

October 30, 2008

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 3977 - Distribution Adjustment Charge Filing 2008
Response to Commission Data Requests – Set 1**

Dear Ms Massaro:

Enclosed please find ten (10) copies of National Grid's¹ responses to the first set of data requests issued by the Commission in the above-captioned proceeding.

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

Sincerely,



Thomas R. Teehan

Enclosures

cc: Paul Roberti, Esq.
Steve Scialabba
Bruce Oliver

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

COMM 1-1

Request:

In National Grid's 2007 filing, Docket No. 3859, the Company requested System Pressure costs of approximately 24% less than the previous year for about \$1.4 million. The current filing request \$1.8 million. Explain the reason for the increase.

Response:

The primary cause of the increase between the 2007 filing and the 2008 filing was the higher cost of gas in 2008. The average unit cost of LNG projected in 2007 was \$8.29 while in this filing it is \$9.51. The higher price of LNG in inventory reflects the very high prices experienced during most of this summer as LNG storage was filled. There is also an increase in the quantity of LNG dispatch that is projected. This is the result of updating certain planning parameters to improve consistency with actual LNG use and better adjust for the elimination of propane capability.

COMM 1-2

Request:

Does National Grid expect any environmental sites to incur expenditures of greater than \$100,000 in FY09.

Response:

The Company anticipates spending greater than \$100,000 on four sites in FY09. The approximate FY09 spending estimates and anticipated environmental activities are discussed below.

Pawtucket (Tidewater) MGP, Rhode Island

The FY09 estimate for the gas operations portion of the Tidewater MGP site is \$100K (project costs are split 20%/80% between gas and electric operations). The anticipated FY09 activities include initial sediment sampling and analysis; implementation of the RIDEM-approved short-term response actions; and completion of the Site Investigation Report for the site.

18 and 21 Holders at 642 Allens Ave, Providence, Rhode Island

The FY09 estimate for the Holders at 642 Allens Ave is \$2M. The anticipated FY09 activities include completion of the dewatering of the two holders; evaluation of feasible holder decontamination methods and procedures; preparation of specifications for the holder decontamination and demolition; contractor bid and selection activities; and initiation of the holder decontamination and demolition project in Spring 2009.

Thames & Wellington, Newport, Rhode Island

The FY09 estimate for the Newport MGP site is \$1M. The anticipated FY09 activities include completion of the RIDEM-approved subsurface investigation initiated in April 2008; preparation of a Site Data Report Addendum for submittal to RIDEM; assessment and, if determined to be feasible, implementation of short-term response actions; and evaluation of feasible long-term remedial alternatives for the site. The Company is currently assessing short-term response actions and, as such, the FY09 estimate is approximate and dependent on what, if any, short-term response actions are performed in FY09.

Response: COMM 1-02 (continued)

Mercury Seal Regulator (MSR) Replacement Program

The FY09 estimate for the MSR Replacement Program is \$350K. The anticipated FY09 activities include the continued removal of MSRs from the system, as well as independent and real-time vapor screening and follow-up analytical testing of MSR locations prior to, during and following MSR removal.

COMM 1-4

Request:

What is unrecovered in environmental costs?

Response:

Attachment PCC-4 page 2 of 3 shows that at the end of FY2008 the unrecovered environmental costs totaled \$1,430,281.