

March 4, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Accelerated Replacement Program Filing
Docket No. 4034 National Grid Gas**

Dear Ms. Massaro:

Enclosed for filing are ten (10) copies of National Grid's¹ response to the February 20 comments filed in this docket by the Division of Public Utilities and Carriers ("Division") in the above-captioned proceeding.

On February 17, 2009, after the Commission's February 6 technical session, the Company filed its Fiscal Year 2010 Final 2010 ARP program for Commission approval. On February 20, the Division filed comments relative to the Company's final plan. In its comments, the Division affirmatively notes that the Company's final plan is "a reasonable approach by the Company in fulfilling the requirements of the ARP." The Division goes on to make two specific recommendations relative to progress reports to be filed by the Company. The Division recommends: (1) a monthly list of completed service locations and their associated costs during the replacement period; and (2) a monthly status report detailing the main replacements that were commenced and completed in the prior month, identifying each project's location and known or estimated final costs.

The Company is agreeable to the Division's recommendations and has attached a sample format for those reports, which is similar to Attachment 1 of the Company's February 17, 2009 filing. The three new columns (Columns U, V, and W, respectively) are highlighted. As noted in Column U, the Company recommends that each monthly report reflect rolling costs associated with completed work with a final reconciliation of total project costs occurring as part of each May 15 annual filing. As was indicated by Company witnesses at the Commission's February 6, 2009 technical session, there can be a considerable lag time between the completion of a job in the field and the receipt and booking of final invoices from contractors. As such, the Company's proposed modification captures the accumulation of project costs over time.

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

Luly E. Massaro, Commission Clerk
ARP Plan
March 4, 2009
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Thank you for your attention to this transmittal. If you have any questions, please call me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Leo Wold, Esq., Office of the Attorney General
Steve Scialabba, RI Division

SAMPLE
National Grid - Rhode Island - Gas
FY 2010
Accelerated Replacement Program
Main & Non-HP Service Replacement
Monthly Report - July 2009 (1)

| Items | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W |
|-------|-----------|--------|----------|------------|-----------------|--------------------------|------------------------------|---------------|---------------|------|-----------------|----------------|-----------------------|-----------------|---------------|----------------------------|-------------------------------|-----------------------------|------------------|----------------------------|------------------------------------------|-------------------------------|------------------------------|
| | Project # | Paving | Category | Division | Municipality | Location / Street | Project Limits | Exst Diameter | Exst Material | YOI | System Pressure | Relay Diameter | Relay/ Insert Footage | Abandon Footage | # of Services | Estimated Loaded Main Cost | Estimated Loaded Service Cost | Total Estimated Loaded Cost | AVG LCost / Foot | Prioritization Factor (Pr) | Rolling Project Costs Thru Report Period | \$ Variance (+/-) From Col. R | % Variance (+/-) From Col. R |
| 1 | 0398 | | AR | Providence | Providence | Manton Ave #928 | Fruit Hill Ave | 6 | CI | 1905 | Low | 6 | 55 | 55 | 0 | \$6,737.50 | \$2,887.50 | \$9,625 | \$175.00 | 1022 | | | |
| 2 | 0249 | | AR | Providence | East Greenwich | Queen St. at Water St. | High St., south to #45 Water | 2 | BS | 1944 | High | 2 | 460 | 460 | 4 | \$48,300.00 | \$20,700.00 | \$69,000 | \$150.00 | 850 | | | |
| 3 | 0399 | | AR | Providence | Providence | Woodbine | Ivy St | 4 | CI | 1899 | Low | 6 | 125 | 125 | 2 | \$14,350.00 | \$6,150.00 | \$20,500 | \$164.00 | 748 | | | |
| 4 | 0252 | | AR | Providence | Warwick | Potowomut Rd. | At house #119 Potowomut R | 2 | BS | 1951 | High | 2 | 25 | 50 | 1 | \$2,537.50 | \$1,087.50 | \$3,625 | \$145.00 | 700 | | | |
| 5 | 0400 | | AR | Providence | Providence | Larch | Ivy St | 4 | CI | 1899 | Low | 6 | 105 | 105 | 2 | \$12,054.00 | \$5,166.00 | \$17,220 | \$164.00 | 568 | | | |
| 6 | 0402 | | AR | Providence | Providence | Public St #380 | Milk Street | 6 | CI | 1875 | Low | 6 | 123 | 123 | 0 | \$14,120.40 | \$6,051.60 | \$20,172 | \$164.00 | 559 | | | |
| 7 | 0238 | | AR | Providence | Coventry | Wood Cove Dr. | Between #74 and #76 Wood | 2 | BS | 1967 | High | 2 | 60 | 60 | 2 | \$5,670.00 | \$2,430.00 | \$8,100 | \$135.00 | 525 | | | |
| 8 | 0289 | | AR | Providence | Warwick | West Natick Rd. | Bald Hill Rd. to Greenwich A | 6 | BS | 1964 | High | 6 | 2,000 | 2,000 | 8 | \$229,600.00 | \$98,400.00 | \$328,000 | \$164.00 | 525 | | | |
| 9 | 0181 | | AR | Providence | Warwick | Post Rd., Pleasant St. | West Shore Rd. to Music La | 2,3,6 | BS | 1928 | High | 4,6 | 3,800 | 3,800 | 18 | \$436,240.00 | \$186,960.00 | \$623,200 | \$164.00 | 431 | | | |
| 10 | 0237 | | AR | Providence | Coventry | Pilgrim Ave., Dexter St. | Tioge Ave. to end of Dexter | 2 | BS | 1961 | High | 2 | 1,400 | 1,400 | 10 | \$132,300.00 | \$56,700.00 | \$189,000 | \$135.00 | 405 | | | |
| 11 | 0216 | | AR | Providence | Barrington | Metropolitan Park Dr. | Rogers Ave. to Harold St. | 4 | BS | 1925 | High | 4 | 550 | 550 | 7 | \$63,140.00 | \$27,060.00 | \$90,200 | \$164.00 | 371 | | | |
| 12 | 0269 | | AR | Providence | East Providence | Pavilion Ave. | Newman Ave. to Bishop Ave | 4 | CI | 1928 | Low | 6 | 500 | 500 | 9 | \$47,250.00 | \$20,250.00 | \$67,500 | \$135.00 | 320 | | | |
| 13 | 0294 | | AR | Providence | East Greenwich | Union St., Marlborough | Main St. to London St. | 2 | BS | 1929 | High | 2 | 1,565 | 1,565 | 26 | \$147,892.50 | \$63,382.50 | \$211,275 | \$135.00 | 320 | | | |
| 14 | 0331 | | AR | Providence | Warwick | Long St., Asylum Rd. Ar | Bakers Creek Rd. to Keeley | 2 | BS | 1951 | High | 2,4,6 | 5,380 | 5,380 | 73 | \$564,900.00 | \$242,100.00 | \$807,000 | \$150.00 | 297 | | | |
| 15 | 0332 | | AR | Providence | Providence | Melissa St | Hartford Ave. to Barden | 6 | CI | 1912 | Low | 6 | 135 | 135 | 3 | \$15,498.00 | \$6,642.00 | \$22,140 | \$164.00 | 291 | | | |
| 16 | 0404 | | AR | Providence | Providence | Pleasant St #107 | Western | 4 | CI | 1876 | Low | 6 | 217 | 217 | 4 | \$24,911.60 | \$7,117.60 | \$35,588 | \$164.00 | 289 | | | |
| 17 | 0477 | | AR | Cumberland | Pawtucket | Jackson St | Roosevelt to High | 3 | CI | 1940 | Low | 6 | 365 | 365 | 5 | \$41,902.00 | \$17,958.00 | \$59,860 | \$164.00 | 285 | | | |
| 18 | 0299 | | AR | Providence | Barrington | Markwood Dr. | Remainder of BS off County | 2 | BS | 1926 | High | 2 | 755 | 755 | 6 | \$79,275.00 | \$33,975.00 | \$113,250 | \$150.00 | 283 | | | |
| 19 | 0403 | | AR | Providence | Providence | Colonial Rd #18 | Summit | 4 | CI | 1923 | Low | 6 | 155 | 155 | 3 | \$17,794.00 | \$7,626.00 | \$25,420 | \$164.00 | 275 | | | |
| 20 | 0048 | | AR | Providence | East Providence | Warren Ave. | Intersection of Fifth St. | 4 | CI | 1883 | Low | 6 | 100 | 100 | 0 | \$11,480.00 | \$4,920.00 | \$16,400 | \$164.00 | 270 | | | |
| 21 | 0355 | | AR | Providence | Johnston | Park and Bend | | 6 | BS | 1957 | High | 2 | 748 | 748 | 8 | \$60,214.00 | \$25,806.00 | \$86,020 | \$115.00 | 260 | | | |
| 22 | 0461 | | AR | Providence | East Providence | Hatton | Boyd | 2 | BS | 1965 | High | 2 | 475 | 475 | 6 | \$38,237.50 | \$16,387.50 | \$54,625 | \$115.00 | 253 | | | |
| 23 | 0356 | | AR | Providence | Warwick | Sutton | | 2 | BS | 1950 | High | 2 | 286 | 286 | 5 | \$29,029.00 | \$12,441.00 | \$41,470 | \$145.00 | 252 | | | |
| 24 | 0322 | | AR | Providence | Coventry | Lantern Lane | Tioge Ave. to end of main | 2 | BS | 1960 | High | 2 | 575 | 575 | 8 | \$60,375.00 | \$25,875.00 | \$86,250 | \$150.00 | 250 | | | |
| 25 | 0351 | | AR | Providence | Newport | Pine Street | Washington to Third | 2 | BS | 1909 | Low | 6 | 545 | 545 | 6 | \$62,566.00 | \$26,814.00 | \$89,380 | \$164.00 | 250 | | | |
| 26 | 0401 | | AR | Providence | Providence | Warrington | Melrose | 4 | CI | 1917 | Low | 6 | 118 | 118 | 0 | \$13,546.40 | \$5,805.60 | \$19,352 | \$164.00 | 232 | | | |
| 27 | 0446 | | AR | Providence | Warwick | Whitford | | 2 | BS | 1955 | High | 2 | 237 | 237 | 3 | \$24,885.00 | \$10,665.00 | \$35,550 | \$150.00 | 232 | | | |
| 28 | 0325 | | AR | Providence | Coventry | Briar Point Ave. | Arnold Rd. to end of main | 2 | BS | 1961 | High | 2 | 325 | 325 | 6 | \$34,125.00 | \$14,625.00 | \$48,750 | \$150.00 | 231 | | | |
| 29 | 0224 | | AR | Providence | Coventry | Powhatan Ave., Beechw | Osceola Ave. to end of main | 2 | BS | 1967 | High | 2 | 660 | 660 | 6 | \$69,300.00 | \$29,700.00 | \$99,000 | \$150.00 | 227 | | | |