is a listing of the outstanding data requests for which the Company has not yet provided a response. The Company is endeavoring to file these responses 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 September 10, 2008

Data Request COMM 2-1
Data Request COMM 2-2
Data Request COMM 2-5
Data Request COMM 2-6
Data Request COMM 2-9
Data Request DIV 13-4
Data Request COMM 3-2
Data Request COMM 3-8

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically submitted, hand delivered and mailed to the individuals listed below.

/S/
Cheryl M. Kimball

September 10, 2008
Date

**National Grid (NGrid) – Request for Change in Gas Distribution Rates
Docket No. 3943 - Service List as of 8/19/08**

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George Wiley Center Data Request WILEY 3-1

Request:

According to National Grid's response to Data Request WILEY 1-1, NG/KeySpan subsidiaries offer discounts to its gas customers in other states, the cost of which is passed on to other customers.

- (a) Please state whether those costs are passed on to all customers in all classes, or whether they are passed on to certain customers or to certain customer classes.
- (b) If the latter, please describe the allocation (*e.g.*, state which customers or customer classes absorb the cost, and how the cost is allocated among customers or customer classes).
- (c) If the former, please describe how the discounts are allocated among all customers.

RESPONSE:

- a. For The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation, d/b/a National Grid, the cost of low-income discounts are recovered from all firm sales and transportation customers, with the exception of Natural Gas Vehicle and Baseload Distributed Generation customers. Low-income discounts offered by Boston Gas Company, Essex Gas Company, Colonial Gas Company, d/b/a National Grid, and Energy North Natural Gas Inc's, d/b/a National Grid NH are recovered from all firm sales and transportation customers.
- b. The Brooklyn Union Gas Company, d/b/a National Grid NY, and KeySpan Gas East Corporation, d/b/a National Grid, allocated the total cost of the low-income discounts equally over all firm customers with the exception of Natural Gas Vehicles and Baseload Distributed Generation customers. The amount allocated to each firm rate class was based on the number of customers in that class.
- c. For Boston Gas Company, Essex Gas Company and Colonial Gas Company, d/b/a National Grid, the low-income discount is allocated to all rate classes excluding the low-income discount rate using a rate base allocator. The

Company applies the cost of the discount to each customer class based upon the class rate base as a percent of total Company rate base and this discount is incorporated into the base distribution rates at the time of the each Company's base rate proceeding. For Energy North Natural Gas Inc., d/b/a National Grid NH, the Company calculates a surcharge which is included in the Company's Local Distribution Adjustment Factor and applies this surcharge to all firm sales and transportation customers. This surcharge is calculated by dividing the projected discount by projected total firm throughput.