

August 14, 2009

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE:   Docket 4065 – National Grid Request for Change of Electric Distribution Rates  
      Response to Data Requests**

---

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's<sup>1</sup> responses to data requests issued by the Division, the Commission and the Navy in the above-referenced proceeding. Attached is a listing of the data requests issued to date and designating the responses included in this filing in bold.

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,

A handwritten signature in blue ink, appearing to read "T. Teehan", is written over a light blue horizontal line.

Thomas R. Teehan

Enclosures

cc:     Docket 4065 Service List

---

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

### 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/  
Linda Samuelian

August 14, 2009  
Date

**National Grid (NGrid) – Request for Change in Electric Distribution Rates**  
**Docket No. 4065 - Service List as of 7/22/09**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone/FAX</b>
Thomas R. Teehan, Esq. National Grid. 280 Melrose St. Providence, RI 02907	<a href="mailto:Thomas.teehan@us.ngrid.com">Thomas.teehan@us.ngrid.com</a>	401-784-7667 401-784-4321
	<a href="mailto:Joanne.scanlon@us.ngrid.com">Joanne.scanlon@us.ngrid.com</a>	
Cheryl M. Kimball, Esq. (for NGrid) Keegan Werlin LLP 265 Franklin Street Boston, MA 02110	<a href="mailto:ckimball@keeganwerlin.com">ckimball@keeganwerlin.com</a>	617-951-1400 617-951-1354
	<a href="mailto:lindas@keeganwerlin.com">lindas@keeganwerlin.com</a>	
Leo Wold, Esq. (for Division) Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:Lwold@riag.ri.gov">Lwold@riag.ri.gov</a>	401-222-2424 401-222-3016
	<a href="mailto:Steve.scialabba@ripuc.state.ri.us">Steve.scialabba@ripuc.state.ri.us</a>	
	<a href="mailto:David.stearns@ripuc.state.ri.us">David.stearns@ripuc.state.ri.us</a>	
Ladawn S. Toon, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:Ltoon@riag.ri.gov">Ltoon@riag.ri.gov</a>	401-222-2424 401-222-3016
	<a href="mailto:dmacrae@riag.ri.gov">dmacrae@riag.ri.gov</a>	
	<a href="mailto:Mtobin@riag.ri.gov">Mtobin@riag.ri.gov</a>	
Audrey Van Dyke, Esq. Naval Facilities Engineering Command Litigation Headquarters 720 Kennon Street, S.E. Bdg. 36, Rm 136 Washington Navy Yard, DC 20374	<a href="mailto:Audrey.VanDyke@navy.mil">Audrey.VanDyke@navy.mil</a>	202-685-1931 202-433-2591
Khojasteh (Kay) Davoodi Naval Facilities Engineering Command Director, Utility Rates and Studies Office 1322 Patterson Avenue SE Washington Navy Yard, DC 20374-5065	<a href="mailto:Khojasteh.Davoodi@navy.mil">Khojasteh.Davoodi@navy.mil</a>	202-685-3319 202-433-7159
	<a href="mailto:Larry.r.allen@navy.mil">Larry.r.allen@navy.mil</a>	
Jerry Elmer, Esq. Conservation Law Foundation 55 Dorrance Street Providence, RI 02903	<a href="mailto:Jelmer@clf.org">Jelmer@clf.org</a>	401-351-1102 401-351-1130
Michael McElroy, Esq. (for TEC-RI) Schacht & McElroy PO Box 6721 Providence, RI 02940-6721	<a href="mailto:McElroyMik@aol.com">McElroyMik@aol.com</a>	401-351-4100 401-421-5696

John Farley, Executive Director The Energy Council of RI One Richmond Square Suite 340D Providence, RI 02906	<a href="mailto:jfarley316@hotmail.com">jfarley316@hotmail.com</a>	401-621-2240 401-621-2260
Jean Rosiello, Esq. (for Wiley Ctr.) MacFadyen Gescheidt & O'Brien 101 Dyer St. Providence, RI 02903	<a href="mailto:jeanrosiello@cox.net">jeanrosiello@cox.net</a>	401-751-5090 401-751-5096
Jeremy C. McDiarmid, Esq. Environment Northeast (ENE) 6 Beacon St., Suite 415 Boston, MA 02108	<a href="mailto:jmcdiarmid@env-ne.org">jmcdiarmid@env-ne.org</a>	617-742-0054
W. Mark Russo (for ENE) Ferrucci Russo, P.C. 55 Pine St. Providence, RI 02903	<a href="mailto:mrusso@frlawri.com">mrusso@frlawri.com</a>	
Roger E. Koontz Environment Northeast 15 High Street Chester, CT 06412	<a href="mailto:rkoontz@env-ne.org">rkoontz@env-ne.org</a>	
R. Daniel Prentiss, P.C. (for EERMC) Prentiss Law Firm One Turks Head Place, Suite 380 Providence, RI 02903	<a href="mailto:dan@prentisslaw.com">dan@prentisslaw.com</a>	401-824-5150 401-824-5181
Samuel P. Krasnov (for EERMC) 203 S. Main Street Providence, RI 02903	<a href="mailto:skrasnow@env-ne.org">skrasnow@env-ne.org</a>	
S. Paul Ryan (for EERMC) 670 Willett Avenue Riverside, RI 02915-2640	<a href="mailto:spryan@eplaw.necoxmail.com">spryan@eplaw.necoxmail.com</a>	
Maurice Brubaker Brubaker and Associates P.O. Box 412000 St Louis, Missouri 63141-2000	<a href="mailto:mbrubaker@consultbai.com">mbrubaker@consultbai.com</a>	
Ali Al-Jabir Brubaker and Associates 5106 Cavendish Dr. Corpus Christi, TX 78413	<a href="mailto:aaljabir@consultbai.com">aaljabir@consultbai.com</a>	
David Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	<a href="mailto:Djeffron@aol.com">Djeffron@aol.com</a>	603-964-6526
Bruce Oliver Revilo Hill Associates 7103 Laketree Drive Fairfax Station, VA 22039	<a href="mailto:Boliver.rha@verizon.net">Boliver.rha@verizon.net</a>	703-569-6480

Dale Swan Exeter Associates 5565 Sterrett Place Suite 310 Columbia, MD 21044	<a href="mailto:dswan@exeterassociates.com">dswan@exeterassociates.com</a>	410-992-7500 410-992-3445
Matthew Kahal c/o/ Exeter Associates 5565 Sterrett Place Suite 310 Columbia, MD 21044	<a href="mailto:mkahal@exeterassociates.com">mkahal@exeterassociates.com</a>	410-992-7500 410-992-3445
Bruce Gay Monticello Consulting Group 4209 Buck Creek Court North Charleston, SC 29420	<a href="mailto:bruce@monticelloconsulting.com">bruce@monticelloconsulting.com</a>	843-767-9001 843-207-8755
Lee Smith Richard Hahn Mary Neal LaCapra Associates One Washington Mall, 9th Floor Boston, MA 02108	<a href="mailto:lees@lacapra.com">lees@lacapra.com</a>	617-778-5515 Ext. 117 617-778-2467
	<a href="mailto:rhahn@lacapra.com">rhahn@lacapra.com</a>	
	<a href="mailto:mneal@lacapra.com">mneal@lacapra.com</a>	
<b>File original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02889	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2107 401-941-1691
	<a href="mailto:Anault@puc.state.ri.us">Anault@puc.state.ri.us</a>	
	<a href="mailto:Plucarelli@puc.state.ri.us">Plucarelli@puc.state.ri.us</a>	
	<a href="mailto:Nucci@puc.state.ri.us">Nucci@puc.state.ri.us</a>	
	<a href="mailto:Sccamara@puc.state.ri.us">Sccamara@puc.state.ri.us</a>	

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Data Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
COMM 1-1	Filed	6/26/2009	O'Brien		Attachments COMM 1-1-3, 1-1-4, 1-1-5, 1-1-7, 1-1-8, 1-1-9 <b>BULK</b>
COMM 1-2	Filed	6/26/2009	O'Brien		Attachments COMM 1-2 A-D <b>BULK</b>
COMM 1-3	Filed	6/26/2009	Dinkel		Attachments COMM 1-3 A-B <b>BULK</b>
COMM 1-4	Filed	6/26/2009	O'Brien		
COMM 1-5	Filed	7/22/2009	O'Brien/Dinkel		Attachments COMM 1-5 (1-3)
COMM 1-6	Filed	6/26/2009	Dinkel	C-attachment	Attachments COMM 1-6-1 & 1-6-2 <b>BULK</b>
COMM 1-7	Filed	6/26/2009	O'Brien		Attachment COMM 1-7
COMM 1-8	Filed	6/26/2009	Dinkel		Attachments COMM 1-8 (A-D) <b>BULK</b>
COMM 1-9	Filed	6/26/2009	Dinkel	C-attachment	Attachments COMM 1-9 (1-11) <b>BULK</b>
COMM 1-10	Filed	6/26/2009	Dinkel		Attachment COMM 1-10 (hard copy only) <b>BULK</b>
COMM 1-11	Filed	6/26/2009	O'Brien		
COMM 1-12	Filed	7/1/2009	Dinkel/Morrissey		Attachments COMM 1-12 (1-2)
COMM 1-13	Filed	6/26/2009	Dinkel		Attachment COMM 1-13
COMM 1-14	Filed	6/26/2009	Dinkel		Attachment COMM 1-14
COMM 1-15	Filed	6/26/2009	Dinkel		Attachment COMM 1-15
COMM 1-16	Filed	6/26/2009	O'Brien		Attachments COMM 1-16 (1-12)
COMM 1-17	Filed	7/6/2009	Pettigrew		
COMM 1-18	Filed	7/14/2009	Pettigrew		Attachments COMM 1-18-1, 1-18-2, 1-18-3, 1-18-4(a) - (d) <b>Bulk</b>
COMM 1-19	Filed	8/11/2009	O'Brien		Attachment COMM 1-19
COMM 1-20	Filed	6/26/2009	O'Brien		
COMM 1-21	Filed	6/26/2009	O'Brien		Attachments COMM 1-21 (1-4)
COMM 1-22	Filed	6/26/2009	O'Brien		Attachments COMM 1-22 (1-2)
COMM 1-23	Filed	6/26/2009	O'Brien		Attachments COMM 1-23 (1-2)
COMM 1-24	Filed	6/26/2009	O'Brien		Attachment COMM 1-24
COMM 1-25	Filed	6/26/2009	O'Brien		Attachments COMM 1-25 (1-14) <b>BULK</b>
COMM 1-25 (supp.)	Filed	8/11/2009	O'Brien		Attachments COMM 1-25 (1-3)
COMM 1-26	Filed	6/26/2009	O'Brien		Attachment COMM 1-26
COMM 1-27	Pending				
COMM 1-28	Filed	7/6/2009	O'Brien		Attachment COMM 1-28
COMM 1-29	Filed	6/26/2009	O'Brien		
COMM 1-30	Filed	6/26/2009	O'Brien		
COMM 1-31	Filed	6/26/2009	King		
COMM 1-32	Filed	6/26/2009	O'Brien		Attachment COMM 1-32
COMM 1-33	Filed	6/26/2009	O'Brien		Attachment COMM 1-33 (1-3) <b>BULK</b>
COMM 1-34	Filed	6/26/2009	Dowd		Attachments COMM 1-34 (1-2) <b>BULK</b>
COMM 1-35	Filed	6/26/2009	Dowd		Attachment COMM 1-35 <b>BULK</b>
COMM 1-36	Filed	6/26/2009	Dowd		Attachment DIV 2-1 (electronic only)
COMM 1-37	Filed	6/26/2009	O'Brien		Attachment COMM 1-37
COMM 1-38	Filed	6/26/2009	O'Brien		Attachment COMM 1-38
COMM 1-39	Pending				
COMM 1-40	Filed	6/26/2009	Dowd		Attachment COMM 1-40
COMM 1-41	Filed	6/26/2009	Dowd		Attachment COMM 1-41
COMM 1-42	Filed	6/26/2009	Dowd		Attachment COMM 1-42
COMM 1-43	Filed	6/26/2009	Dowd		Attachment COMM 1-43
COMM 1-44	Filed	6/26/2009	Dowd		Attachment COMM 1-44
COMM 1-45	Filed	6/26/2009	O'Brien		Attachment COMM 1-45

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Data Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
COMM 1-46	Filed	6/26/2009	Dowd		
COMM 1-47	Filed	6/26/2009	Dowd		Attachments COMM 1-47 (1-3)
COMM 1-48 (Part 1)	Filed	7/1/2009	Dowd		<b>BULK</b>
COMM 1-48 (Parts 2-5)	Filed	6/26/2009	O'Brien		Attachment COMM 1-48
COMM 1-49	Filed	6/26/2009	O'Brien		Attachments COMM 1-49 (1-5)
COMM 1-50	Filed	6/26/2009	Dowd		Attachments COMM 1-50 (1-38)
COMM 1-51	Filed	6/26/2009	Dowd		<b>BULK</b>
COMM 1-52	Filed	6/26/2009	Dowd		
COMM 1-53	Filed	6/26/2009	Dowd		Attachment COMM 1-52
COMM 1-54	Filed	6/26/2009	O'Brien		Attachment COMM 1-53
COMM 1-55	Filed	7/14/2009	O'Brien		Attachments COMM 1-54 (1-2)
COMM 1-56	Filed	6/26/2009	O'Brien		Attachment COMM 1-55
COMM 1-57	Filed	6/26/2009	O'Brien		
COMM 1-58	Filed	6/26/2009	O'Brien		Attachment COMM 1-57
COMM 1-59	Filed	6/26/2009	O'Brien		Attachment DIV 3-11 (PDF and working excel)
COMM 1-60	Filed	7/1/2009	O'Brien		Attachment COMM 1-59
COMM 1-61	Filed	6/26/2009	Dowd		Attachment COMM 1-60 (A-B)
COMM 1-62	Filed	6/26/2009	O'Brien		
COMM 1-63	Filed	8/11/2009	O'Brien		Attachments COMM 1-62 (1-2)
COMM 1-64	Filed	6/26/2009	O'Brien		Attachments COMM 1-63 (A-F)
COMM 1-65	Filed	6/26/2009	O'Brien		A-C EXCEL FILES
COMM 1-66	Filed	6/26/2009	O'Brien		D & E <b>BULK</b> (hard copy only)
COMM 1-67	Filed	6/26/2009	O'Brien		Attachment COMM 1-64
COMM 1-68	Filed	6/26/2009	Wynter		Attachments COMM 1-65
COMM 1-69	Filed	6/26/2009	Wynter		Attachments COMM 1-66 (1-2)
COMM 1-70	Filed	6/26/2009	Wynter		Attachments COMM 1-67 (1-3)
COMM 1-71	Filed	6/26/2009	O'Brien		Attachment COMM 1-68
COMM 1-72	Pending				Attachment COMM 1-69
COMM 1-73	Filed	6/26/2009	O'Brien		Attachments DIV 4-1 (1-2)
COMM 1-74	Filed	7/6/2009	O'Brien		<b>BULK</b>
COMM 1-75	Filed	6/26/2009	O'Brien		
COMM 1-76	Filed	7/1/2009	O'Brien		Attachments COMM 1-73 (1-2)
COMM 1-77	Pending				
COMM 1-78	Filed	7/14/2009	O'Brien	C-attachment	Attachment COMM 1-76
COMM 1-79	Filed	6/26/2009	O'Brien		
COMM 1-80	Filed	8/3/2009	O'Brien		Attachment COMM 1-79
COMM 1-81	Filed	8/3/2009	O'Brien		
COMM 1-82	Filed	7/1/2009	O'Brien		
COMM 1-83	Filed	6/26/2009	O'Brien		
COMM 1-84	Filed	6/26/2009	O'Brien		Attachments COMM 1-83
COMM 1-85	Filed	6/26/2009	O'Brien		Attachment COMM 1-84
COMM 1-86	Filed	6/26/2009	O'Brien		Attachment COMM 1-85
COMM 1-87	Filed	6/26/2009	O'Brien		
COMM 1-88	Filed	6/26/2009	O'Brien		
COMM 1-89	Filed	6/26/2009	O'Brien		Attachment COMM 1-88
COMM 1-90	Filed	7/6/2009	O'Brien		Attachment COMM 1-89
COMM 1-91	Filed	6/26/2009	O'Brien		Attachments COMM 1-90 (1-2)
COMM 1-92	Filed	6/26/2009	O'Brien		<b>BULK</b>
COMM 1-93	Filed	6/26/2009	O'Brien		Attachment DIV 4-21 (1-2)
COMM 1-94	Filed	6/26/2009	O'Brien		<b>BULK</b>
COMM 1-95	Filed	6/26/2009	O'Brien		Attachment COMM 1-92
COMM 1-96	Filed	6/26/2009	King		Attachment COMM 1-94
COMM 1-97	Filed	6/26/2009	O'Brien		Attachment COMM 1-95
COMM 1-98	Filed	7/1/2009	Dowd		Attachment COMM 1-96

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Data Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
COMM 1-99	Filed	6/26/2009	Gorman		Attachment COMM 1-99
COMM 1-100	Filed	7/1/2009	Gorman		
COMM 1-101	Filed	7/1/2009	Gorman		
COMM 1-102	Filed	6/26/2009	Gorman		Attachment COMM 1-102
COMM 1-103	Filed	6/26/2009	Wynter		
COMM 1-104	Filed	6/26/2009	Wynter		
COMM 1-105	Filed	6/26/2009	O'Brien		
COMM 1-106	Pending				
COMM 1-107	Filed	6/26/2009	O'Brien		Attachment COMM 1-107
COMM 1-108	Filed	6/26/2009	Wynter		Attachment COMM 1-108
COMM 1-109	Filed	6/26/2009	Dowd/Pettigrew		Attachment COMM 1-109
COMM 2-1	Pending				
COMM 2-2	Pending				
COMM 2-3	Pending				
<b>COMM 2-4</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Stout</b>		
COMM 2-5	Pending				
COMM 2-6	Pending				
COMM 2-7	Pending				
COMM 2-8	Pending				
COMM 2-9	Pending				
<b>COMM 2-10</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Stout</b>		
COMM 2-11	Pending				
COMM 2-12	Pending				
COMM 2-13	Pending				
<b>COMM 2-14</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Morrissey</b>		Attachment COMM 2-14
<b>COMM 2-15</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Morrissey</b>		Attachments COMM 2-15 (1-2)
COMM 2-16	Pending				
COMM 2-17	Pending				
COMM 2-18	Pending				
COMM 2-19	Pending				
COMM 2-20	Pending				
COMM 2-21	Pending				
COMM 2-22	Pending				
COMM 2-23	Pending				
COMM 2-24	Pending				
COMM 2-25	Pending				
COMM 2-26	Pending				
COMM 2-27	Pending				
<b>COMM 2-28</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		
<b>COMM 2-29</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		
<b>COMM 2-30</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>O'Brien</b>		
<b>COMM 2-31</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>O'Brien</b>		
COMM 2-32	Pending				
COMM 2-33	Pending				
<b>COMM 2-34</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Gorman</b>		
<b>COMM 2-35</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Gorman</b>		
COMM 2-36	Pending				
<b>COMM 2-37</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		
<b>COMM 2-38</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		
COMM 2-39	Pending				
COMM 2-40	Pending				
COMM 2-41	Pending				
COMM 2-42	Pending				
COMM 2-43	Pending				
<b>COMM 2-44</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Gorman</b>		
<b>COMM 2-45</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		
<b>COMM 2-46</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		
<b>COMM 2-47</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		
<b>COMM 2-48</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		
<b>COMM 2-49</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		Attachment COMM 2-49
<b>COMM 2-50</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		
<b>COMM 2-51</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Wynter</b>		Attachment COMM 2-51

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Data Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
COMM 2-52	Filed Herewith	8/14/2009	Wynter		
COMM 2-53	Filed Herewith	8/14/2009	Wynter		
COMM 2-54	Filed Herewith	8/14/2009	Wynter		Attachment COMM 2-54 (1-2)
COMM 2-55	Pending				
COMM 2-56	Filed Herewith	8/14/2009	Wynter		Attachment COMM 2-56 (1-2)
COMM 2-57	Filed Herewith	8/14/2009	Gorman		
COMM 2-58	Filed Herewith	8/14/2009	Gorman		



The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Information Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
DIV-1-1	Filed	6/26/2009	O'Brien		Attachment DIV 1-1
DIV-1-2	Filed	7/1/2009	O'Brien		Attachment DIV 1-2
DIV-1-3	Filed	7/1/2009	O'Brien		Attachment DIV 1-3
DIV-1-4	Filed	6/26/2009	O'Brien		
DIV-1-5	Filed	6/26/2009	O'Brien		
DIV-1-6	Filed	7/1/2009	O'Brien		
DIV-1-7	Filed	7/1/2009	O'Brien		
DIV-1-8	Filed	7/1/2009	O'Brien		
DIV-1-9	Filed	6/26/2009	O'Brien		Attachment DIV 1-9
DIV-1-10	Filed	6/26/2009	O'Brien		
DIV-1-11	Filed	6/26/2009	Dowd		Attachment DIV 1-11
DIV-1-12	Filed	6/26/2009	O'Brien		Attachment DIV 1-12
DIV-1-13	Filed	6/26/2009	Dowd		Attachment DIV 1-13
DIV-1-14	Filed	6/26/2009	Dowd		
DIV-1-15	Filed	6/26/2009	O'Brien		
DIV-1-16	Filed	6/26/2009	O'Brien		
DIV-1-17	Filed	6/26/2009	O'Brien		Attachment DIV 1-17
DIV-1-18	Filed	6/26/2009	O'Brien		
DIV-1-19	Filed	6/26/2009	O'Brien		
DIV-1-20	Filed	6/26/2009	Dowd		Attachment DIV 1-20
DIV-1-21	Filed	7/1/2009	O'Brien		
DIV-1-22	Filed	7/1/2009	O'Brien		
DIV-1-23	Filed	7/1/2009	O'Brien		
DIV-1-24	Filed	7/1/2009	O'Brien		
DIV-1-25	Filed	7/14/2009	O'Brien		
DIV-1-26	Filed	6/26/2009	O'Brien		Attachment DIV 1-26
DIV-1-27	Filed	6/26/2009	O'Brien		
DIV-1-28	Filed	6/26/2009	O'Brien		
DIV-1-29	Filed	7/14/2009	O'Brien		Attachment DIV 1-29
DIV-1-30	Filed	7/1/2009	O'Brien		
DIV-1-31	Filed	6/26/2009	O'Brien		Attachment DIV 1-31
DIV-1-32	Filed	6/26/2009	O'Brien		Attachment DIV 1-32
DIV-1-33	Filed	6/26/2009	O'Brien		Attachment DIV 1-33
DIV-1-34	Filed	6/26/2009	O'Brien		
DIV-2-1	Filed	7/1/2009	Gorman	C-attachment	Attachment DIV 2-1 (electronic only)
DIV-2-2	Filed	6/26/2009	Gorman		
DIV-2-3	Filed	6/26/2009	Gorman		
DIV-2-4	Filed	6/26/2009	Gorman		Attachment DIV 2-4
DIV-2-5	Filed	6/26/2009	Gorman		
DIV-2-6	Filed	6/26/2009	Gorman		
DIV-2-7	Filed	6/26/2009	Gorman		
DIV-2-8	Filed	6/26/2009	Gorman		
DIV-2-9	Filed	6/26/2009	Gorman		
DIV-2-10	Filed	6/26/2009	Gorman		Attachment DIV 2-10
DIV-2-11	Filed	6/26/2009	Gorman		
DIV-2-12	Filed	6/26/2009	Gorman		
DIV-3-1	Filed	7/6/2009	O'Brien		
DIV-3-2	Pending				
DIV-3-3	Filed	7/6/2009	O'Brien		Attachment DIV 3-3
DIV-3-4	Pending				
DIV-3-5	Filed	7/6/2009	O'Brien		
DIV-3-6	Pending				
DIV-3-7	Filed	8/3/2009	O'Brien		Attachment DIV 3-7
DIV-3-8 (Supp.)	Filed	8/3/2009	Morrissey		Attachment DIV 3-8 (Supp.)
DIV-3-9 (Supp.)	Filed	8/3/2009	Morrissey		Attachment DIV 3-9 (Supp.)
DIV-3-10	Filed	7/6/2009	Morrissey		Attachment DIV 3-10
DIV-3-11	Filed	7/6/2009	Morrissey		Attachment DIV 3-11 (PDF and working excel)
DIV-3-12	Filed	7/6/2009	O'Brien/Morrissey		Attachment DIV 3-12
DIV-3-13	Filed	7/6/2009	O'Brien/Morrissey		
DIV-3-14	Filed	7/6/2009	O'Brien/Morrissey		Attachment DIV 3-14
DIV-3-15	Filed	7/6/2009	Morrissey		Attachment DIV 3-15
DIV-3-16	Filed	7/6/2009	Pettigrew		

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Information Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
DIV-3-17	Filed	7/6/2009	Pettigrew		
DIV-3-18	Filed	7/6/2009	Pettigrew		
DIV-3-19	Pending				
DIV-3-20	Pending				
DIV-3-21	Filed	7/6/2009	Pettigrew		
DIV-3-22	Pending				
DIV-4-1	Filed	7/6/2009	Moul		Attachments DIV 4-1 (1-2) <b>BULK</b>
DIV-4-2	Filed	7/6/2009	Dinkel		
DIV-4-3	Filed	7/6/2009	Dinkel		
DIV-4-4	Filed	7/6/2009	Dinkel		
DIV-4-5	Filed	7/6/2009	O'Brien		
DIV-4-6	Filed	7/6/2009	Moul		
DIV-4-7	Filed	7/6/2009	Dinkel		Attachment DIV 4-7
DIV-4-8	Filed	7/6/2009	Dinkel		Attachments DIV 4-8 (1-3)
DIV-4-9	Filed	7/6/2009	Dinkel		Attachment DIV 4-9
DIV-4-10	Filed	7/6/2009	Dinkel		
DIV-4-11	Filed	7/14/2009	O'Brien		Attachment DIV 4-11
DIV-4-12	Filed	7/6/2009	Dinkel		
DIV-4-13	Filed	7/6/2009	Moul		
DIV-4-14	Filed	7/6/2009	Moul		
DIV-4-15	Filed	7/6/2009	Moul		Attachment DIV 4-15
DIV-4-16	Filed	7/6/2009	Moul		Attachment DIV 4-16 (1-2)
DIV-4-17	Filed	7/6/2009	Moul		
DIV-4-18	Filed	7/6/2009	Moul		
DIV-4-19	Filed	7/6/2009	Moul		Attachment DIV 4-19
DIV-4-20	Filed	7/6/2009	Moul		Attachment DIV 4-20
DIV-4-21	Filed	7/6/2009	O'Brien		Attachment DIV 4-21 (1-2) <b>BULK</b>
DIV-4-22	Filed	7/6/2009	Moul		Attachment DIV 4-22 (1-2)
DIV-4-23	Filed	7/6/2009	Dinkel		Attachment DIV 4-23
DIV-4-24	Filed	7/6/2009	Moul		
DIV-4-25	Filed	7/6/2009	Moul		
DIV-4-26	Filed	7/6/2009	Moul		
DIV-4-27	Filed	7/6/2009	Moul		Attachment DIV 4-27
DIV-5-A	Filed	7/22/2009	Wynter	<b>C-attachments</b>	Attachments DIV 5-A (1-3)
DIV-5-B	Filed	7/22/2009	Wynter		Attachment DIV 5-B
DIV-5-C	Filed	7/22/2009	Wynter		Attachment DIV 5-C
DIV-6-1	Filed	7/14/2009	Tierney		
DIV-6-2	Filed	7/14/2009	Tierney		
DIV-6-3	Filed	7/14/2009	Tierney		
DIV-6-4	Filed	7/14/2009	Tierney		
DIV-6-5	Filed	7/14/2009	Tierney		
DIV-6-6	Filed	7/14/2009	Tierney		Attachment DIV 6-6 <b>BULK</b>
DIV-6-7	Pending				
DIV-6-8	Pending				
DIV-6-9	Filed	7/14/2009	Tierney		
DIV-6-10	Filed	7/14/2009	Tierney		
DIV-6-11	Filed	7/14/2009	Tierney		
DIV-6-12	Filed	7/14/2009	Tierney		Attachments DIV 6-12 (a) and (d)
DIV-6-13 (a) - (d)	Filed	7/22/2009	Tierney		Attachment DIV 6-13
DIV-6-13 (e)	Pending				
DIV-6-14	Filed	7/14/2009	Tierney		Attachment DIV 6-14 (hard copy only)
DIV-6-15 (a)	Pending				
DIV-6-15 (b) and (c)	Filed	7/22/2009	Tierney		
DIV-6-16	Pending				
DIV-6-17	Filed	7/14/2009	Tierney		Attachment DIV 6-17
DIV-6-18	Filed	7/14/2009	Tierney		Attachment DIV 6-18
DIV-6-19 (a) - (d) and (f)	Filed	7/22/2009	Tierney		Attachments DIV 6-19 and DIV 6-19-F (1-2)
DIV-6-19 (e)	Pending				
DIV-6-20	Filed	7/14/2009	Tierney		
DIV-6-21	Filed	7/14/2009	Tierney		
DIV-6-22	Filed	7/14/2009	Tierney		
DIV-6-23	Filed	7/14/2009	Tierney		

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Information Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
DIV-6-24	Filed	7/22/2009	Tierney		Attachment DIV 6-24
DIV-6-25	Filed	7/22/2009	Stout		Attachment DIV 6-25 (1-2)
DIV-6-26	Pending				
DIV-6-27	Filed	7/14/2009	Tierney		Attachment DIV 6-27 (working excel included)
DIV-6-28	Filed	7/14/2009	Tierney		
DIV-6-29	Filed	7/14/2009	Tierney		
DIV-6-30	Filed	7/22/2009	Tierney		
DIV-6-31 (a) - (d) and (f)	Filed	7/22/2009	Tierney		
DIV-6-31 (e)	Pending				
DIV-6-32	Pending				
DIV-6-33	Filed	7/14/2009	Tierney		
DIV-6-34	Filed	7/22/2009	Tierney		Attachment DIV 6-34 (1-2)
DIV-6-35	Filed	7/14/2009	Tierney		Attachment DIV 6-35 (c) and (d)
DIV-6-36	Filed	7/14/2009	Gorman		
DIV-6-37	Filed	7/14/2009	Gorman		Attachment DIV 6-37(a)
DIV-6-38	Filed	7/14/2009	Tierney		
DIV-6-39	Pending				
DIV-7-1	Filed	8/3/2009	King		
DIV-7-2	Filed	7/22/2009	King/Pettigrew		
DIV-7-3	Filed	7/22/2009	King		
DIV-7-4	Filed	7/22/2009	Wynter		
DIV-7-5	Pending				
DIV-7-6	Filed	7/22/2009	Wynter/Stout		Attachment DIV 7-6
DIV-7-7	Filed	7/22/2009	Fields		Attachment DIV 7-7 (a) (hard copy only) and (b)
DIV-7-8	Pending				
DIV-7-9	Filed	7/22/2009	Pettigrew		
DIV-7-10	Filed	7/22/2009	King		
DIV-7-11	Filed	7/22/2009	King		
DIV-7-12	Filed	7/22/2009	King		
DIV-7-13	Filed	7/22/2009	King		
DIV-7-14	Pending				
DIV-7-15	Filed	7/22/2009	King		
DIV-7-16	Filed	7/22/2009	Gorman		
DIV-7-17	Filed	7/22/2009	Gorman		Attachment DIV 7-17
DIV-7-18	Filed	7/22/2009	Smithling		Attachment DIV 7-18
DIV-7-19	Pending				
DIV-7-20	Filed	7/22/2009	King		
DIV-7-21	Filed	7/22/2009	King		
DIV-8-1	Pending				
DIV-8-2	Filed	8/3/2009	Wynter		Attachment DIV 8-2
DIV-8-3	Filed	7/22/2009	Wynter		Attachment DIV 8-3 (hard copy only)
DIV-8-4	Filed	7/22/2009	Gorman		Attachment DIV 8-4 (excel)
DIV-8-5	Filed	7/22/2009	Wynter		Attachment DIV 8-5
DIV-8-6	Filed	8/3/2009	Wynter		
DIV-8-7 a-g (no d)	Filed	8/3/2009	Wynter		Attachments DIV 8-7 (a-g, no d)
DIV-8-7(d)	Filed	8/11/2009	Wynter		Att. DIV 8-7(d)
DIV-8-8	Filed	7/22/2009	Wynter		
DIV-8-9	Filed	8/3/2009	Wynter		Attachment DIV 8-9
DIV-8-10	Pending				
DIV-8-11	Filed	7/22/2009	Wynter		
DIV-8-12	Filed	8/3/2009	Wynter		
DIV-8-13	Filed	8/3/2009	Wynter		
DIV-8-14	Filed	8/3/2009	Wynter		
DIV-8-15	Filed	8/3/2009	Wynter		
DIV-8-16	Filed	8/3/2009	Wynter		
DIV-8-17	Pending				
DIV-8-18	Filed	8/3/2009	Wynter		Attachment DIV 8-18
DIV-8-19	Filed	8/3/2009	Wynter		Attachment DIV 8-19
DIV-8-20	Pending				
DIV-8-21	Filed	8/3/2009	Wynter		
DIV-8-22	Pending				
DIV-8-23	Filed	8/3/2009	Wynter		Attachment DIV 8-23

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Information Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
DIV-8-24	Filed	8/3/2009	Wynter		
DIV-8-25	Pending	8/3/2009	Wynter		Attachments DIV 8-25 (a-i)
DIV-9-1	Filed	7/22/2009	Pettigrew		
DIV-9-2	Filed	7/22/2009	O'Brien		
DIV-9-3	Filed	7/22/2009	Gorman		
DIV-9-4	Filed	7/22/2009	Gorman		
DIV-9-5	Filed	7/22/2009	Gorman		
DIV-9-6	Filed	7/22/2009	Gorman		
DIV-9-7	Filed	7/22/2009	Gorman		
DIV-9-8	Filed	7/22/2009	Gorman		
DIV-9-9	Filed	7/22/2009	Gorman		
DIV-9-10	Filed	7/22/2009	Gorman		
DIV-9-11	Filed	7/22/2009	Gorman		
DIV-9-12	Filed	7/22/2009	Gorman		
DIV-9-13	Filed	7/22/2009	Gorman		
DIV-9-14	Filed	7/22/2009	Gorman		
DIV-9-15	Filed	7/22/2009	Gorman		
DIV-9-16	Filed	7/22/2009	Gorman		
DIV-9-17	Filed	7/22/2009	Gorman		
DIV-9-18	Filed	7/22/2009	Gorman		
DIV-9-19	Filed	7/22/2009	Gorman		
DIV-10-1	Pending				
DIV-10-2	Pending				
DIV-10-3	Filed	7/22/2009	Gorman		Attachment DIV 10-3
DIV-10-4	Filed	7/22/2009	Gorman		Attachment DIV 10-4
DIV-10-5	Filed	8/11/2009	Gorman		Attachment DIV 10-5 (1-4) EXCEL files <b>BULK</b>
DIV-10-6	Filed	7/22/2009	Gorman		Attachment DIV 10-6 (excel)
DIV-10-7	Filed	7/22/2009	Dowd		
DIV-10-8	Pending				
DIV-10-9	Filed	7/22/2009	Dowd		
DIV-10-10	Filed	8/11/2009	O'Brien		Attachment DIV 10-10
DIV-10-11	Pending				
DIV-10-12	Filed	7/22/2009	Wynter		
DIV-10-13	Filed	8/11/2009	Wynter		Attachment DIV 10-13 (1-2)
DIV-10-14	Filed	7/22/2009	Kateregga		
DIV-10-15	Filed	7/22/2009	O'Brien		
DIV-10-16	Filed	7/22/2009	O'Brien		
DIV-10-17	Pending				
DIV-10-18	Pending				
DIV-10-19	Pending				
DIV-10-20	Filed	7/22/2009	Dowd		
DIV-10-21	Filed	7/22/2009	Dowd		
DIV-10-22	Filed	7/22/2009	Dowd		
DIV-10-23	Pending				
DIV-10-24	Filed	7/22/2009	O'Brien		Attachment DIV 10-24
DIV-10-25	Filed	7/22/2009	O'Brien		
DIV-10-26	Filed	7/22/2009	O'Brien		
DIV-10-27	Pending				
DIV-10-28	Filed	7/22/2009	Gorman		
DIV-10-29	Filed	7/22/2009	Wynter		
DIV-11-1	Pending				
DIV-11-2	Filed	8/11/2009	Pettigrew		
DIV-11-3	Pending				
DIV-11-4	Pending				
DIV-11-5	Pending				
DIV-11-6	Pending				
DIV-11-7	Pending				
DIV-11-8	Pending				
DIV-11-9	Pending				
DIV-11-10	Pending				
DIV-11-11	Pending				
DIV-11-12	Pending				
DIV-11-13	Pending				
DIV-11-14	Pending				

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Information Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
DIV-11-15	Pending				
DIV-11-16	Pending				
DIV-11-17	Pending				
DIV-11-18	Pending				
DIV-11-19	Pending				
DIV-11-20	Filed	8/11/2009	O'Brien		Attachment DIV-11-20 (1-2)
DIV-11-21	Pending				
DIV-11-22	Pending				
DIV-11-23	Pending				
DIV-11-24	Pending				
DIV-11-25	Filed	8/11/2009	Pettigrew		Attachment DIV-11-25
DIV-11-26	Pending				
DIV-11-27	Pending				
DIV-11-28	Pending				
DIV-11-29	Pending				
DIV-11-30	Pending				
DIV-11-31	Pending				
DIV-11-32	Pending				
DIV-11-33	Pending				
DIV-11-34	Pending				
DIV-11-35	Pending				
DIV-11-36	Pending				
DIV-11-37	Pending				
DIV-11-38	Filed	8/11/2009	Dinkel		Att. DIV 11-38 (1-17) <b>BULK</b> hard copy only
DIV-11-39	Filed	8/11/2009	Pettigrew		Attachment DIV-11-39
DIV-11-40	Filed	8/11/2009	Gorman		EXCEL file
DIV-11-41	Pending				
DIV-11-42	Pending				
DIV-12-1	Pending				
DIV-12-2	Filed	8/11/2009	O'Brien		Attachment DIV 12-2 (1-2) <b>BULK</b>
DIV-12-3	Pending				
DIV-12-4	Pending				
DIV-12-5	Pending				
DIV-12-6	Pending				
DIV-12-7	Pending				
DIV-12-8	Pending				
DIV-12-9	Pending				
DIV-12-10	Pending				
DIV-12-11	Pending				
DIV-12-12	Pending				
DIV-12-13	Pending				
DIV-12-14	Pending				
DIV-12-15	Pending				
<b>DIV-12-16</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>O'Brien</b>		
DIV-12-17	Pending				
DIV-12-18	Filed	8/11/2009	O'Brien		
DIV-12-19	Filed	8/11/2009	O'Brien		
DIV-13-1	Filed	8/11/2009	Gorman		
DIV-13-2	Filed	8/11/2009	Gorman		
DIV-13-3	Filed	8/11/2009	O'Brien		
DIV-13-4	Filed	8/11/2009	O'Brien		
DIV-13-5	Filed	8/11/2009	Walter		
DIV-13-6	Filed	8/11/2009	Gorman		Attachment DIV-13-6 EXCEL
<b>DIV-13-7</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Gorman</b>		Attachment DIV-13-7
DIV-13-8	Filed	8/11/2009	Gorman		
DIV-13-9	Filed	8/11/2009	Gorman		
DIV-13-10	Filed	8/11/2009	Gorman		
DIV-14-1	Pending				
DIV-14-2	Pending				
DIV-14-3	Pending				
DIV-14-4	Pending				
DIV-14-5	Pending				
DIV-14-6	Pending				
DIV-14-7	Pending				

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Information Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
DIV-14-8	Pending				
DIV-14-9	Pending				
DIV-14-10	Pending				
DIV-14-11	Pending				
DIV-14-12	Pending				
DIV-14-13	Pending				
DIV-14-14	Pending				
DIV-14-15	Pending				
DIV-14-16	Pending				
DIV-14-17	Pending				
DIV-14-18	Pending				
DIV-14-19	Pending				
DIV-14-20	Pending				
DIV-14-21	Pending				
DIV-14-22	Pending				
DIV-14-23	Pending				
DIV-14-24	Pending				
DIV-14-25	Pending				
DIV-15-1	Filed	8/11/2009	Gorman		
DIV-15-2	Filed	8/11/2009	Gorman		Attachment DIV 15-2 (1-2)
<b>DIV-15-3</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Fields</b>		
DIV-15-4	Filed	8/11/2009	O'Brien		
DIV-16-1	Filed	8/11/2009	Fields		Attachment DIV 16-1
DIV-16-2	Filed	8/11/2009	Fields		
DIV-16-3	Filed	8/11/2009	Fields		Attachment DIV 16-3
DIV-16-4	Filed	8/11/2009	Fields		Attachment DIV 16-4
DIV-16-5	Filed	8/11/2009	Fields		
DIV-16-6	Filed	8/11/2009	Fields		
DIV-16-7	Filed	8/11/2009	Fields		
DIV-16-8	Filed	8/11/2009	Fields		
DIV-16-9	Filed	8/11/2009	Fields		Att. DIV 16-9 (1-5) <b>BULK</b>
DIV-16-10	Filed	8/11/2009	Fields		
DIV-16-11	Filed	8/11/2009	Fields		
DIV-16-12	Filed	8/11/2009	Fields		
DIV-16-13	Filed	8/11/2009	Fields		
DIV-16-14	Filed	8/11/2009	Fields		
DIV-16-15	Filed	8/11/2009	Fields		
DIV-16-16	Pending				
DIV-16-17	Filed	8/11/2009	Fields		Attachment DIV 16-17
DIV-16-18	Filed	8/11/2009	Fields		
DIV-16-19	Filed	8/11/2009	Fields		
DIV-16-20	Filed	8/11/2009	Fields		
DIV-16-21	Filed	8/11/2009	Fields		
DIV-16-22	Filed	8/11/2009	Fields		
DIV-16-23	Filed	8/11/2009	Fields		Attachment DIV 16-23
DIV-16-24	Filed	8/11/2009	Fields		
DIV-16-25	Filed	8/11/2009	Fields		
DIV-16-26	Filed	8/11/2009	Fields		
DIV-17-1	Pending				
DIV-17-2	Pending				
DIV-17-3	Pending				
DIV-17-4	Pending				
DIV-17-5	Pending				
DIV-17-6	Pending				
DIV-17-7	Pending				
DIV-17-8	Pending				
DIV-17-9	Pending				
DIV-17-10	Pending				
DIV-17-11	Pending				
<b>DIV-17-12</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Gorman</b>		
<b>DIV-17-13</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Gorman</b>		
DIV-18-1	Filed	8/11/2009	Gorman		Attachment DIV 18-1
<b>DIV-18-2</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Gorman</b>		
DIV-18-3	Filed	8/11/2009	Gorman		
DIV-18-4	Filed	8/11/2009	Gorman		
<b>DIV-18-5</b>	<b>Filed Herewith</b>	<b>8/14/2009</b>	<b>Pettigrew</b>		

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
Information Request	Status	Date Filed	Witness	CONFIDENTIAL	Attachments
DIV-19-1	Pending				
DIV-19-2	Pending				
DIV-20-1	Pending				
DIV-20-2	Pending				
DIV-20-3	Pending				
DIV-20-4	Pending				
DIV-20-5	Pending				
DIV-20-6	Pending				

The Narragansett Electric Company d/b/a National Grid					
Docket 4065					
Discovery Log					
As of: August 14, 2009					
[C-denotes confidentiality is being sought]					
<b>Information Request</b>	<b>Status</b>	<b>Date Filed</b>	<b>Witness</b>	<b>CONFIDENTIAL</b>	<b>Attachments</b>
NAVY-1-1	Filed	6/29/2009			
NAVY-1-2	Filed	6/29/2009			
NAVY-1-3	Filed	6/29/2009			
NAVY-1-4	Filed	6/29/2009			
NAVY-2-1	Filed	7/22/2009	Gorman, Wynter, O'Brien		Excel attachments
NAVY-2-2	Filed	7/22/2009	Gorman, O'Brien		Excel attachments
NAVY-3-1	Pending				
NAVY-3-2	Filed Herewith	8/14/2009	Fields/Gorman		
NAVY-3-3	Filed Herewith	8/14/2009	Gorman		
NAVY-3-4	Filed Herewith	8/14/2009	Gorman		
NAVY-3-5	Pending				
NAVY-3-6	Filed Herewith	8/14/2009	Gorman		
NAVY-3-7	Pending				
NAVY-3-8	Pending				
Discovery Log Ends Here: August 14, 2009					



ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

1st Rev Sheet No. 6226  
Superseding Original 6226

---

## ATTACHMENT K

### REGIONAL SYSTEM PLANNING PROCESS

---

Issued by:	Raymond W. Hepper, Vice President and Assistant General Counsel	Effective: December 7, 2007
Issued on:	December 7, 2007	Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-000, <i>et al.</i> , issued February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3H

## TABLE OF CONTENTS

1.	Overview.....	6229
2.	Planning Advisory Committee.....	6232
2.1	Establishment.....	6232
2.2	Role of Planning Advisory Committee.....	6233
2.3	Membership.....	6234
2.4	Procedures.....	6235
	(a) Notice of Meetings.....	6235
	(b) Frequency of Meetings.....	6235
	(c) Availability of Meeting Materials.....	6235
	(d) Access to Planning-Related Materials that Contain CEII.....	6236
2.5	Local System Planning Process.....	6238
3.	RSP: Principles, Scope, and Contents.....	6239
3.1	Description of RSP.....	6239
3.2	Baseline of RSP.....	6241
3.3	RSP Planning Horizon and Parameters.....	6241
3.4	Other RSP Principles.....	6242
3.5	Market Responses in RSP.....	6242
3.6	The RSP Project List.....	6244
	(a) Elements of the Project List.....	6244
	(b) Periodic Updating of RSP Project List.....	6246
	(c) Project List Updating Procedures and Criteria.....	6247
	(d) Posting of LSP Project Status.....	6248
4.	Procedures for the Conduct of Needs Assessments, Treatment of Market Responses and Evaluation of Proposed Solutions.....	6249
4.1	Needs Assessments.....	6249
	(a) Triggers for Needs Assessments.....	6250
	(b) Requests by Stakeholders for Needs Assessments for Economic Considerations.....	6250
	(c) Notice of Initiation of Needs Assessments.....	6253
	(d) Preparation of Needs Assessments.....	6253
	(e) Needs Assessment Study Groups.....	6253
	(f) Input from the Planning Advisory Committee.....	6254
	(g) Publication of Needs Assessment and Response Thereto.....	6254

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued

February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6228

4.2	Treatment of Market Responses and Evaluation of Regulated Transmission Solutions.....	6255
(a)	Treatment of Market Solutions in Needs Assessments.....	6255
(b)	Evaluation and Development of Regulated Transmission Solutions in Solutions Studies .....	6256
(c)	Notice of Initiation of a Solutions Study .....	6257
(d)	Classification of Regulated Transmission Solutions .....	6257
(e)	Inclusion of Results of Solutions Studies in the RSP .....	6258
5.	Supply of Information and Data Required for Regional System Planning.....	6258
6.	Regional, Local and Inter-Area Coordination .....	6259
6.1	Regional Coordination .....	6259
6.2	Local Coordination .....	6260
6.3	Inter-Area Coordination.....	6260
7.	Procedures for Development and Approval of the RSP .....	6261
7.1	Initiation of RSP .....	6261
7.2	Draft RSP; Public Meeting .....	6261
7.3	Action by the ISO Board of Directors on RSP; Request for Alternative Proposals .....	6262
(a)	Action by ISO Board of Directors on RSP .....	6262
(b)	Requests for Alternative Proposals .....	6263
8.	Obligations of PTOs to Build; PTOs' Obligations, Conditions and Rights .....	6264
9.	Merchant Transmission Facilities .....	6265
9.1	General .....	6265
9.2	Operation and Integration .....	6266
9.3	Control and Coordination .....	6266
10.	Cost Responsibility for Transmission Upgrades.....	6267
11.	Allocation of ARR.....	6267
12.	Dispute Resolution Procedures .....	6267
12.1	Objective .....	6267
12.2	Confidential Information and CEII Protections .....	6268
12.3.	Eligible Parties .....	6268
12.4	Scope.....	6268
(a)	Reviewable Determinations .....	6269
(b)	Material Adverse Impact.....	6270
12.5	Notice and Comment .....	6271
12.6	Dispute Resolution Procedures .....	6272
(a)	Resolution Through the Planning Advisory Committee.....	6272
(b)	Resolution Through Informal Negotiations .....	6273
(c)	Resolution Through Alternative Dispute Resolution.....	6273
12.7	Notice of Dispute Resolution Process Results.....	6274
13.	Rights Under The Federal Power Act.....	6274

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued

February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

## 1. Overview

This Attachment describes the regional system planning process conducted by the ISO, as well as the coordination with transmission-owning entities in, or other entities interconnected to, the New England Transmission System and neighboring systems to ensure the reliability of the New England Transmission System and compliance with national and regional planning standards, criteria and procedures, while accounting for market performance and economic, environmental and other considerations, as may be agreed upon from time to time. The New England Transmission System is comprised of PTF, Non-PTF, OTF and MTF within the New England Control Area that is under the ISO's operational authority or control pursuant to the ISO Tariff and/or various transmission operating agreements. This Attachment describes the regional system planning process for the PTF conducted by the ISO pursuant to its responsibilities defined in the Tariff, the various transmission operating agreements and this Attachment. Additional details regarding the regional system planning process are also provided in the ISO New England Planning Procedures and ISO New England Operating Procedures, which are available on the ISO's website.

The ISO shall conduct the regional system planning process for the PTF in coordination with the transmission-owning entities in, or other entities interconnected to, the New England Transmission System and neighboring systems, consistent with the rights and

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6230

---

obligations defined in the Tariff, applicable transmission operating agreements and this Attachment. As described in this Attachment's Section 6 and Appendix 1, entitled "Attachment K - Local System Planning Process", the PTOs are responsible for the Local System Planning ("LSP") process for the Non-PTF in the New England Transmission System. As also described in Section 6, and pursuant to the Tariff and/or transmission operating agreements, the OTOs and MTOs are required to participate in the ISO's regional system planning process for reliability purposes and to perform and/or support studies of the impact of regional system planning projects on their respective OTF and MTF.

The regional system planning process described in this Attachment provides for the ISO to undertake assessments of the needs of the PTF system on a systemwide or specific area basis. These assessments shall be referred to as Needs Assessments, as described in Section 4.1 of this Attachment. The ISO shall incorporate market responses that have met the criteria specified in Section 4.2(a) of this Attachment into the Needs Assessments or the Regional System Plan ("RSP"), described below. Where market responses incorporated into the Needs Assessments do not eliminate or address the needs identified by the ISO in Needs Assessments or the RSP, the ISO shall develop or evaluate, pursuant to Section 4.2(b) of this Attachment, regulated transmission solutions proposed in response to the needs identified by the ISO.

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6231

Pursuant to Sections 3 and 7 of this Attachment, the ISO shall develop the RSP for approval by the ISO Board of Directors following stakeholder input through the Planning Advisory Committee established pursuant to Section 2 of this Attachment. The RSP is a compilation of the regional system planning process activities conducted by the ISO during a given year. The RSP shall address needs of the PTF system determined by the ISO through Needs Assessments initiated and updated on an ongoing basis by the ISO to:

- (i) account for changes in the PTF system conditions; (ii) ensure reliability of the PTF system; (iii) comply with national and regional planning standards, criteria and procedures; and (iv) account for market performance and economic, environmental and other considerations as may be agreed upon from time to time.

As more fully described in Section 3 of this Attachment, the RSP shall identify:

- (i) PTF system reliability and market efficiency needs,
- (ii) the requirements and characteristics of the types of resources that may satisfy PTF system reliability and market efficiency needs to provide stakeholders an opportunity to develop and propose efficient market responses to meet the needs identified in Needs Assessments; and
- (iii) regulated transmission solutions to meet the needs identified in Needs Assessments where market responses do not address such needs or additional transmission infrastructure may be required to comply with national and regional planning standards, criteria and procedures or provide market efficiency benefits in accordance with Attachment N of this OATT.

In addition, the RSP shall also provide information on a broad variety of power system requirements that serves as input for reviewing the design of the markets and the overall economic performance of the system. The RSP shall also describe the coordination of the ISO's regional system plans with regional, local and inter-area planning activities.

Pursuant to Section 3.6 of this Attachment, the ISO shall also develop, maintain and post on its website a cumulative list reflecting the regulated transmission solutions proposed in response to Needs Assessments (the "RSP Project List"). The RSP Project List shall be a cumulative representation of the regional transmission planning expansion efforts ongoing in New England.

## **2. Planning Advisory Committee**

### **2.1 Establishment**

A Planning Advisory Committee shall be established by the ISO to perform the functions set forth in Section 2.2 of this Attachment. It shall have a Chair and Secretary, who shall be appointed by the chief executive officer of the ISO or his or her designee. Before appointing an individual to the position of the Chair or Secretary, the ISO shall notify the Planning Advisory Committee of the proposed assignment and, consistent with its personnel practices, provide any other information about the individual reasonably requested by the Planning Advisory Committee. The chief executive officer of the ISO or his or her designee shall

consider the input of the members of the Planning Advisory Committee in selecting, removing or replacing such officers. The Planning Advisory Committee shall be advisory only and shall have no formal voting protocol.

The ISO may form subcommittees that, at the discretion of the ISO, may report to the Planning Advisory Committee.

## **2.2 Role of Planning Advisory Committee**

The Planning Advisory Committee may provide input and feedback to the ISO concerning the regional system planning process, including the development of and review of Needs Assessments, the conduct of Solutions Studies, the development of the RSP, and updates to the RSP Project List. Specifically, the Planning Advisory Committee serves to review and provide input and comment on: (i) the development of the RSP, (ii) assumptions for studies, (iii) the results of Needs Assessments and Solutions Studies, and (iv) potential market responses to the needs identified by the ISO in a Needs Assessment or the RSP. The Planning Advisory Committee, with the assistance of and in coordination with the ISO, serves also to identify and prioritize requests for Economic Studies to be performed by the ISO, and provides input and feedback to the ISO concerning the conduct of Economic Studies, including the criteria and assumptions for such studies. Based on input and feedback provided by the Planning Advisory



ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6234

Committee to the ISO, the ISO shall refer to the appropriate NEPOOL technical committees, including but not limited to, the Markets, Reliability and Transmission Committees, issues and concerns identified by the Planning Advisory Committee for further investigation and consideration of potential changes to rules and procedures.

### **2.3 Membership**

Any entity, including State regulators or agencies and, if in existence, a Regional State Committee or similarly situated entity, as specified in Attachment N of the OATT, may designate a member to the Planning Advisory Committee by providing written notice to the Secretary of that Committee identifying the name of the entity represented by the member and the member's name, address, telephone number, facsimile number and electronic mail address. The entity may remove or replace such member at any time by written notice to the Secretary of the Planning Advisory Committee.

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued  
February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

---

## **2.4 Procedures**

### **(a) Notice of Meetings**

Prior to the beginning of each year, the ISO shall list on the ISO Calendar, which is available on the ISO's website, the proposed meeting dates for the Planning Advisory Committee for each month of the year. Prior to a Planning Advisory Committee meeting, the ISO shall provide notice to the Planning Advisory Committee by electronic email with the date, time, format for the meeting (*i.e.*, in person or teleconference), and the purpose for the meeting.

### **(b) Frequency of Meetings**

Meetings of the Planning Advisory Committee shall be held as frequently as necessary to serve the purposes stated in Section 2.2 of this Attachment and as further specified elsewhere in this Attachment, generally expected to be no less than four (4) times per year.

### **(c) Availability of Meeting Materials**

The ISO shall post materials for Planning Advisory Committee meetings on the Planning Advisory Committee section on the ISO's website prior to meetings. The materials for the Planning Advisory Committee meetings shall be made available to the members of the Planning Advisory

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6236

Committee subject to protections warranted by confidentiality requirements of the ISO New England Information Policy set forth in Attachment D of the ISO Tariff and Critical Energy Infrastructure Information (“CEII”) policy as further described in Section 2.4(d) of this Attachment.

**(d) Access to Planning-Related Materials that Contain CEII**

CEII is defined as specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure (physical or virtual) that:

- (i) Relates details about the production, generation, transportation, transmission, or distribution of energy;
- (ii) Could be useful to a person in planning an attack on critical infrastructure;
- (iii) Is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. 552; and
- (iv) Does not simply give the location of critical infrastructure.

CEII pertains to existing and proposed system and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters. CEII does not include information that is otherwise publicly available. Simplified maps and general information

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6237

on engineering, vulnerability, or design that relate to production, generation, transportation, transmission or distribution of energy shall not constitute CEII.

Planning-related materials determined to be CEII will be posted on the ISO's password-protected website. To obtain access to planning-related materials determined to be CEII, the entity seeking to obtain such access must contact the ISO's Customer Service department. Authorized Market Participants or their representatives, such as consultants, are bound by the ISO New England Information Policy and will be able to access CEII materials through the ISO's password-protected website. State and federal governmental agency employees and their consultants will be able to access such materials through the ISO's password-protected website upon submittal of a signed non-disclosure agreement, which is available on the ISO's website. Personnel of the ERO, NPCC, other regional transmission organizations or independent system operators, and transmission owners from neighboring regions will be able to access CEII materials pursuant to governing agreements, rules and protocols. All external requests by other persons for planning-related materials determined to be CEII shall be recorded and tracked by ISO's Customer Services staff. Such requestors

---

Issued by:	Raymond W. Hepper, Vice President and Assistant General Counsel	Effective: December 7, 2007
Issued on:	December 7, 2007	Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-000, <i>et al.</i> , issued February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

will be able to obtain access to CEII documents filed with the Commission pursuant to the Commission's regulations governing access to CEII. To the extent a requestor seeks access to planning-related material that is not filed with the Commission, such requestor shall comply with the requirements provided in the CEII procedures of the ISO, available on the ISO's website, prior to receiving access to CEII information. Upon compliance with the ISO's CEII procedures, the ISO shall grant the requestor access to the planning-related CEII document through direct distribution or access to the ISO password-protected website.

## **2.5 Local System Planning Process**

The LSP process described in Appendix 1 to this Attachment applies to the transmission system planning for the Non-PTF in the New England Transmission System. The PTOs will utilize interested members of the Planning Advisory Committee for advisory stakeholder input in the LSP process that will meet, as needed, at the conclusion of, or independent of, scheduled Planning Advisory Committee meetings. The LSP meeting agenda and meeting materials will be developed by representatives of the pertinent PTOs and PTO representatives will chair the LSP meeting. The ISO will post the LSP agenda and materials for LSP

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6239

meetings of the Planning Advisory Committee in the same manner that such information is posted for the meetings on the regional system planning process.

### **3. RSP: Principles, Scope, and Contents**

#### **3.1 Description of RSP**

The ISO shall develop the RSP based on periodic comprehensive assessments (conducted not less than every third year) of the PTF systemwide needs to maintain the reliability of the New England Transmission System while accounting for market efficiency, economic, environmental and other considerations, as agreed upon from time to time. The ISO shall update the RSP to reflect the results of ongoing Needs Assessments conducted pursuant to Section 4.1 of this Attachment. The RSP shall also account for projected improvements to the PTF that are needed to maintain system reliability in accordance with national and regional standards and the operation of efficient markets under a set of planning assumptions.

The RSP shall, among other things:

- (i) describe, in a consolidated manner, the assessment of the PTF system needs, the results of such assessments, and the projected improvements;
- (ii) provide the projected annual and peak demands for electric energy for a five- to ten-year horizon, the needs for resources over this period and how such resources are expected to be provided;

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6240

- (iii) specify the physical characteristics of the physical solutions that can meet the needs defined in the Needs Assessments and include information on market responses that can address them; and
- (iv) provide sufficient information to allow Market Participants to assess the quantity, general locations, operating characteristics and required availability criteria of the type of incremental supply or demand-side resources, or merchant transmission projects, that would satisfy the identified needs or that may serve to modify, offset or defer proposed regulated transmission upgrades.

The RSP shall also include a description of proposed regulated transmission solutions that, based on the Solutions Studies described in Section 4.2 of this Attachment, may meet the needs identified in the Needs Assessments. To this end, as further described in Section 3.6 below, the ISO shall develop and maintain a RSP Project List, a cumulative listing of proposed regulated transmission solutions classified, to the extent known, as Reliability Transmission Upgrades and Market Efficiency Transmission Upgrades that may meet those needs. The RSP shall also provide reasons for any new regulated transmission solutions or Transmission Upgrades included in the Project List, any change in status of a regulated transmission solution or Transmission Upgrade in the Project List, or for any removal of regulated transmission solutions or Transmission Upgrades from the Project List that are known as of that time.

Each RSP shall be built upon the previous year's RSP.

### 3.2 Baseline of RSP

The RSP shall account for: (i) all projects that have met milestones, including market responses and regulated transmission solutions (e.g., planned demand-side projects, generation and transmission projects, Merchant Transmission Facilities, and Elective Transmission Upgrades) as determined by the ISO, in collaboration with the Planning Advisory Committee, pursuant to Sections 4.1 and 4.2 of this Attachment; and (ii) the requirements for system operation and restoration services, not including the development of a system operations or restoration plan, which is outside the scope of the regional system planning process.

### 3.3 RSP Planning Horizon and Parameters

The RSP shall be based on a five- to ten-year planning horizon, and reflect five- to ten-year capacity and load forecasts.

The RSP shall conform to: Good Utility Practice; applicable Commission compliance requirements related to the regional system planning process; applicable reliability principles, guidelines, criteria, rules, procedures and standards of the ERO, NPCC, and any of their successors; planning criteria adopted and/or developed by the ISO; Transmission Owner criteria, rules, standards, guides and policies developed by the Transmission Owner for its facilities consistent with the ISO planning criteria, the applicable criteria of the



---

ERO and NPCC; local transmission planning criteria; and the ISO New England Planning Procedures and ISO New England Operating Procedures, as they may be amended from time to time (collectively, the “Planning and Reliability Criteria”).

### **3.4 Other RSP Principles**

The RSP shall be designed and implemented to: (i) avoid unnecessary duplication of facilities; (ii) identify facilities that are necessary to meet Planning and Reliability Criteria; (iii) avoid the imposition of unreasonable costs upon any Transmission Owner, Transmission Customer or other user of a transmission facility; (iv) take into account the legal and contractual rights and obligations of the Transmission Owners and the transmission-related legal and contractual rights and obligations of any other entity; (v) provide for coordination with existing transmission systems and with appropriate inter-area and local expansion plans; and (vi) properly coordinate with market responses, including, but not limited to generation, merchant transmission and demand-side responses.

### **3.5 Market Responses in RSP**

Market responses shall include investments in resources (*e.g.*, demand-side projects, generation and distributed generation) and Merchant Transmission Facilities, and shall be evaluated by the ISO, in consultation with the Planning Advisory Committee, pursuant to Sections 4.2(a) and 7 of this Attachment.

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6243

---

In developing the RSP, the ISO shall account for market responses: (i) proposed by Market Participants as addressing needs (and any critical time constraints for addressing such needs) identified in a RSP or Needs Assessment, developed pursuant to Section 4.1 of this Attachment; and (ii) that have proved to be viable by meeting the criteria specified in Section 4.2(a) of this Attachment, as applicable.

Specifically, market responses that are identified to the ISO and are determined by the ISO, in consultation with the Planning Advisory Committee, to be sufficient to alleviate the need for a particular regulated transmission solution or Transmission Upgrade, based on the criteria specified in the pertinent Needs Assessment or RSP, and are judged by the ISO to be achievable within the required time period, shall be reflected in the next RSP and/or in a new or updated Needs Assessment. That particular regulated transmission solution or Transmission Upgrade may continue to be included in the appropriate category on the RSP Project List (as described in Section 3.6 below), subject to the ISO having the flexibility to indicate that the project should proceed at a later date or it may be removed if it is determined to be no longer needed. If the market response does not fully address the defined needs, or if additional transmission infrastructure is required to facilitate the efficient operation of the market, the

---

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued

February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6244

RSP shall also include that particular regulated transmission solution or Transmission Upgrade, subject to the ISO having the flexibility to indicate that the Transmission Upgrade or regulated transmission solution should proceed at a later date and be modified, if necessary.

### **3.6 The RSP Project List**

#### **(a) Elements of the RSP Project List**

The RSP Project List shall identify regulated transmission solutions proposed in response to the needs identified in a RSP or Needs Assessments conducted pursuant to Section 4.1 of this Attachment. The RSP Project List shall identify the proposed regulated transmission solutions separately as either a Reliability Transmission Upgrade or a Market Efficiency Transmission Upgrade.

Within each category of the RSP Project List, the following subcategories will be utilized to indicate the status of each proposed regulated transmission solution in the evaluation process. These subcategories include: (i) Concept; (ii) Proposed; (iii) Planned; (iv) Under Construction; and (v) In-Service.

---

“Concept” shall include a transmission project that is being considered by its proponent as a potential solution to meet a need identified by the ISO in a Needs Assessment or the RSP, but for which there is little or no analysis available to support the transmission project.

“Proposed” shall include a regulated transmission solution that (i) has been proposed in response to a specific need identified by the ISO in a Needs Assessment or the RSP and (ii) has been evaluated or further defined and developed in a Solutions Study, as specified in Section 4.2(b) of this Attachment, such that there is significant analysis that supports a determination by the ISO, as communicated to the Planning Advisory Committee, that the proposed regulated transmission solution would likely meet the need identified by the ISO in a Needs Assessment or the RSP, but has not received approval by the ISO under Section I.3.9 of the Tariff.

“Planned” shall include a Transmission Upgrade that has been approved by the ISO under Section I.3.9 of the Tariff.

“Under Construction” shall include a Transmission Upgrade that has received the approvals required under the Tariff and engineering and construction is underway.

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6246

“In Service” shall include a Transmission Upgrade that has been placed in commercial operation.

Each proposed regulated transmission solution or Transmission Upgrade shall also be cross-referenced to the specific systemwide or area needs identified in a Needs Assessment or RSP.

For completeness, the RSP Project List shall also include transmission facilities (as determined under the ISO interconnection process specified in this OATT) to be built to accommodate new generation, merchant transmission, and elective transmission interconnections that have satisfied the requirements of this OATT.

**(b) Periodic Updating of RSP Project List**

The RSP Project List will be updated by the ISO periodically by adding, removing or revising regulated transmission solutions or Transmission Upgrades in consultation with the Planning Advisory Committee and, as appropriate, the Reliability Committee.

Updating of the RSP Project List shall be considered an update of the RSP to be reflected in the next RSP, as appropriate, pursuant to Section 3.1 of this Attachment.

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6247

---

**(c) RSP Project List Updating Procedures and Criteria**

As part of the periodic updating of the RSP Project List, the ISO: (i) shall modify (in accordance with the provisions of this Attachment) regulated transmission solutions or Transmission Upgrades to reflect changes to the PTF system configurations, including ongoing investments by Market Participants or other stakeholders; (ii) may add to and classify accordingly, regulated transmission solutions; and (iii) may remove from the RSP Project List regulated transmission solutions or Transmission Upgrades previously identified in the RSP Project List if the ISO determines that the need for the proposed regulated transmission solution or the approved Transmission Upgrade no longer exists or is no longer feasible. With regard to (iii) above, this may include a removal of a regulated transmission solution or Transmission Upgrade because a market response meeting the need reaches the maturity specified in Section 4.2(a) of this Attachment and has been determined, pursuant to Section 4.2(a) of this Attachment, to meet the need described in the pertinent Needs Assessment or RSP. In doing so, the ISO shall consult with and consider the input from the Planning Advisory Committee and, as appropriate, the Reliability Committee.

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6248

If a regulated transmission solution or Transmission Upgrade is removed from the RSP Project List by the ISO, the entity responsible for the construction of the regulated transmission solution or Transmission Upgrade shall be reimbursed for any costs prudently incurred or prudently committed to be incurred (plus a reasonable return on investment at existing FERC-approved ROE levels) in connection with the planning, designing, engineering, siting, permitting, procuring and other preparation for construction, and/or construction of the regulated transmission solution or Transmission Upgrade proposed for removal from the RSP Project List. The provisions of Schedule 12 of this OATT shall apply to any cost reimbursement under this Section. Prior to finalizing the RSP, the ISO shall provide the Planning Advisory Committee with written information explaining the reasons for any removal under this Section.

**(d) Posting of LSP Project Status**

Each PTO will be individually responsible for publicly posting and updating the status of its respective LSP and the transmission projects arising therefrom on its company website. The ISO's posting of the RSP Project Lists will include links to each PTO's specific LSP posting to be provided to the ISO by the PTOs.

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6249

---

**4. Procedures for the Conduct of Needs Assessments, Treatment of Market Responses and Evaluation of Regulated Transmission Solutions**

**4.1 Needs Assessments**

On a regular and ongoing basis, the ISO, in coordination with the PTOs and the Planning Advisory Committee, shall conduct assessments (i.e., Needs Assessments) of the adequacy of the PTF system, as a whole or in part, to maintain the reliability of such facilities while promoting the operation of efficient wholesale electric markets in New England. A Needs Assessment shall analyze whether the PTF in the New England Transmission System: (i) meet applicable reliability standards; (ii) have adequate transfer capability to support local, regional, and inter-regional reliability; (iii) support the efficient operation of the wholesale electric markets; (iv) are sufficient to integrate new resources and loads on an aggregate or regional basis; or (v) otherwise examine various aspects of its performance and capability. A Needs Assessment shall also identify: (i) the location and nature of any potential problems with respect to the PTF and (ii) situations that significantly affect the reliable and efficient operation of the PTF along with any critical time constraints for addressing the needs of the PTF to facilitate the development of market responses and to initiate the pursuit of regulated transmission solutions.

---

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued  
February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D



**(a) Triggers for Needs Assessments**

The ISO, in coordination with the PTOs and the Planning Advisory Committee, shall perform Needs Assessments, *inter alia*, if:

- (i) a need for additional transfer capability is identified by the ISO in its ongoing evaluation of the PTF's adequacy and performance;
- (ii) a need for additional transfer capability is identified as a result of an ERO and/or NPCC reliability assessment or more stringent publicly available local reliability criteria, if any;
- (iii) constraints or available transfer capability limitations that are identified possibly as a result of generation additions or retirements, evaluation of load forecasts or proposals for the addition of transmission facilities in the New England Control Area;
- (iv) as requested by a stakeholder pursuant to the provisions of Section 4.1(b) of this Attachment; or
- (v) as otherwise deemed appropriate by the ISO as warranting such an assessment.

**(b) Requests by Stakeholders for Needs Assessments for Economic Considerations**

The ISO's stakeholders may request the ISO to initiate a Needs Assessment to evaluate potential regulated transmission solutions or market responses or investments that could result in (i) a net reduction in total production cost to supply system load based on the factors specified in Attachment N of this OATT, (ii) reduced congestion, or (iii) the

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6251

integration of new resources and/or loads on an aggregate or regional basis  
(an “Economic Study”).

Requests for Economic Studies shall be submitted, considered and  
prioritized as follows:

- (i) By no later than April 1 of each year, any stakeholder may submit to the ISO for public posting on the ISO’s website a request for an Economic Study.
- (ii) The ISO shall thereafter add any of its own proposals for Economic Studies. The ISO shall also develop a rough work scope and cost estimate for all requested Economic Studies, and develop preliminary prioritization based on the ISO’s perceived regional and/or, as coordinated with the applicable neighboring system, inter-area benefits to assist stakeholders in the prioritization of Economic Studies.
- (iii) By no later than May 1 of each year, the ISO shall provide the foregoing information to the Planning Advisory Committee, and a Planning Advisory Committee meeting shall be held at which Economic Study proponents will provide an explanation of their request.
- (iv) By no later than June 1 of each year, the ISO shall hold a meeting of the Planning Advisory Committee for the members of the Planning Advisory Committee to discuss, identify and prioritize, as further facilitated by the ISO’s preparation of a straw priority list to be further discussed at such meeting, up to three (3) Economic Studies (the costs of which will be recovered by the ISO pursuant to Section IV.A of the Tariff) to be performed by the ISO in a given year, taking into consideration their impact on the ISO budget and other priorities.

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued  
February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6252

- (v) The ISO and the Planning Advisory Committee may agree to hold additional meetings to further discuss and resolve any issue concerning the substance of the Economic Studies themselves and/or their prioritization.
- (vi) If the Planning Advisory Committee, after discussions between the Planning Advisory Committee and ISO management, is not able to prioritize the Economic Studies to be performed by the ISO in a given year, any member of the Planning Advisory Committee must submit a request for Regional Planning Dispute Resolution Process pursuant to Section 12 of this Attachment, such request to be submitted no later than August 30, to resolve the issues concerning the substance of the Economic Studies themselves and/or their prioritization.
- (vii) The ISO will issue a notice to the Planning Advisory Committee detailing the prioritization of the Economic Studies as identified by the Planning Advisory Committee or, if a request for Regional Planning Dispute Resolution Process is submitted pursuant to Section 4.1.(b)(vi), as determined through that Process.

The foregoing timelines are subject to adjustment as determined by the ISO in coordination with the Planning Advisory Committee. The ISO will provide periodic updates on the status of Economic Studies to the Planning Advisory Committee.

Economic Study requests not within the three identified to be performed in a given year shall be treated in the same manner as a request for Elective Transmission Upgrade described in the OATT.

---

**(c) Notice of Initiation of Needs Assessments**

Prior to its commencement, the ISO shall provide notice of the initiation of a Needs Assessment to the Planning Advisory Committee consistent with Section 2 of this Attachment.

**(d) Preparation of Needs Assessment**

Needs Assessments may examine resource adequacy, transmission adequacy, projected congestion levels and other relevant factors as may be agreed upon from time to time. Needs Assessments shall also consider the views, if any, of the Planning Advisory Committee, State regulators or agencies, a Regional State Committee, if in existence, the Market Advisor to the ISO Board of Directors, and the ISO Board of Directors. A corresponding assessment shall be performed by the PTOs to identify any needs relating to the Non-PTF transmission facilities (of whatever voltage) that could affect the provision of regional transmission service over the PTF.

**(e) Needs Assessment Study Groups**

For the development of the Needs Assessments, the ISO may form a targeted study group of representatives of affected stakeholders based on the scope of the particular Needs Assessment. Participation in such study

groups is voluntary and is intended to provide an opportunity to affected stakeholders for early involvement in the regional system planning process. The ISO may form sub-working groups with limited participation due to ISO New England Information Policy/Code of Conduct and CEII constraints.

**(f) Input from the Planning Advisory Committee**

Meetings of the Planning Advisory Committee shall be convened to identify additional considerations relating to a Needs Assessment that were not identified in support of initiating the assessment, and to provide input on the Needs Assessment's scope, assumptions and procedures, consistent with the responsibilities of the Planning Advisory Committee as set forth in Section 2.2 of this Attachment.

**(g) Publication of Needs Assessment and Response Thereto**

The ISO shall report the results of Needs Assessments to the Planning Advisory Committee, subject to CEII constraints. Needs Assessments containing CEII will be posted on the ISO's password-protected website consistent with Section 2.4(d) of this Attachment. Needs Assessments will identify high-level functional requirements and characteristics for regulated transmission solutions and market responses that can meet the

needs described in the assessment. The ISO will also present the Needs Assessments in appropriate market forums to facilitate market responses. Generally, following a Needs Assessment, the ISO will evaluate the adequacy of proposed regulated solutions by performing Solutions Studies, as described in Section 4.2 of this Attachment.

#### **4.2 Treatment of Market Responses and Evaluation of Regulated Transmission Solutions**

##### **(a) Treatment of Market Solutions in Needs Assessments**

The ISO shall reflect proposed market responses in the regional system planning process. Market responses may include, but are not limited to, resources (e.g., demand-side projects and distributed generation) and Merchant Transmission Facilities.

Specifically, the ISO shall incorporate or update information regarding resources in Needs Assessments that have been proposed and (i) have cleared in a Forward Capacity Auction pursuant to Market Rule 1 of the ISO Tariff, (ii) have been selected in, and are contractually bound by, a state-sponsored Request For Proposals, or (iii) have a financially binding obligation pursuant to a contract. With respect to (ii) or (iii) above, the proponent of the market response shall inform the ISO, in writing, of its

selection or its assumption of financially binding obligations, respectively.

The ISO shall incorporate or update information regarding a proposed Merchant Transmission Facility or Elective Transmission Upgrade in a Needs Assessment at a time after the studies corresponding to the Merchant Transmission Facility or Elective Transmission Upgrade are completed (including receipt of approval under Section I.3.9 of the Tariff) and a commercial operation date has been ascertained, with the exception of Elective Transmission Upgrades that are proposed in conjunction with the interconnection of a resource, which shall be considered at the same time as the proposed resource is considered in the Needs Assessment.

**(b) Evaluation and Development of Regulated Transmission Solutions in Solutions Studies**

The ISO, in coordination with the proponents of regulated transmission solutions and other interested or affected stakeholders, shall conduct or participate in studies (“Solutions Studies”) to evaluate whether proposed regulated transmission solutions meet the PTF system needs identified in Needs Assessments. The ISO, in coordination with affected stakeholders shall also identify regulated transmission projects for addressing the needs identified in Needs Assessments.

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued  
February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

The ISO may form ISO-led targeted study groups to conduct Solutions Studies. Such study groups will include representatives of the proponents of regulated transmission solutions and other interested or affected stakeholders. Through this process, the ISO may identify the most cost-effective and reliable solutions for the region that meets a need identified in a Needs Assessment. These solutions may differ from a transmission solution proposed by a transmission owner.

Proponents of regulated transmission proposals in response to Needs Assessments shall also identify any LSP plans that require coordination with their regulated transmission proposals addressing the PTF system needs.

**(c) Notice of Initiation of a Solutions Study**

The ISO shall provide notice of the initiation and scope of a Solutions Study to the Planning Advisory Committee.

**(d) Classification of Regulated Transmission Solutions**

As described in Section 3.1 and 3.6(a) of this Attachment, proposed regulated transmission solutions determined by the ISO, in consultation with the Planning Advisory Committee, to address needs identified in



ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6258

Needs Assessments shall be classified as either a Reliability Transmission Upgrade and/or a Market Efficiency Transmission Upgrade pursuant to the standards set forth in Attachment N of this OATT.

**(e) Inclusion of Results of Solutions Studies in the RSP**

The results of Solutions Studies will be reported to the Planning Advisory Committee and will, as appropriate, be reflected in the RSP and/or its Project List, as it is updated from time to time in accordance with this Attachment.

**5. Supply of Information and Data Required for Regional System Planning**

The Transmission Owners, Generator Owners, Transmission Customers, Market Participants and other entities requesting transmission or interconnection service or proposing the integration of facilities to PTF in the New England Transmission System or alternatives to such facilities, and stakeholders requesting a Needs Assessment pursuant to Section 4.1 of this Attachment, shall supply, as required by the Tariff, the Participants Agreement, MPSAs, applicable transmission operating agreements, and/or other existing agreements, protocols and procedures, or upon request by the ISO, and subject to required CEII and confidentiality protections as specified in Section 2.4 of this Attachment, any information (including cost estimates) and data that is reasonably required to prepare an RSP or to perform a Needs Assessment or Solutions Study.

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6259

## **6. Regional, Local and Inter-Area Coordination**

### **6.1 Regional Coordination**

The ISO shall conduct the regional system planning process for the PTF in coordination with the transmission-owning entities in, or other entities interconnected to, the New England Transmission System consistent with the rights and obligations defined in the ISO OATT, applicable transmission operating agreements or protocols, and/or this Attachment. Pursuant to Section II.49 of this OATT and Sections 3.02, 3.05 and 3.09 of the TOA, the ISO has operating authority or control over all PTF and Non-PTF within the New England Control Area, which are utilized for the provision of transmission service under this OATT. The ISO also has operating authority or control over the United States portions of the HVDC ties to Quebec and over Merchant Transmission Facilities and Other Transmission Facilities, pursuant to this OATT or applicable transmission operating agreements or protocols. The ISO, however, is not responsible for the planning of the Non-PTF, OTF and MTF. As provided in Section 6.2 and Appendix 1 of this Attachment, the PTOs are responsible for the planning of the Non-PTF and coordinating such planning efforts with the ISO. Pursuant to the OATT and/or applicable transmission operating agreements or protocols, the transmission owners of OTF and MTF are required to participate in

the ISO's regional system planning process and perform and/or support studies of the impacts of regional system projects on their respective facilities.

## **6.2 Local Coordination**

The regional system planning process shall be conducted and the annual RSP shall be developed in coordination with the local system plans of the PTOs. In accordance with the TOA and OATT provisions identified in Section 6.1 of this Attachment, the PTOs have responsibility for planning Non-PTF. The PTOs conduct planning of Non-PTF using the LSP process outlined in Section 2.5 and Appendix 1 of this Attachment, in coordination with the ISO, other entities interconnected with the New England Transmission System, Transmission Customers and stakeholders, and in accordance with the provisions in the TOA, the OATT and the Planning and Reliability Criteria. The openness and transparency of the LSP process is intended to be consistent with the regional system planning process.

## **6.3 Inter-Area Coordination**

The regional system planning process shall be conducted and the annual RSP shall be developed in coordination with the similar plans of the surrounding ISOs/RTOs and Control Areas pursuant to the Northeastern ISO/RTO Planning Coordination Protocol and other agreements with neighboring systems and

ISO New England Inc.  
FERC Electric Tariff No: 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6261

NPCC. Inter-area planning studies shall be conducted over as broad a region as feasible, including adjacent Canadian systems who are members of NPCC, or its successor organization, and, as appropriate, MAAC and Reliability First, or their successor organizations, the ISO shall convene periodic meetings of the Planning Advisory Committee, within the scope of its respective functions of Section 2 of this Attachment, to focus to provide input and feedback to the ISO concerning an Inter-area needs assessment and identification of potential market and regulated responses to the ISO's identification of inter-area needs.

## **7. Procedures for Development and Approval of the RSP**

### **7.1 Initiation of RSP**

Every year, the ISO shall initiate an effort to develop its annual RSP and solicit input on regional system needs for the RSP from the Planning Advisory Committee. The Planning Advisory Committee shall meet to perform its respective functions in connection with the preparation of the RSP, as specified in Section 2 of this Attachment.

### **7.2 Draft RSP; Public Meeting**

On or about August of each year, the ISO shall provide a draft of the RSP to the Planning Advisory Committee and input from that Committee shall be received and considered in preparing and revising subsequent drafts. The ISO shall post

the draft RSP and provide notice to the Planning Advisory Committee of a meeting to review the draft RSP as specified in Section 2.2 of this Attachment.

On or about September of each year, the ISO shall issue a second draft of the RSP to be presented by the ISO staff to the ISO Board of Directors for approval. The draft RSP shall incorporate the results of any Needs Assessment, and corresponding Solutions Studies, performed since the last RSP was approved. A subcommittee of that Board shall hold a public meeting, at their discretion, to receive input directly and to discuss any proposed revisions to the RSP. The final recommended RSP shall be presented to the ISO Board of Directors no later than September 30 of each year and shall be acted on by the ISO Board of Directors within 60 days of receipt. The foregoing timeframes are subject to adjustment as determined by the ISO in coordination with the Planning Advisory Committee.

### **7.3 Action by the ISO Board of Directors on RSP; Request for Alternative Proposals**

#### **(a) Action by ISO Board of Directors on RSP**

The ISO Board of Directors may approve the recommended draft RSP as submitted, modify the RSP or remand all or any portion of it back with guidance for development of a revised recommendation. The Board of Directors may consider the RSP in executive session, and shall consider in

its deliberations the views of the subcommittee of the Board of Directors reflecting the public meeting held pursuant to Section 7.2 of this Attachment. In considering whether to approve the draft RSP, the Board of Directors may, if it finds a proposed Reliability Benefit Upgrade not to be viable, or if no Reliability Benefit Upgrade has been proposed, direct the ISO staff to meet with the affected load serving entities and State entities in order to develop an interim solution. Should that effort fail, and as a last resort, the Board of Directors may direct the ISO to issue a Request For Alternative Proposal (“RFAP”), subject to the procedures described below, and may withhold approval of the draft RSP, or portions thereof, pending the results of that RFAP and any Commission action on any resulting jurisdictional contract or funding mechanism. The ISO shall provide a written explanation as to any subsequent changes or modification made in the final version of the RSP.

**(b) Requests For Alternative Proposals**

- (i) The RFAP shall seek generation, demand-side and merchant transmission alternatives that can be implemented rapidly and provide substantial reliability benefits over the period solicited in the RFAP, and normally will focus on an interim (“gap”) solution until an identified Reliability Transmission Upgrade has been placed in-service. The ISO will file a proposed RFAP with the Commission for approval at least 60 days prior to its issuance. The filing shall explain why the issuance of an RFAP is necessary.

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy

Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued  
February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6264

- (ii) The ISO staff shall provide the Board of Directors and subject to confidentiality requirements, the Planning Advisory Committee with an analysis of the alternatives offered in response to the RFAP, and provide a recommendation together with a funding mechanism reflecting input from the Planning Advisory Committee.
- (iii) The ISO may enter into contracts awarded pursuant to an RFAP process, and/or propose a funding mechanism. Bidders that are awarded contracts through the RFAP process shall file those contracts with the Commission for approval of the rates to be charged thereunder to the extent that such contracts are for services that are jurisdictional to the Commission. The ISO shall file related or separate funding mechanisms with the Commission as well. All other contracts entered into pursuant to an RFAP shall be filed with the Commission for informational purposes.
- (iv) The Board of Directors will reflect the results of the RFAP process in the approved RSP.

#### **8. Obligations of PTOs to Build; PTOs' Obligations, Conditions and Rights**

In accordance with the TOA, PTOs designated by the ISO as the appropriate entities to construct and own or finance Transmission Upgrades included in the RSP shall construct and own or finance such facilities or enter into appropriate contracts to fulfill such obligations. In the event that a PTO: (i) does not construct or indicates in writing that it does not intend to construct a Transmission Upgrade included in the RSP; or (ii) demonstrates that it has failed (after making a good faith effort) to obtain necessary approvals or property rights under applicable law, the ISO shall promptly file with the Commission a report on the results of the planning process, which report shall include a report from the PTO responsible for the planning, design or construction of such

Issued by: Raymond W. Hepper,

Vice President and Assistant General Counsel

Issued on: December 7, 2007

Effective: December 7, 2007

Filed to comply with order of the Federal Energy  
Regulatory Commission, Docket Nos. RM05-17-000, *et al.*, issued  
February 16, 2007, Order No. 890, 118 FERC ¶ 61,119 (2007)

DMEAST #9884705 v3D

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6265

Transmission Upgrade, in order to permit the Commission to determine what action, if any, it should take.

In connection with regional system planning, the ISO will not propose to impose on any PTO obligations or conditions that are inconsistent with the explicit provisions of the TOA or deprive any PTO of any of the rights set forth in the TOA.

Subject to necessary approvals and compliance with Section 2.06 of the TOA, nothing in this OATT shall affect the right of any PTO to expand or modify its transmission facilities in the New England Transmission System on its own initiative or in response to an order of an appropriate regulatory authority. Such expansions or modifications shall conform with: (a) Good Utility Practice; (b) applicable reliability principles, guidelines, criteria, rules, procedures and standards of national, regional, and local reliability councils that may be in existence; and (c) the ISO and relevant PTO criteria, rules, standards, guides and policies. The ISO reserves its right to challenge the permitting of such expansions or modifications.

## **9. Merchant Transmission Facilities**

### **9.1 General**

Subject to compliance with the requirements of the Tariff and any other applicable requirements with respect to the interconnection of bulk power



facilities with the New England Transmission System, any entity shall have the right to propose and construct the addition of transmission facilities (“Merchant Transmission Facilities”), none of the costs of which shall be covered under the cost allocation provisions of this OATT. Any such Merchant Transmission Facilities shall be subject to the requirements of Section 9.2 of this Attachment. In performing studies in connection with the RSP, the prospect that proposed Merchant Transmission Facilities will be completed shall be accounted for as will the prospect that proposed generating units will be completed.

## **9.2 Operation and Integration**

All Merchant Transmission Facilities shall be subject to: (i) an agreement to transfer to the ISO operational control authority over any facilities which constitute part of the Merchant Transmission Facilities that are to be integrated with, or that will affect, the New England Transmission System; and (ii) taking such other action as may be required to make the facility available for use as part of the New England Transmission System.

## **9.3 Control and Coordination**

Until such time as a Merchant Transmission Owner has transferred operational control over its Merchant Transmission Facilities to the ISO pursuant to Section 9.2(i), all such Merchant Transmission Facilities shall be subject to the

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6267

operational control, scheduling and maintenance coordination of the System

Operator in accordance with the Tariff.

#### **10. Cost Responsibility for Transmission Upgrades**

The cost responsibility for each upgrade, modification or addition to the transmission system in New England that is included with the status of “Planned” in the RSP Project List as defined in Section 3.6 of this Attachment shall be determined in accordance with Schedule 12 of this OATT.

#### **11. Allocation of ARR**

The allocation of ARRs in connection with Transmission Upgrades is addressed in Section III.C.8 of the Tariff.

#### **12. Dispute Resolution Procedures**

##### **12.1 Objective**

Section 12 of this Attachment sets forth a dispute resolution process (the “Regional Planning Dispute Resolution Process”) through which regional transmission planning-related disputes may be resolved as expeditiously as possible.

---

## **12.2 Confidential Information and CEII Protections**

All information disclosed in the course of the Regional Planning Dispute Resolution Process shall be subject to the protection of confidential information and CEII consistent with the ISO New England Information Policy and CEII policy.

## **12.3 Eligible Parties**

Any member of the Planning Advisory Committee that has been adversely affected by a Reviewable Determination, defined in Section 12.4(a) of this Attachment, with respect to the regional system planning process described in this Attachment is eligible to raise its dispute, as appropriate, under this Dispute Resolution Process (“Disputing Party”).

## **12.4 Scope**

In order to ensure that the regional transmission planning process set forth under this Attachment moves expeditiously forward, the scope of issues that may be subject to the Regional Planning Dispute Resolution Process under this Section 12 shall be limited to certain key procedural and substantive decisions made by the ISO within its authority as specified in documents on file with the Commission. That is, decisions not subject to resolution within the jurisdiction of the Commission are not within the scope of the Regional Planning Dispute

Resolution Process. Examples of matters not within the scope of the Regional Planning Dispute Resolution Process include planning to serve retail native load or state siting issues. Additionally, the Tariff already explicitly provides specific dispute resolution procedures for various matters. To this end, any matter regarding the review and approval of applications pursuant to Section I.3.9 of the Tariff, which is subject to the dispute resolution process under Section I.6 of the Tariff, shall not be within the scope of this Regional Planning Dispute Resolution Process. Similarly, any matter regarding Transmission Cost Allocation shall be governed by the dispute resolution process under Schedule 12 of the OATT, and shall be outside the scope of this Regional Planning Dispute Resolution Process.

**(a) Reviewable Determinations**

The determinations that may be subject to the Regional Planning Dispute Resolution Process under this Section 12 ("Reviewable Determinations") shall include certain procedural and substantive challenges that may arise at designated key decision points in the regional transmission planning process for PTF ("Key Decision Points"). Procedural challenges will be limited to whether or not the steps taken up to a Key Decision Point conform to the requirements set forth in this Attachment. Substantive challenges will be limited to whether or not a determination or conclusion

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6270

rendered at a Key Decision Point was supported by adequate basis in fact.

The Key Decision Points shall be limited to the following:

- (i) Results of a Needs Assessment conducted and communicated by the ISO to the Planning Advisory Committee as specified in Section 4.1 of this Attachment;
- (ii) Updates to the RSP Project List, including adding, removing or revising regulated transmission solutions included thereunder, as presented at the Planning Advisory Committee and as specified in Section 3.6 of this Attachment;
- (iii) Results of Solutions Studies conducted and communicated by the ISO to the Planning Advisory Committee as specified in Section 4.2 of this Attachment;
- (iv) Consideration of market responses in Needs Assessments as specified in Section 4.2 of this Attachment;
- (v) Substance of Economic Studies to be conducted by the ISO in a given year as specified in Section 4.1(b) of this Attachment; and
- (vi) Prioritization of Economic Studies to be performed in a given year where the Planning Advisory Committee is not able to prioritize them as specified in Section 4.1(b) of this Attachment.

**(b) Material Adverse Impact**

In order to prevail in a challenge to a procedural-based Reviewable Determination, the Disputing Party must show that the alleged procedural error had a material adverse impact on the determination or conclusion. In order to prevail in a challenge to a substantive-based Reviewable Determination, the Disputing Party must show that either (i) the

ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6271

determination is based on incorrect data or assumptions or (ii) incorrect analysis was performed by the ISO, and (iii) as a result the ISO made an incorrect decision or determination.

## **12.5 Notice and Comment**

A Disputing Party aggrieved by a Reviewable Determination shall have fifteen (15) calendar days upon learning of the Reviewable Determination following the ISO's presentation of such Reviewable Determination at the Planning Advisory Committee to request dispute resolution by giving notice to the ISO ("Request for Dispute Resolution"). A Request for Dispute Resolution shall be in writing and shall be addressed to the ISO's Chair of the Planning Advisory Committee and, as appropriate, the affected Transmission Owner. Within three (3) Business Days of the receipt by the ISO of a Request for Dispute Resolution, the ISO shall prepare and distribute to all members of the Planning Advisory Committee a notice of the Request for Dispute Resolution including, subject to the protection of Confidential Information and CEII, the specifics of the Request for Dispute Resolution and providing the name of an ISO representative to whom any comments may be sent. Any member of the Planning Advisory Committee may submit to the ISO's designated representative, on or before the tenth (10<sup>th</sup>) Business Day following the date the ISO distributes the notice of the Request for

Dispute Resolution, written comments to the ISO with respect to the Request for Dispute Resolution. The party filing the Request for Dispute Resolution may respond to any such comments by submitting a written response to the ISO's designated representative and to the commenting party on or before the fifteenth (15<sup>th</sup>) Business Day following the date the ISO distributes the notice of the Request for Dispute Resolution. The ISO may, but is not required to, consider any written comments.

## **12.6 Dispute Resolution Procedures**

### **(a) Resolution Through the Planning Advisory Committee**

The Planning Advisory Committee shall discuss and resolve any dispute arising under this Attachment involving a Reviewable Determination, as defined in Section 12.4 of this Attachment, between and among the ISO, the Disputing Party, and, as appropriate, the affected Transmission Owner (collectively, "Parties") (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution).

---

**(b) Resolution Through Informal Negotiations**

To the extent that the Planning Advisory Committee is not able to resolve a dispute arising under this Attachment involving a Reviewable Determination, as defined in Section 12.4 of this Attachment, between and among the ISO, the Disputing Party, and, as appropriate, the affected Transmission Owner, such dispute shall be the subject of good-faith negotiations among the Parties. Each Party shall designate a fully authorized senior representative for resolution on an informal basis as promptly as practicable.

**(c) Resolution Through Alternative Dispute Resolution**

In the event the designated representatives are unable to resolve the dispute through informal negotiation within thirty (30) days, or such other period as the Parties may agree upon, by mutual agreement of the Parties, such dispute may be submitted to mediation or any other form of alternative dispute resolution upon the agreement of all Parties to participate in such mediation or other alternative dispute resolution process. Such form of alternative dispute resolution shall not include binding arbitration.



ISO New England Inc.  
FERC Electric Tariff No. 3  
Open Access Transmission Tariff  
Section II – Attachment K – Regional System Planning Process

Original Sheet No. 6274

If a Party identifies exigent circumstances reasonably requiring expedited resolution of the dispute, such Party may file a Complaint with the Commission or seek other appropriate redress before a court of competent jurisdiction.

#### **12.7 Notice of Dispute Resolution Process Results**

Within three (3) Business Days following the resolution of a dispute pursuant to either Section 12.6(b) or Section 12.6(c) of this Attachment, the ISO shall distribute to the Planning Advisory Committee a document reflecting the resolution.

#### **13. Rights Under The Federal Power Act**

Nothing in this Attachment shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

Middletown, RI

FIRST AMENDMENT TO INDENTURE OF LEASE

THIS FIRST AMENDMENT TO INDENTURE OF LEASE ("Amendment") is made by and between PERRY FAMILY PARTNERSHIP, a Rhode Island general partnership ("Lessor"), and Newport Electric Corporation, a Rhode Island corporation created by special act of the General Assembly, with offices in Middletown, Rhode Island ("Lessee"), this 20<sup>th</sup> day of ~~April~~, 1993.

MAY 20<sup>th</sup>

W I T N E S S E T H:

WHEREAS, Lessor, as successor to Antone Perry and Mary R. Perry, and Lessee entered into that certain Indenture of Lease dated October 25, 1966, a copy of which is attached hereto and made a part hereof as Exhibit A (the "Lease"); and

WHEREAS, Lessor and Lessee desire to reduce the area of the demised premises as defined in the Lease, and reduce the rent to be paid by Lessee to Lessor in consideration of such reduction of area of the demised premises.

NOW, THEREFORE, for good and adequate consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. The demised premises as set forth in paragraph FIRST of the Lease are hereby reduced by an area of sixteen thousand two hundred thirty-two and six one hundredths (16,232.06) square feet of real property and improvements thereon, if any, located at the northeasterly corner of such demised premises which is further set forth in green and labeled as the "Area to be Leased" on Exhibit B attached hereto and made a part hereof (the "Released Area").

2. Lessor and Lessee hereby agree that Lessee shall have no further right, title or interest in the Released Area, and hereby releases Lessor from any obligations Lessor may have had or has in favor of Lessee with respect to the Released Area.

3. The rent due to Lessor from Lessee as set forth in paragraph SECOND of the Lease shall be reduced hereby by an amount equal to 7.5 percent of each of the payments due Lessor from Lessee for the remainder of the term of the Lease, without reduction of those payments made prior to the date hereof. Accordingly, future payments due Lessor from Lessee shall be as follows:

<u>Annual Payment Dates</u>	<u>Rent</u>
October 15, 1993 through and including October 15, 1995	\$6,012.50
October 15, 1996 through and including October 15, 2015	\$7,863.00

Commission Data Request 2-4

Request:

If the Commission allows decoupling, will that eliminate the need for the Shareholder Incentive for Energy Efficiency Programs? If not, why?

Response:

No, decoupling does not eliminate the need for the shareholder incentive for energy efficiency programs. Decoupling removes disincentives associated with proactively taking actions to reduce sales but falls short of making successful energy efficiency efforts a key business focus. Combining decoupling with a meaningful shareholder incentive aligns business objectives with public policy objectives.

Commission Data Request 2-10

Request:

At page 11 of Timothy Stout's testimony, he notes that when National Grid proposed the increase in energy efficiency in its three year plan, it did so anticipating approval of revenue decoupling.

- a. Was this representation ever made to the Commission?
- b. On what evidence was this anticipation based?

Response:

a. R.I.G.L § 39-1-27.7 (System reliability and least-cost procurement) establishes the expectations for least cost procurement in Rhode Island, including the "procurement of energy efficiency and energy conservation measures that are prudent and reliable and when such measures are lower cost than acquisition of additional supply." Subsection (d) of this section states:

(d) If the commission shall determine that the implementation of system reliability and energy efficiency and conservation procurement has caused or is likely to cause under or over-recovery of overhead and fixed costs of the company implementing said procurement, the commission may establish a mandatory rate adjustment clause for the company so affected in order to provide for full recovery of reasonable and prudent overhead and fixed costs.

Pursuant to the R.I.G.L., in the draft guidelines submitted by the RI Energy Efficiency and Resource Management Council governing least cost procurement (Docket 3931), Sections 1.2B and 3.1 discuss how "the decoupling of utility earnings from its revenues ... removes a disincentive for aggressive pursuit of EE Procurement".

The Commission, in its approval of the standards, removed consideration of decoupling, in light of pending dockets (Order 19344, pages 10 and 11). Consequently, in consideration of the Commission's order, neither the Company's Least Cost Procurement Plan (Docket 3931) or the Company's 2009 Energy Efficiency Program Plan (Docket 4000), mentioned decoupling.

b. The Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006 was enacted as part of R.I.G.L § 39-1-27.7. As noted above, the R.I.G.L contemplates that a "rate adjustment clause" may be established to facilitate the achievement of the goals of least cost procurement while providing for full recovery of reasonable and prudent overhead and fixed costs.

Commission Data Request 2-14

Request:

In Mr. Morrissey's testimony (page 5 of 20), he cites Moody's January 2009 forecast of the RI economy. At the time, he cites the state's "unemployment rate topping 11% before a recovery begins." Recent unemployment figures from the RIDLT show RI's unemployment rate has already topped 11% and is, in fact, above 12%. Please provide Moody's most recent economic forecast for RI and please describe what impact, if any, it has on the gWh sales forecast presented in this filing. Please provide an updated Schedule NG-APM-3 as necessary.

Response:

Moody's most recent economic forecast for the RI economy, released in July 2009, predicts that the RI unemployment rate will reach 12.8% in May of 2010 before a recovery begins. In general, Moody's has reduced the forecast of all key drivers to the gWh sales forecast, except real income, since its January 2009 release. Moreover, Moody's has pushed out the expected recovery date for all of these variables farther into 2010. The overall impact of this on the gWh sales forecast is to reduce it by 128 gWh or 1.7% in 2010 compared to the forecast that was filed.

Attachment COMM 2-14 provides an updated Schedule NG-APM-3 based on Moody's most recent economic forecast for RI. Please note that this update also includes government revisions to historical data series, where applicable, as provided by Moody's.

Although total RI employment was originally forecast to decline 1.9% per year from 2008 to 2010, Moody's now expects it to decline 2.7% per year over that same period. The biggest downward revision is to manufacturing employment, which is now expected to fall an average of 6.3% per year from 2008 to 2010, including a 10.2% drop in 2009. In January, Moody's had forecast just a 2.8% annual rate of decline in manufacturing employment from 2008 to 2010. Gross State Product is now forecast to decrease by 0.3% per year from 2008 to 2010 whereas Moody's had originally predicted that it would increase 1.0% per year over the same period. Population and the number of households are now both expected to decline slightly in the forecast whereas Moody's originally predicted a slight improvement for these variables. On the other hand, the 2008 figure for real personal income was revised upward by 1.3% and Moody's now expects it to show growth of 0.3% per year from 2008-2010. Moody's had originally predicted a 0.5% annual rate of decline in this variable from 2008-2010.

The impact of Moody's revised economic forecast on the gWh sales forecast is detailed in the response to Commission Data Request 2-15 requesting the Company to

Commission Data Request 2-14 (cont.)

“update the load forecasts for 2009 & 2010 as shown in Schedules NH-APM-1 & NG-APM-2 to account for actual 2009 data and any changes to other forecasting criteria/inputs.” Based on actual sales data through July 2009 and Moody’s latest economic forecast, total gWh sales are now expected to fall 3.5% in 2009 before increasing 1.4% in 2010. Before DSM, gWh sales are now forecast to be 2.1% lower in 2010 than they were in 2008. The forecast that was filed anticipated that 2010 gWh sales would be 0.5% lower than actual 2008, before DSM.

Industrial gWh sales, which are driven by manufacturing employment and real electricity price, show the largest proportional decline from the forecast that was filed, 3.4% or 34 gWh. A slightly lower outlook for real electricity price partially offset the impact of Moody’s sharp, downward revision to manufacturing employment. Commercial gWh sales, which are driven by commercial employment and real commercial output per employee, are 2.0% lower in 2010 compared to what was filed, a difference of 74 gWh. Residential gWh sales are 0.6% lower in 2010 than what was filed, or 18 gWh. The improved outlook for real personal income causes forecasted residential sales growth to turn positive in the remaining months of 2009 and into 2010 but this is not enough to offset actual residential sales declines in the first seven months of 2009 that were not foreseen in the forecast that was filed.

**Narragansett Electric Company GWh Sales Forecast**  
**Historical and Forecast Economic Variables, 1990-2010 \***

Year	Total Employment (000's)	Growth Rate	Commercial Employment (000's)	Growth Rate	Manufacturing Employment (000's)	Growth Rate	Real Personal Income (\$mill)	Growth Rate	Gross State Product (\$bill)	Growth Rate	Population (000's)	Growth Rate	Number of Households (000's)	Growth Rate
1990	454.079		322.974		95.142		24,851.490		27.2		1,006.202		379.031	
1991	424.216	-6.6%	303.729	-6.0%	87.498	-8.0%	24,035.847	-3.3%	26.2	-3.6%	1,010.611	0.4%	381.996	0.8%
1992	424.129	0.0%	305.329	0.5%	84.815	-3.1%	24,306.996	1.1%	26.7	1.7%	1,012.756	0.2%	384.079	0.5%
1993	429.969	1.4%	310.360	1.6%	83.583	-1.5%	24,584.401	1.1%	27.1	1.5%	1,015.078	0.2%	386.252	0.6%
1994	434.150	1.0%	314.403	1.3%	82.550	-1.2%	24,644.916	0.2%	27.3	0.8%	1,015.983	0.1%	387.894	0.4%
1995	438.929	1.1%	319.164	1.5%	80.351	-2.7%	25,354.620	2.9%	28.1	3.0%	1,017.268	0.1%	389.695	0.5%
1996	440.677	0.4%	322.863	1.2%	77.398	-3.7%	25,762.643	1.6%	28.6	2.0%	1,021.073	0.4%	392.478	0.7%
1997	450.016	2.1%	332.348	2.9%	76.208	-1.5%	26,632.568	3.4%	30.5	6.3%	1,025.604	0.4%	395.561	0.8%
1998	457.978	1.8%	340.995	2.6%	74.873	-1.8%	27,772.748	4.3%	30.9	1.5%	1,031.639	0.6%	399.235	0.9%
1999	465.383	1.6%	348.936	2.3%	72.165	-3.6%	28,125.717	1.3%	31.6	2.3%	1,040.907	0.9%	404.228	1.3%
2000	476.759	2.4%	359.092	2.9%	71.174	-1.4%	29,208.647	3.9%	33.6	6.3%	1,050.894	1.0%	409.371	1.3%
2001	478.434	0.4%	363.596	1.3%	67.766	-4.8%	30,055.597	2.9%	34.2	1.7%	1,058.465	0.7%	412.388	0.7%
2002	479.403	0.2%	368.979	1.5%	62.249	-8.1%	30,470.193	1.4%	34.9	2.1%	1,066.111	0.7%	415.353	0.7%
2003	484.184	1.0%	376.341	2.0%	58.666	-5.8%	31,004.454	1.8%	36.5	4.5%	1,071.202	0.5%	417.340	0.5%
2004	488.451	0.9%	381.401	1.3%	56.983	-2.9%	31,727.185	2.3%	37.8	3.7%	1,070.601	-0.1%	417.105	-0.1%
2005	490.975	0.5%	385.552	1.1%	54.907	-3.6%	31,883.541	0.5%	37.6	-0.6%	1,064.372	-0.6%	414.678	-0.6%
2006	493.274	0.5%	390.110	1.2%	52.691	-4.0%	32,857.781	3.1%	38.6	2.7%	1,058.628	-0.5%	412.440	-0.5%
2007	492.697	-0.1%	390.247	0.0%	50.750	-3.7%	33,854.192	3.0%	38.7	0.1%	1,053.120	-0.5%	410.295	-0.5%
2008	481.781	-2.2%	382.672	-1.9%	47.999	-5.4%	33,907.015	0.2%	38.0	-1.8%	1,050.782	-0.2%	409.239	-0.3%
Forecast														
2009	462.223	-4.1%	368.879	-3.6%	43.121	-10.2%	34,181.854	0.8%	36.7	-3.3%	1,050.045	-0.1%	408.691	-0.1%
2010	455.941	-1.4%	365.402	-0.9%	42.175	-2.2%	34,092.308	-0.3%	37.7	2.8%	1,050.022	0.0%	408.698	0.0%

Compound Average Annual Growth Rates

1990-2008 18 -year	0.3%	0.9%	-3.7%	1.7%	1.9%	0.2%	0.4%
1998-2008 10-Year	0.5%	1.2%	-4.3%	2.0%	2.1%	0.2%	0.2%
2003-2008 5-Year	-0.1%	0.3%	-3.9%	1.8%	0.8%	-0.4%	-0.4%
2005-2008 3-Year	-0.6%	-0.2%	-4.4%	2.1%	0.3%	-0.4%	-0.4%
2008-2010 2-Year	-2.7%	-2.3%	-6.3%	0.3%	-0.3%	0.0%	-0.1%

\* Moody's Economy.com, July 2009 release.

Commission Data Request 2-15

Request:

Please update the load forecasts for 2009 & 2010 as shown in Schedules NH-APM-1 & NG-APM-2 to account for actual 2009 data and any changes to other forecasting criteria/inputs.

Response:

Please see Attachment 1 for updates to Schedule NG-APM-1 and Attachment 2 for updates to Schedule NG-APM-2.



**Narragansett Electric Company GWh Sales Forecast Before Additional DSM  
Actual and Forecast GWh Sales by Revenue Class, 1990-2010**

<u>Year</u>	<u>Residential</u>	<u>Growth Rate</u>	<u>Commercial</u>	<u>Growth Rate</u>	<u>Industrial</u>	<u>Growth Rate</u>	<u>Street Lighting</u>	<u>Growth Rate</u>	<u>Resale</u>	<u>Growth Rate</u>	<u>Total</u>	<u>Growth Rate</u>
1990	2,355.626		2,589.119		1,360.680		75.574		0.602		6,381.601	
1991	2,347.151	-0.4%	2,575.753	-0.5%	1,366.442	0.4%	73.434	-2.8%	0.583	-3.2%	6,363.362	-0.3%
1992	2,340.224	-0.3%	2,590.136	0.6%	1,351.413	-1.1%	71.581	-2.5%	0.600	2.9%	6,353.954	-0.1%
1993	2,388.456	2.1%	2,641.179	2.0%	1,411.043	4.4%	67.477	-5.7%	0.553	-7.8%	6,508.709	2.4%
1994	2,432.355	1.8%	2,660.848	0.7%	1,370.570	-2.9%	66.129	-2.0%	0.591	6.9%	6,530.493	0.3%
1995	2,414.834	-0.7%	2,684.213	0.9%	1,346.135	-1.8%	64.031	-3.2%	0.583	-1.4%	6,509.796	-0.3%
1996	2,463.461	2.0%	2,711.490	1.0%	1,346.375	0.0%	62.157	-2.9%	0.588	0.8%	6,584.071	1.1%
1997	2,457.081	-0.3%	2,749.704	1.4%	1,383.470	2.8%	61.324	-1.3%	0.619	5.4%	6,652.199	1.0%
1998	2,500.434	1.8%	2,839.409	3.3%	1,428.162	3.2%	61.387	0.1%	0.656	5.9%	6,830.048	2.7%
1999	2,633.849	5.3%	2,962.778	4.3%	1,414.073	-1.0%	61.915	0.9%	0.708	7.9%	7,073.324	3.6%
2000	2,606.986	-1.0%	3,089.688	4.3%	1,406.947	-0.5%	61.693	-0.4%	0.711	0.5%	7,166.026	1.3%
2001	2,689.214	3.2%	3,231.227	4.6%	1,357.889	-3.5%	62.074	0.6%	0.792	11.3%	7,341.196	2.4%
2002	2,799.301	4.1%	3,327.314	3.0%	1,325.874	-2.4%	62.304	0.4%	0.821	3.7%	7,515.614	2.4%
2003	2,955.332	5.6%	3,418.260	2.7%	1,256.555	-5.2%	63.054	1.2%	0.890	8.4%	7,694.092	2.4%
2004	2,971.390	0.5%	3,489.108	2.1%	1,297.438	3.3%	63.480	0.7%	0.864	-2.9%	7,822.280	1.7%
2005	3,129.682	5.3%	3,580.945	2.6%	1,210.959	-6.7%	62.886	-0.9%	0.863	-0.1%	7,985.335	2.1%
2006	2,992.324	-4.4%	3,534.610	-1.3%	1,141.426	-5.7%	63.169	0.5%	0.801	-7.2%	7,732.329	-3.2%
2007	3,074.049	2.7%	3,625.716	2.6%	1,116.802	-2.2%	62.274	-1.4%	0.814	1.6%	7,879.655	1.9%
2008	3,019.000	-1.8%	3,613.682	-0.3%	1,036.156	-7.2%	64.336	3.3%	0.446	-45.2%	7,733.621	-1.9%
Forecast												
2009 *	2,915.306	-3.4%	3,519.258	-2.6%	966.917	-6.7%	64.149	-0.3%	0.289	-35.2%	7,465.920	-3.5%
2010	2,995.926	2.8%	3,531.818	0.4%	974.989	0.8%	64.149	0.0%	0.724	150.1%	7,567.605	1.4%

\* 2009 data are 7 months actual and 5 months forecast.

Compound Average Annual Growth Rates

1990-2008 18 -year	1.4%	1.9%	-1.5%	-0.9%	-1.7%	1.1%
1998-2008 10-Year	1.9%	2.4%	-3.2%	0.5%	-3.8%	1.3%
2003-2008 5-Year	0.4%	1.1%	-3.8%	0.4%	-12.9%	0.1%
2005-2008 3-Year	-1.2%	0.3%	-5.1%	0.8%	-19.8%	-1.1%
2008-2010 2-Year	-0.4%	-1.1%	-3.0%	-0.1%	27.4%	-1.1%

**Narragansett Electric Company GWh Sales Forecast Before Additional DSM  
Weather-Normalized and Forecast GWh Sales by Revenue Class, 1990-2010**

<u>Year</u>	<u>Residential</u>	<u>Growth Rate</u>	<u>Commercial</u>	<u>Growth Rate</u>	<u>Industrial</u>	<u>Growth Rate</u>	<u>Street Lighting</u>	<u>Growth Rate</u>	<u>Resale</u>	<u>Growth Rate</u>	<u>Total</u>	<u>Growth Rate</u>
1990	2,366.879		2,582.545		1,358.650		75.574		0.602		6,384.250	
1991	2,353.215	-0.6%	2,547.039	-1.4%	1,359.381	0.1%	73.434	-2.8%	0.583	-3.2%	6,333.651	-0.8%
1992	2,385.029	1.4%	2,623.502	3.0%	1,358.316	-0.1%	71.581	-2.5%	0.600	2.9%	6,439.028	1.7%
1993	2,355.790	-1.2%	2,607.358	-0.6%	1,404.960	3.4%	67.477	-5.7%	0.553	-7.8%	6,436.138	0.0%
1994	2,455.275	4.2%	2,663.899	2.2%	1,371.473	-2.4%	66.129	-2.0%	0.591	6.9%	6,557.367	1.9%
1995	2,426.425	-1.2%	2,665.836	0.1%	1,341.963	-2.2%	64.031	-3.2%	0.583	-1.4%	6,498.837	-0.9%
1996	2,502.757	3.1%	2,726.085	2.3%	1,350.319	0.6%	62.157	-2.9%	0.588	0.8%	6,641.906	2.2%
1997	2,494.176	-0.3%	2,749.637	0.9%	1,383.671	2.5%	61.324	-1.3%	0.619	5.4%	6,689.428	0.7%
1998	2,572.713	3.1%	2,838.717	3.2%	1,426.251	3.1%	61.387	0.1%	0.656	5.9%	6,899.724	3.1%
1999	2,611.911	1.5%	2,933.210	3.3%	1,401.703	-1.7%	61.915	0.9%	0.708	7.9%	7,009.447	1.6%
2000	2,637.783	1.0%	3,117.478	6.3%	1,411.621	0.7%	61.693	-0.4%	0.711	0.5%	7,229.287	3.1%
2001	2,681.474	1.7%	3,212.826	3.1%	1,355.136	-4.0%	62.074	0.6%	0.792	11.3%	7,312.302	1.1%
2002	2,729.537	1.8%	3,285.124	2.3%	1,315.639	-2.9%	62.304	0.4%	0.821	3.7%	7,393.425	1.1%
2003	2,846.843	4.3%	3,408.321	3.8%	1,248.428	-5.1%	63.054	1.2%	0.890	8.4%	7,567.537	2.4%
2004	2,954.145	3.8%	3,475.171	2.0%	1,297.285	3.9%	63.480	0.7%	0.864	-2.9%	7,790.944	3.0%
2005	3,011.879	2.0%	3,528.750	1.5%	1,198.328	-7.6%	62.886	-0.9%	0.863	-0.1%	7,802.706	0.2%
2006	3,004.917	-0.2%	3,550.791	0.6%	1,138.189	-5.0%	63.169	0.5%	0.801	-7.2%	7,757.866	-0.6%
2007	3,043.344	1.3%	3,597.028	1.3%	1,110.901	-2.4%	62.274	-1.4%	0.814	1.6%	7,814.361	0.7%
2008	3,017.406	-0.9%	3,619.827	0.6%	1,032.532	-7.1%	64.336	3.3%	0.446	-45.2%	7,734.547	-1.0%
Forecast												
2009 *	2,949.428	-2.3%	3,551.431	-1.9%	971.869	-5.9%	64.149	-0.3%	0.289	-35.2%	7,537.165	-2.6%
2010	2,995.926	1.6%	3,531.818	-0.6%	974.989	0.3%	64.149	0.0%	0.724	150.1%	7,567.605	0.4%

\* 2009 data are 7 months actual and 5 months forecast.

Compound Average Annual Growth Rates

1990-2008 18 -year	1.4%	1.9%	-1.5%	-0.9%	-1.7%	1.1%
1998-2008 10-Year	1.6%	2.5%	-3.2%	0.5%	-3.8%	1.1%
2003-2008 5-Year	1.2%	1.2%	-3.7%	0.4%	-12.9%	0.4%
2005-2008 3-Year	0.1%	0.9%	-4.8%	0.8%	-19.8%	-0.3%
2008-2010 2-Year	-0.4%	-1.2%	-2.8%	-0.1%	27.4%	-1.1%

Commission Data Request 2-28

Request:

Please provide an ageing of accounts receivable for residential protected, residential standard and non-residential customers.

Response:

Please refer to the Company's response to Division Data Request 5-B for the requested information.

Commission Data Request 2-29

Request:

Please update Schedule NG-RLW-1, page 1, such that it breaks the information presented down by residential protected, residential standard and non-residential customer classes.

Response:

The Company is unable to provide the requested information. Schedule NG-RLW-1 is derived from data obtained from the Company's general ledger. The Company's general ledger does not provide the level of detail to enable a breakdown of net charge-offs and revenues by protected residential customers versus standard residential customers.

Commission Data Request 2-30

Request:

With regard to Mr. Wynter's testimony at page 10, what is the estimated level of uncollectible expense associated with commodity service for 2008?

Response:

Please refer to line (7) on page 2 of Schedule NG-RLO-6 in Book 5 of 9, Testimony and Schedules of Robert L. O'Brien, for the estimated level of uncollectible expense of \$7,861,885 associated with commodity service for 2008.

Commission Data Request 2-31

Request:

With regard to Mr. Wynter's testimony at page 10, please quantify the administrative costs associated with providing Standard Offer Service.

Response:

Please refer to page 2 of Schedule NG-RLO-6 in Book 5 of 9, Testimony and Schedules of Robert L. O'Brien, for a summary of the Company's estimate of administrative costs associated with providing Standard Offer service. The estimate of the administrative costs, not including the uncollectible expense on line (7), is \$1,889,902.

Commission Data Request 2-34

Request:

With regard to the proposed Delivery Related Uncollectible Accounts Expense reconciliation, please identify each instance National Grid is aware of where National Grid or another electric distribution company:

- a. Has requested approval of a similar mechanism and received approval.
- b. Has requested approval of a similar mechanism and been rejected.

Response:

- a. National Grid has proposed a similar mechanism in the Massachusetts Electric Company/Nantucket Electric Company rate case proceeding in Docket No. D.P.U. 09-39. This proposal is pending approval.
- b. National Grid is not aware of any approval of a similar mechanism which has been rejected.

Commission Data Request 2-35

Request:

Is the company's intent to present the Standard Offer Adjustment Provision as a separate line item customer bills? Why or why not?

Response:

The Company's Standard Offer Adjustment Provision contemplates two adjustment factors, one related to the power supply reconciliation and the other related to the reconciliation of administrative costs. The Company proposes that the Standard Offer Service Administrative Cost Factor be included with the base Standard Offer rate for billing purposes so that the total rate appearing on customer bills is reflective of the total costs of providing Standard Offer Service and is comparable to commodity rates offered by non-regulated power producers (i.e., competitive suppliers).

The Company proposes that the balance related to the reconciliation of power supply costs either be included with the distribution rates if billed to all customers or with the Standard Offer rate if billed only to Standard Offer customers.



Commission Data Request 2-37

Request:

Please provide schedules to support \$153,186 as presented on Sch NG-RLO-2, pg 21, line 5.

Response:

Please see Schedule NG-RLW-4 in the testimony of Rudolph L. Wynter, Jr. The amount is summarized on line 9, page 1 of 3, and is derived on page 2 of 3 of that schedule.

Commission Data Request 2-38

Request:

Please provide schedules to support \$204,249 as presented on Sch NG-RLO-2, pg 21, line 7.

Response:

Please see Schedule NG-RLW-4 in the testimony of Rudolph L. Wynter, Jr. The amount is summarized on line 10, page 1 of 3, and is derived on page 3 of 3 of that schedule.

Commission Data Request 2-44

Request:

Are all customers able to access the following information from National Grid?

- a. Time based electricity prices in the wholesale electricity market. If no, what would be the cost of providing such information?
- b. Daily and/or hourly usage information. If yes, how? If not, what would be the cost of providing such information?

Response:

(a) All customers may view hourly wholesale electric prices on the ISO-NE web site. There is no charge for this information.

(b) Customers with interval metering (on rates G32, G62, B32 and B62) can access 15-minute usage information via the Energy Profiler Online service. This information is available to each customer once per year at no cost. Subscription service, which allows a customer to view their information at any time, is available for \$321 per year.

Commission Data Request 2-45

Request:

Please provide a list of customer billing complaints that have resulted in refunds due to faulty meters.

Response:

The Company is unable to provide the requested information. Customer billing complaints resulting in refunds due to faulty meters are not captured and tracked separately from refunds issued for other reasons.

Commission Data Request 2-46

Request:

Please provide a list of any Division orders finding any improper calculation of refunds due to electric customers who are determined to have faulty meter.

Response:

The Company has no record of any Division orders finding any improper calculation of refunds due to electric customers who are determined to have faulty meters.

Commission Data Request 2-47

Request:

What is the company's current policy/practice if a customer contacts the company and has a high bill or has difficulty paying the bill? What does the company tell the customer to do, what information does the company offer to the customer?

Response:

Customer Service Representatives are trained to handle customer calls related to high bills and customers' ability to pay bills. Representatives are instructed to evaluate the customer's account and discuss the following when resolving a high bill complaint:

- 1) Meter read history
- 2) Days in billing period
- 3) Comparative usage from the prior year
- 4) Other pertinent account details

Representatives also utilize High Bill talking points as a reference tool, which cover the above items and any lifestyle changes the customer may have experienced. Additionally, representatives may send out a field order to re-read a meter or for a meter test if the customer is not satisfied with the explanation provided.

If a customer is having difficulty paying his/her bill, representatives are instructed to offer a variety of payment options including budget options, payment plan options, and referrals to community action agencies for possible LIHEAP grants.

Commission Data Request 2-48

Request:

Please identify the outside collection agent(s) used by the company.

Response:

The following is a list of collection agencies and the city and state in which they are located.

<u>Agency</u>	<u>City, State</u>
NCO	Albany, NY
Van Ru	Des Plaines, IL
Recovery's Unlimited (RUI)	Melville, NY
The Credit Bureau	Rochester, NY
Credit Information Bureau	Warwick, RI
Associated Credited Services	Hopkinton, MA
The Allen Daniel Association, Inc.	Waltham, MA
Solomon & Solomon	Albany, NY
Mercantile Solutions	Rochester, NY

Commission Data Request 2-49

Request:

Please provide a copy of the contract(s) between the Company and its outside collection agent.

Response:

Please refer to Attachment COMM 2-49 for the requested information.



## **APPENDIX A SCOPE OF WORK**

### **Collection Agencies for Collection of Unpaid Final Bill and Charged Off Accounts**

---

#### **1.0 SUMMARY**

Niagara Mohawk Power Corporation (“Niagara Mohawk”), Massachusetts Electric Company (“Massachusetts Electric”), The Narragansett Electric Company (“Narragansett Electric”), Granite State Electric Company (“Granite State Electric”), and Nantucket Electric Company (“Nantucket Electric”) (“Affiliates”) are seeking qualified collection agencies to perform the collection of unpaid residential and commercial/industrial final bill and charged off accounts as more fully set forth in this Scope of Work (“Collection Services”).

#### **2.0 OBJECTIVES**

**2.1** Collect unpaid residential and commercial/industrial final bill/charged off accounts in a professional, cost effective manner with the highest possible collection recovery rate.

**2.2** Provide Collection Services in such a manner that maintains exceptional net-back recovery rates.

**2.3** Provide all Collection Services in accordance with the Fair Debt Collection Practices Act, The Fair Credit Reporting and any other applicable Federal, State or Local laws.

**2.4** Provide all Collection Services using the latest technology, hardware, software and systems that are compatible with Affiliates technology hardware, software and systems.

**2.5** Provide Collection Services that ultimately combines both New York and New England business’s on a uniform technology/IT platform using uniform systems, procedures, processes, reports, timeline for referrals, recalls, etc.

**2.6** Provide all Collection Services in such a manner that is compatible with and enhances the business operations of the Customer Service and Credit and Collection Departments of the Affiliates.

**2.7** Provide Collection Services in good faith, using best efforts and in such a manner to foster a long-term alliance and an optimal owner/vendor relationship.

**2.8** Provide Collection Services acting at all times as an independent contractor and not as an agent, subcontractor, employees or representatives of Affiliates while performing the Collection Services.

**2.9** Design, structure, and build Collection Service operations in such a way that is conducive to possible future growth with Affiliates through the latter's acquisitions, mergers or expansion in its core utility business.

### **3.0 BACKGROUND**

Affiliates provide electric service in the northeastern United States to approximately 3.3 million customers and natural gas to approximately 560,000 customers. The Affiliates core business is the transmission and distribution of electricity.

The New York (Niagara Mohawk) operation currently has accounts placed with 15 different collection agencies (hereinafter New York operations are referred to as "NY" or "Niagara Mohawk"). Not all 15 agencies are receiving active referrals; however, if an agency has initiated legal activity or maintains active arrangements on an account, the agency is allowed to keep the account until such time that these efforts expire.

Currently, NY refers residential accounts to 3 agencies. Of these agencies 2 are Primary and 1 is Secondary. NY does not use a Tertiary Agency at this time. Commercial accounts are all referred to a separate and unique Primary Agency for 12 months and then referred to the same Secondary Agency that NY is using for the residential accounts.

- Upon disconnection of service a customer's bill becomes final overnight on the day of disconnection.
- Roughly 45 days later, accounts are referred to the Primary Agencies via a daily electronic file.
- No commission is paid to Primary Agency if payments are received within the 1<sup>st</sup> five days of placement
- On approximately day 90 the delinquent account is charged off the Niagara Mohawk system.
- Primary Agencies have control of accounts for 1 year after placement.
- Agency can decide to take legal action on any account; however Niagara Mohawk must approve all legal (or lawsuit) actions.
- Agency commissions are withheld by the agency, prior to the weekly electronic payment remittances (net payments).
- An account maybe recalled by Niagara Mohawk at anytime in its sole discretion unless legal action has begun.
- Upon the expiration of the 1-year period with the Primary Agencies, accounts are automatically recalled.
- Recalled accounts remain in Niagara Mohawk's possessions up to 60 days, at which time they are placed with a Secondary Agency.

- Secondary Agencies get control of accounts for 1 year under the same rules and regulations as the Primary Agencies. It is common practice to extend the recall date for Secondary Agency referrals to 3 years.

The New England (Massachusetts Electric, Narragansett Electric, Granite State Electric and Nantucket Electric) operation currently has accounts placed with 13 different active collection agencies (hereinafter New England operations are referred to as "NE"). Of the 13 agencies, 10 of these agencies are receiving active referrals at this time. Additionally, NE uses a network of attorneys and in some cases, in the same manner as an actual collection agency.

Currently NE refers residential accounts to 2 primary agencies, 7 secondary agencies, and 2 tertiary agencies.

- Upon disconnection of service a customer's bill becomes final overnight on the day of disconnection.
- Roughly 45 days later, accounts are referred to the Primary Agencies via a daily electronic file.
- Accounts greater than \$2,500 are reviewed by the Utility manually before placement occurs. Accounts may be placed directly with a collection law firm.
- No commission is paid to Primary Agency if payments are received within the 1<sup>st</sup> five days of placement.
- On approximately day 90, account is charged off NE Affiliate utilities' system.
- Primary Agencies are required to make at least 1 phone call and send 1 letter for each account placed. Primary Agency has control of accounts for 45 days.
- An account maybe recalled by the NE Affiliate utility at anytime in its sole discretion unless legal action has begun.
- NE pays agency commissions to the agency after the money is posted.
- Cash reporting is done on a monthly basis and each Secondary and Tertiary Agency must provide a "posting disk" along with a hard copy report. Disk is run and moneys post to appropriate accounts.
- 35 days after Primary Agency placement, NE sends a recall notice indicating the intent to recall a Primary Agency account in the next 10 days. (Referred to as the "Early out Program").
- If the Primary Agency has a payment arrangement that is being kept or has just received a recent payment, the agency can object to the recall.
- 90 days after final bill is issued, account is placed with one of the 7 Secondary Agencies.
- Placement allocation is based on agency performance and at Affiliates discretion, may change from time to time.
- Secondary Agencies have control of accounts for 15 months, at which time they perform skip tracing, credit reporting and possibly some litigation.
- 10 days prior to the expiration of the 15month term, notification is sent to Secondary Agencies indicating intent to recall.

- If the Secondary Agency has a payment arrangement that is being kept or has just received a recent payment, or begun legal action, the agency can object to the recall.
- Accounts are then placed with one of 2 Tertiary Agencies. Placements are distributed evenly based on revenue.
- Tertiary Agencies retain accounts for the life of the accounts.

#### **4.0 DESCRIPTION – AGENCY REFERRALS YEAR 2003**

Below is a description of collection agency referrals by geographical region (NY and NE) and by agency tiers (Primary, Secondary and Tertiary).

##### **4.1 New York**

###### **4.1.1 Primary Residential**

Quantity of Referrals:	75,000
Dollar Value of Referrals:	\$ 49,000,000
Avg Dollar Value of Referrals:	\$ 600

###### **4.1.2 Primary Commercial**

Quantity of Referrals:	4,000
Dollar Value of Referrals:	\$ 7,100,000
Avg Dollar Value of Referrals:	\$ 1,700

###### **4.1.3 Secondary (Residential, Commercial & Industrial)**

Quantity of Referrals:	71,000
Dollar Value of Referrals:	\$ 49,000,000
Avg Dollar Value of Referrals:	\$ 600

##### **4.2 New England**

###### **4.2.1 Primary (Residential & Commercial)**

Quantity of Referrals:	78,000
Dollar Value of Referrals:	\$ 21,700,000
Avg Dollar Value of Referrals:	\$ 300

###### **4.2.2 Secondary (Residential & Commercial)**

Quantity of Referrals:	64,000
Dollar Value of Referrals:	\$ 21,200,000
Avg Dollar Value of Referrals:	\$ 300

###### **4.2.3 Tertiary (Residential & Commercial)**

Quantity of Referrals:	51,000
Dollar Value of Referrals:	\$ 17,900,000
Avg Dollar Value of Referrals:	\$ 300

#### 4.2.4 \*Attorneys (Commercial)

Quantity of Referrals:	400
Dollar Value of Referrals:	\$ 2,380,000
Avg Dollar Value of Referrals:	\$ 5,000

\* This portfolio is included in the Scope of Work for Primary, Secondary and Tertiary accounts.

The above information is being provided by way of background only. The Affiliates makes no guarantees or promises as to the volume or level of bad debt that will be available for placement or will be assigned to collection agency; therefore, Affiliates cannot make any guarantees or promises as to the volume or level of accounts agency will be servicing.

## 5.0 SCOPE OF WORK

Collection agency shall perform external Collection Services for the Affiliates' bad debt (unpaid final bill and charged off accounts) in accordance with this Scope of Work as set forth below. "Collection Agency" or "Agency" shall refer to the Agency or Agencies awarded an Account Collection Agreement ("Collection Agreement") for Collection Services by Affiliates. References to "Collection Agency" or "Agency" importing only the singular include the plural and vice versa as the context requires.

### 5.1 Account Holding Time

The new holding time for bad debt accounts after a final bill is generated is as follows assuming bad debt placement 45 days after final bill is generated:

<b>Primary Agency:</b>	<b>Accounts for the 1<sup>st</sup> 90 Days</b>
<b>Secondary Agency:</b>	<b>Accounts for 12 Months succeeding Primary Agency</b>
<b>Tertiary Agency:</b>	<b>Accounts for collection life succeeding Secondary Agency</b>

### NEW ENGLAND

Day 45 (1 1/2 months)	15 Months	15 Months reporting (Kept at Agency for life of acct.)
Current Practice:		
Primary Agency	Secondary Agency	Tertiary

Day 90 (3 months)	12 Months	12 Months reporting ( Keep at Agency for life of acct.)
NEW RFP		
Primary Agency	Secondary Agency	Tertiary

### NEW YORK

12 Months	12 Months reporting (Kept at Agency for life of acct.)
Current Practice:	
Primary Agency	Secondary Agency

Day 90 (3 months)	12 Months	12 Months reporting (Keep at Agency for life of acct.)
NEW RFP		
Primary Agency	Secondary Agency	Tertiary

## **5.2 Miscellaneous**

**5.2.1** Provide all professional, managerial, IT (technical), and administrative services requisite to accomplish the Collection Services set forth herein that are necessary for the timely and successful prosecution of bad debt accounts to Affiliates satisfaction.

**5.2.2** Perform all work related to the Collection Services described, including those reasonably implied therein, which are incidental, requisite and proper to satisfactorily accomplish the activities and deliverables set forth above.

**5.2.3** Perform all other normal, usual, and customary Collection Services necessary to accomplish the Scope of Work

## **6.0 EXTERNAL COLLECTION AGENCY RESPONSIBILITIES**

Collection Agency shall be responsible for the following tasks and activities in connection with assigned bad debt accounts as set forth below.

### **6.1 Bad debt collection activity requirements by tier**

- Primary Agency-phone and noticing campaign, skip trace
- Secondary Agency-phone and noticing campaign, periodic skip tracing throughout the program, review for litigation, credit reporting
- Tertiary Agency-phone and noticing campaign, periodic skip tracing throughout the program, review for litigation, credit reporting

### **6.2 Collection Services Tasks and Deliverables**

Collection Agency shall successfully complete all the following tasks and deliverables in a timely manner and in accord with the Scope of Work.

**6.2.1 Task 1** – Receive referral files daily & input account details correctly into system along with receipt acknowledgement supplied to Affiliates daily.

**6.2.2 Task 2** – Perform daily collection efforts as stated in 6.1 Bad Debt Collection Activity Requirements above by Tier section.

**6.2.3 Task 3** – Perform data collection and data analysis.

**6.2.4 Task 4** – Deposit daily into separate trust account on behalf of Affiliates with weekly Automated Clearing House (ACH) payments being made to each respective Affiliate.

- 6.2.5 Task 5** – Receive and acknowledge daily recall files correctly into system along with receipt acknowledgement to be supplied to Affiliates daily.
- 6.2.6 Task 6** – Prepare all daily, weekly and monthly reports as defined in the Section 11 Reporting Requirements of this Scope of Work.
- 6.2.7 Deliverable 1** – Collection Agency shall perform daily collections on all accounts with detailed audit trails and be made available to Affiliates biannually. Random sampling of accounts will be provided by Affiliates, to Collection Agency for detailed account history.
- 6.2.8 Deliverable 2** – Collection Agency shall provide reports as detailed in the Reporting Requirements section of this Scope of Work.
- 6.2.9 Deliverable 3** – Collection Agency shall provide weekly Automatic Clearing House (ACH) payments on all collectables received the previous week, along with detailed accounting and invoicing of all payments (net payments less commissions, legal fees and interest) for both NY and NE as stated in the Payments and Invoicing section.

Collection Agency shall perform all Scope of Work tasks related to collections, including those reasonably implied therein, and which are incidental and required to accomplish the activities and deliverables set forth in the Scope of Work.

## **7.0 INFORMATION TECHNOLOGY**

Collection Agency shall provide Collections Services interface with Affiliates which meets the following technical requirements as set forth below.

### **7.1 Platform**

Affiliates primary communication method is FTP “File Transfer Protocol™” using PGP “Pretty Good Privacy™”, and encryption. The secondary protocol is using the G-International VAN™ service, formally called either GXST™ or IBM Global NetWork/Advantis™ or any Value Added NetWork™ service that provides an interconnect with G-International.

### **7.2 Operation Interface**

New York: CSS™ (Customer Service System) NY Mainframe Customer Service Software. New England: CIS™ (Customer Information System) NE

Mainframe Customer Service Software. Atlas™ is a bolt-on collections tool developed by London Bridge Software.

### **7.3 Cost to Set-up & Maintain System**

Collection Agency shall, at its cost, maintain Affiliates records in Agency's system and set up the programming required to retrieve and send data files, decrypt/encrypt files, download and maintain data, and any and all other programming that may be required to meet the requirements of this Scope of Work.

## **8.0 MOBILIZATION/IMPLEMENTATION PLAN**

Please describe your implementation plan for startup with a timeline starting mid April 2005. Implementation Plan must include the following:

- Time needed to mobilize after Collection Agreement award.
- Schedule: Provide a schedule for completion of the Collection Services account implementation/mobilization plan, including but not limited to: sequence and duration of major tasks; milestone events; and deliverables.
- Describe mobilization plan to start work when providing the Collection Services described in the Scope of Work.
- Specifically explain the steps in the implementation to this type of job and how they would be accomplished.
- List of equipment, including hardware and software that would be used / purchased.
- List Agency's responsibilities and Affiliates responsibilities during mobilization/implementation.
- List Affiliates and Agency responsibilities when the program is fully operational.

## **9.0 ASSUMPTIONS**

### **9.1 Initial Account Distribution**

At commencement of the Collection Agreement effective date (award), previously referred accounts will be distributed as follows: (1) 45 to 105 days after final bill all accounts will be referred to Primary Agencies; (2) 106 days to 14 months after final bill all accounts will be referred to Secondary Agencies; (3) 14 months and 1 day after final bill to 6 years after final bill all accounts will be referred to Tertiary Agencies.

Also, at commencement of the Collection Agreement effective date (award), all new bad debt accounts will be assigned to the Collection Agency on or before 45 days after the final bill is generated.

### **9.2 Account Distribution**

Accounts will be allocated daily on a percentage of the total dollars available by Affiliates for referral. The allocation of accounts will be evenly distributed for



the first six (6) months after the Collection Agreement effective date, unless a Collection Agency is on Probation (defined herein/see Scope of Work Section 19). If a Collection Agency is on Probation, allocation will occur as stated in Section 19. After the initial six (6) months of referrals, allocations are subject to change at Affiliates discretion based on Collection Agency performance and ability to meet all other work requirements as set forth in this Scope of Work and resulting Collection Agreement.

All assigned accounts will be placed with Collection Agency with a five calendar day “free demand period”, commencing on the date of referral, wherein any monies collected are considered not to have been a result of the Agency’s action, if any, and shall accrue entirely to Affiliates’ accounts. Issuance of a Collection Agency supplied letter, within the five calendar free demand period, notifying the account that collection action has commenced and will be actively pursued, will not affect Affiliates’ right to 100% of the monies collected within said free demand period.

Subject to Affiliates’ discretion, and in accordance to Section 18 of this Scope of Work, Collection Agency shall have an exclusive opportunity to pursue collections on an account for the period described in the Scope of Work. Affiliates reserve the right to withdraw without charge any number of accounts referred to Collection Agency. Collection Agency understands and agrees that Affiliates may make such withdrawal in its sole and exclusive discretion. Collection Agency understands and agrees that it shall comply with the requirements set forth in the Scope of Work “Review Cycle/Audit” Scope of Work Section 18 in connection with account withdrawal.

## **10.0 QUALITY ASSURANCE REQUIREMENTS**

Describe Collection Agency’s Quality Control procedures utilized to maximize recoveries. Include the following information:

- Process performance standards (i.e. criteria for receiving all referrals, sample letters, phone series, skip tracing, accurate payment reporting, timely cash remittance, accuracy of recalled accounts, legal notification, monthly reporting.) timeline, accuracy
- Quality Control checks
- Tracking devices (error logs)
- Automated or manual account reconciliation
- Describe process/policy for handling errors
- Security measures for confidential customer records and data
- Audits (internal and external), types, standards, frequency, etc.

## **11.0 REPORTING REQUIREMENTS**

New England referrals, recalls and payments are sent daily in one FTP/PGP file

New York referrals and recalls are sent daily in two separate FTP/PGP files. Payments received by NY are sent on hard copy reports, twice per week.

**11.1     Referral File Format**

- **New York:** CSS file format layout delivered by FTP/PGP; *Attachment A.A.1*
- **New England:** Atlas file format layout delivered by FTP/PGP, *Attachment A.A.2*

**11.2     Referral / Recall Confirmation**

Report creates immediate recognition when accounts are not transmitting via the electronic transmission.

- **New York:** FTP/PGP daily acknowledgement along with daily Excel™ file; *Attachment B.B.1*
- **New England:** FTP/PGP daily acknowledgement along with daily Excel™ file; *Attachment B.B.2*

**11.3     Recall File Format**

- **New York:** FTP/PGP daily acknowledgment along with daily Excel™ file; *Attachment C.C.1*
- **New England:** FTP/PGP daily acknowledgement along with daily Excel™ file; *Attachment C.C.2*

**11.4     Collection Agency Payment Format**

- **New York:** FTP/PGP weekly file upload along with weekly fax summary payment report to Revenue Accounting Dept.; *Attachment D.D.1*
- **New England:** : FTP/PGP weekly file upload along with weekly fax summary payment report to Revenue Accounting Dept.; *Attachment D.D.2*

**11.5     Direct Pay Report**

Report supplies daily payments received by Affiliates detailing: account #, transition date, payment date, payment amount, principle, interest, cost, other, commission, and remittance amount.

- **New York:** fax hard copy report twice weekly to Agency for payments received by Affiliates; *Attachment E.E.1*
- **New England:** FTP/PGP daily file download to Agency for payments received by Affiliates; *Attachment E.E.2*

**11.6     Collection Agency Remittance Reports**

Report supplies weekly payment received by Agency detailing: account #, transition date, payment date, payment amount, principle, interest, cost, other, commission, and remittance amount. Payments are separated by: Received by Agency, NSF Payment, Miscellaneous Payment Adjustment, Agency Court Costs, Legal Payments, & Settlement.

- **New York:** FTP/PGP weekly file upload along with weekly fax summary payment report to Revenue Accounting Department.;  
*Attachment F.F.1*
- **New England:** FTP/PGP weekly file upload along with weekly fax summary payment report to Revenue Accounting Department.;  
*Attachment F.F.2.*

**11.7 Recall Objection Report**

Details accounts being disputed by the Agency for: payment agreements, legal action, post dated checks and settlements pending. This is a request for accounts to remain active with Agency.

- **New York:** Weekly excel file sent through e-mail by Agency;  
*Attachment G.G.1*
- **New England:** Weekly excel file sent through e-mail by Agency;  
*Attachment G.G.2*

**11.8 Monthly Batch Tracking**

Measures Agency performance by monthly batch rather than yield percent (%)

- **New York:** Monthly Excel™ file sent through e-mail by Agency;  
*Attachment H.H.1*
- **New England:** Monthly Excel™ file sent through e-mail by Agency;  
*Attachment H.H.2*

**11.9 Settlement Report**

Identifies the cost associated with settlements, the percentage (%) of settlements being accepted and the age of the settlement accounts. Verifies proper commissions.

- **New York:** Weekly Excel™ file sent through e-mail by Agency;  
*Attachment I.I.1*
- **New England:** Weekly Excel™ file sent through e-mail by Agency;  
*Attachment I.I.2*

**11.10 Collection Agency Log of Legal Requests**

Identifies number of accounts litigated by the Agencies, average balance and the return on our investment.

- **New York:** Bi-Weekly Excel™ file sent through e-mail by Agency;  
*Attachment J.J.1*
- **New England:** Bi-Weekly Excel™ file sent through e-mail by Agency;  
*Attachment J.J.2*

**11.11 Monthly Recovery Rate Report**

Rolling monthly analysis for all accounts referred during the past 12 consecutive months. Also monthly analysis for those accounts referred during the past month. Net & Gross dollars are calculated.

- **New York:** Monthly Excel™ file sent through e-mail by Agency;  
*Attachment K.K.1*

- **New England:** Monthly Excel™ file sent through e-mail by Agency;  
*Attachment K.K.2*

**11.12 Quarterly Judgment Report**

List of all judgments obtained. Report will include Affiliates account #, customer name, Case #, date judgment obtained, and court venue/jurisdiction.

- **New York:** Quarterly Excel™ file sent through e-mail by Agency;  
*Attachment L.L.1*
- **New England:** Quarterly Excel file sent through e-mail by Agency;  
*Attachment L.L.1*
- 

**11.13 Suit Authorization Form**

- **New York:** Individual Legal/ Suit Authorization Form, excel file sent through e-mail by agency; *Attachment M.M.1*
- **New England:** Individual Legal/ Suit Authorization Form, excel file sent through e-mail by agency; *Attachment M.M.2*

**11.14 Final Bill Dispute Instructions & Form**

- **New York:** file sent through the mail for every disputed account ;  
*Attachment N.N.1*
- **New England:** file sent through the mail for every disputed account ;  
*Attachment N.N.2*

## **12 PAYMENTS AND INVOICING**

**12.1 Payment Report Summary.**

Collection Agency shall supply Affiliates on a weekly basis, a Payment Report Summary, in duplicate, listing any and all recoveries made by Agency on each Affiliates account referred to Agency, and any and all commissions, expenses and fees reimbursable to Agency in accordance with the Collection Agreement. Agency shall provide supporting details on such statements as requested by Affiliates.

**12.2 Remittance Reporting.**

Remittance/Invoicing must be reported individually for each Affiliate (Niagara Mohawk, Massachusetts Electric, Narragansett Electric, Granite State Electric, and Nantucket Electric) through the same communication method (FTP) used for receipt of referrals.

**12.3 Remittances.**

Agency shall, on the first business day of each week, remit to Affiliates by Automated Clearing House (ACH) payment all monies received during the previous week, less any commissions due and owing to Agency in accordance with the Collection Agreement. Payments must be made individually for each Affiliate i.e. Niagara Mohawk, Massachusetts Electric, Narragansett Electric, Granite State Electric, and Nantucket Electric. A Payment Report Summary shall accompany the remittance invoices, in accordance with section 11.7. The format in section 11.7 must be used to report payments received. In the event Agency fails to remit such monies on the first work day of each week, Affiliates, in addition to any other rights and remedies it may have, has the right to assess interest at the rate of .4% per day on the amount of such monies.

**12.4 Deposits/Trust Accounts.**

Agency shall immediately upon collection, deposit all monies received and due Affiliates in a trust account naming Affiliates as the trust beneficiary in a depository where funds are insured by the Federal Deposit Insurance Corporation, and hold such monies until remitted to Affiliates as provided herein and in the Collection Agreement. Agency agrees that funds received and due Affiliates will in no way be co-mingled with Agency's other expense and operating accounts.

**12.5 Recalled Accounts.**

Payments received on accounts that have been recalled by Affiliates shall be forwarded to appropriate Affiliates with no Commission Rate (defined herein) applied or deducted.

**13 COMMISSION SPECIFICATIONS**

**13.1 Free Demand Period.**

All assigned accounts will be placed with Agency with a five calendar day free demand period, commencing on the date of referral, wherein all monies collected are considered not to have been a result of the Agency's action.

**13.2 Commission Rate.**

Bidder shall be paid a commission rate, on a contingency basis, for Collection Services ("Commission Rate"). The Commission Rate will be the fee paid for Agency Collection Services as a percentage of the money received from a total paid to the Collection Agency responsible for the customer account on behalf of the principal Affiliates.

**13.2 Entire Compensation.**

Affiliates shall provide and Bidder shall accept, as Bidder's entire compensation for the Collection Services provided, the Commission Rates in Appendix B Cost Proposal Form. Agency understands that collection and payment of Commission Rates is uncertain and not assured and is conditioned upon the occurrence of some future event which is itself uncertain and questionable.

### **13.3 Exclusions.**

Agency agrees that it shall not be entitled to any Commission Rate on any amounts collected, either by Agency or by Affiliates, on the following types of accounts referred to Agency or under the following circumstances:

- Accounts recalled by Affiliates
- Payments received within the five calendar day free demand period
- Payments received by either Affiliates or Agency from governmental agencies
- Payments received by either Affiliates or Agency from welfare agencies
- Payments received by either Affiliates or Agency from bankruptcy courts
- Any non-litigation costs, service fees, etc., recovered by Agency from a debtor on any account
- Any litigation-related sums recovered by Agency (including court costs/fees and service of process fees, etc.) in excess of the principal amount of the finalized bill other than statutory interest

## **14 DISPUTES**

### **14.1 NGRID Dispute Rules.**

Agencies shall observe Affiliates requirements regarding the handling of debtor disputes regarding accounts. These requirements are shown as **Attachment M.M.1** and made a part of this Scope of Work. Refer disputed accounts to Affiliates for advice and resolution, by use of the Dispute Notification form, **Attachment M.M.2** as approved by Affiliates regulatory oversight bodies. Such referral to Affiliates will not disqualify Agency for an otherwise properly earned commission.

### **14.2 Dispute Resolution Process.**

Upon receipt of a dispute, the Agency shall immediately notify Affiliates of the dispute and place a thirty (30) day hold on collection activities. Debtors will be given fifteen (15) days by Affiliates to provide the required documentation as requested in **Attachment M.M.1**. If Affiliates do not receive the necessary information from the debtor, or the debtor's information is not complete within the fifteen (15) days, Affiliates will notify the Collection Agency to resume collection efforts on the disputed amount. If Affiliates cannot resolve the dispute in the thirty (30) days following the dispute notification (assuming debtor dispute documentation was timely received), Affiliates will verbally notify the Agency as to the reason why the dispute has not been resolved and

will ask the Agency to continue the collection hold. Upon resolution of the dispute, Affiliates will notify the Agency of the result of the investigation.

## **15 SETTLEMENTS**

### **15.1 Required Approvals.**

All settlements (pre/post litigation) must be approved in writing in advance by Affiliates. Any settlement offer made within ninety (90) days of referral date shall be denied unless there are extenuating circumstances indicating that acceptance of the offer would be beneficial to Affiliates. "Extenuating circumstances" shall herein be strictly limited to 1) avoidance of bankruptcy; 2) business organization liquidation/dissolution, or 3) failure of Affiliates to supply a witness for court trial if one was required for whatever reason. All settlement offers must be made to Affiliates in writing using the form shown in **Attachment I.I.1 & I.I.2.**

### **15.2 Settlement Compensation Percentages.**

For settlement amounts of 80% to 100% of the total amount due (including principal and accrued interest) the fee shall be 100% of the applicable fee as set forth in the Collection Agreement. For settlement amounts of less than 80% of the total amount due (including principal and accrued interest) the fee shall be a percentage of the applicable fee rate set forth in the Collection Agreement in an amount equal to the settlement percentage amount. For example, a settlement at 75% of the total amount due would result in a fee that is 75% of the applicable fee rate set forth in the Collection Agreement.

## **16 LITIGATION**

### **16.1 Requirements.**

Agency may pursue legal action against a debtor in a court of competent jurisdiction after 1) all standard collections efforts are exhausted; 2) a valid address has been obtained or an asset search has been completed (*i.e.* employment verification); 3) other outstanding judgments reviewed; 4) justification of the customer's ability to pay the balance owed is confirmed, etc.), and 4) upon the written approval of Affiliates. Affiliates will not give approval for legal action on accounts that have balances owed of \$750 or less. Judgments obtained by the Agency and/or its legal representation shall be maintained by the Agency and/or its legal representation. All lawsuits filed against account debtors shall be in the name of the appropriate Affiliate. A copy of the form to be utilized in requesting prior Affiliates approval of legal action is shown as **Attachment N.N.1** and made a part of this Scope of Work.

### **16.2 Litigation Costs.**

For accounts pursued by Agency through litigation approved by Affiliates, in accordance with Section 16.2 above, Agency shall advance and bill Affiliates for any court filing fees/costs, service of process fees and Sheriff's or Marshall's costs, not recovered within 12 months of incurrence, excluding attorney's fees. Affiliates will reimburse Agency for such invoiced sums within thirty days after Affiliates' receipt of an invoice with necessary backup documentation. Affiliates will not advance any lawsuit or court related expenses prior to commencement of litigation or before expiration of the 12 month litigation effort except as authorized in writing by Affiliates' authorized legal representative. Affiliates will not advance or pay any Bidder attorney's fees whatsoever at any time for any reason.

### **16.3 Bankruptcies.**

All referred accounts where a bankruptcy is filed subsequent to referral shall be recalled by Affiliates.

## **17 MONITORING REQUIREMENTS**

Affiliates require the capability to track Collection Agency's collection efforts throughout the life cycle of the accounts referred to Agency. Please describe Agency's plan to make this possible.

### **17.7Reporting Requirements**

Describe the software utilized to:

- Receive referrals and payments
- Create the database
- Monitor collection activities
- Generate the reports
- Ensure quality control on accuracy of account information

### **17.8Disaster Recovery Requirements**

Affiliates require a secure Disaster Recovery Plan. Describe in detail your Agency's Disaster Recovery procedures for safeguarding and recovering account history in detail, by individual account. Please make sure to include and comply with the following:

- Frequency of testing of your Disaster Recovery Plan
- ON-Site problem prevention and maintenance programs
- Location of backup facility
- Capacity at backup facility
- Security Measures of backup facility
- Logistics (transfer of Service Company accounts & new referrals)



- Equipment and capabilities in backup facility (including O & M)
- Staffing at secondary site (indicate if require additional training)

#### **17.9 Archival Requirements**

All referrals (including phone calls, letters, & legal action) must be electronically imaged, indexed (by customer account number) and retained by Collection Agency, at a minimum, for the length of time as defined in the statute of the state the Agency is located in, as well state of the debtor.

### **18 REVIEW CYCLE/AUDIT**

#### **18.1 Recalled Accounts**

Affiliates my request, in its discretion and upon completion of all collection efforts of Collection Agency, either as a result of failed efforts, settlements accepted or completed, or payments closing accounts, or otherwise, the following: 1) return to Affiliates all file information, documents or records of any type whatsoever previously transmitted to Agency; 2) any other documents or records, whether electronic or otherwise, gathered or prepared by Agency in connection with the subject account(s), and 3) a summary report prepared by Agency describing its efforts to collect the account on behalf of Affiliates.

#### **18.2 Annual Financial Report**

Provide, during each year of this Collection Agreement, within ten days after finalization, an audited financial statement of the Agency's year-end closing financial figures.

Agency shall create and maintain, at all times during the term of this Collection Agreement, accurate and complete records in support of all Services, all monies collected on accounts referred by Affiliates, and all commissions, legal expenses and fees reimbursable by Affiliates, in accordance with generally acceptable accounting principles.

#### **18.3 Audit and Maintenance Records**

Upon the request of Affiliates, Agency shall permit Affiliates to inspect the performance of the Services or shall demonstrate to Affiliates that the Services are in compliance with the Collection Agreement. Such inspection or demonstration shall in no way impair or be deemed a waiver of right under the Collection Agreement or under applicable law, or relieve Agency of any obligation Agency may have under the Collection Agreement or under applicable law, whether or not such deficiencies were identified or should have been identified in such inspection or demonstration.

Affiliates or its authorized representative shall have the right, at any reasonable time, during normal working hours, to examine and audit Agency's records and vouchers pertaining to Collection Services, monies collected on accounts referred to Affiliates, and commissions, legal expenses and fees reimbursable by Affiliates.

If an audit of collected sums, commissions, and legal expenses and fees reveals a discrepancy in Affiliates favor, Agency shall issue a payment immediately upon notification of the discrepancy to Affiliates, with interest thereon at the rate of 1.5% per month. Such payment shall include all costs incurred by Affiliates in connection with the audit.

## **19.0 PERFORMANCE METRICS/PROBATION**

### **19.1 Probation.**

All Collection Agencies will be held accountable for the duties, tasks and activities described in the Scope of Work and Collection Agreement. Any Agency that does not meet the requirements described herein will be placed on a six (6) month probation period ("Probation" or "Probation Period"). During the six (6) month Probation period, monthly reviews will be made by Affiliates to determine if improvements have been made. If no improvements have been made during the six (6) month Probation period, the Collection Agreement with the Agency may be terminated at Affiliates discretion. Collection Agency may be terminated at Affiliates discretion (in accord with Collection Agreement Article 15) if Agency is deemed in breach of the said Agreement in any way without being placed on Probation first or given an opportunity to cure the default.

### **19.2 Account Re-allocation.**

Re-allocation of accounts from the Collection Agency on Probation will generally be accomplished on a percentage basis, based on a comparative analysis of all Agencies performance. Affiliates reserve the right, in its sole discretion, to re-allocate accounts from the Probation Agency to other Collection Agencies in any manner most beneficial to Service Company.

### **19.3 Monthly Performance Review.**

After the initial referrals immediately after the Collection Agreement effective date (the first six (6) months post in to the Collection Agreement/ See Scope of Work Section 9.2), Affiliates will be reviewing performance of the Agency on a monthly basis. Items to be reviewed include, but are not limited to, 1) net back performance; 2) technical compliance and reliability; 3) deadline compliance; 4) regulatory compliance (local, state and federal laws); 5) reporting compliance per the Scope of Work; 6) default or breaches of the

Collection Agreement, and 6) legitimate account customer complaints. The above criteria for Monthly Performance Reviews are not exclusive and are subject to change on notice to Agency. Allocation of accounts after initial referrals will be determined by performance review in accordance with the above performance standards and criteria set forth below. Affiliates reserve the right to make changes to the allocation of accounts based upon the follow criteria:

- Net-Back performance falls more than 1.5% below the average for the area (NY/NE will be reviewed separately) or
- Agency does not retrieve referral files within 3 days of the file date and does not return recall files within 3 days of retrieval date or
- Reports are not submitted within 5 days of the requested time period or
- More than 2 legitimate consumer complaints are made to Affiliates within a 30 day time period.

The above criteria for allocation of accounts after the initial period are not exclusive and are subject to change on notice to Agency.

## **END OF APPENDIX A SCOPE OF WORK**

EXT COLLECT AGENCY WORKSCOPE FINAL 2-28-05

COLLECTION AGENCY

ACCOUNT COLLECTION AGREEMENT

PURCHASE ORDER NO. 00000

**THIS COLLECTION AGENCY ACCOUNT COLLECTION AGREEMENT**

("Collection Agreement") , effective as of the 1<sup>st</sup> day of June, 2005 ("Effective Date"), is by and between Niagara Mohawk Power Corporation, a corporation organized and existing under the laws of the State of New York with its principal place of business at 300 Erie Boulevard West, Syracuse, New York 13202 ("Niagara Mohawk"), Massachusetts Electric Company, a corporation organized and existing under the laws of the Commonwealth of Massachusetts with its principal place of business at 55 Bearfoot Road, Northborough, Massachusetts 01532 ("Massachusetts Electric"), The Narragansett Electric Company, a corporation organized and existing under the laws of the State of Rhode Island, 280 Melrose Street, Providence, Rhode Island 02907 ("Narragansett Electric"), Granite State Electric Company a corporation organized and existing under the laws of the State of New Hampshire, with its principal place of business at 9 Lowell Road, Salem, New Hampshire 03079 ("Granite State Electric"), Nantucket Electric Company, a corporation organized and existing under the laws of the Commonwealth of Massachusetts, with its principal place of business at 25 Research Drive, Westborough, Massachusetts 01582 ("Nantucket Electric"), and Associated Credit Services, Inc. ("Agency"), a corporation organized and existing under the laws of the Commonwealth of Massachusetts with its principal place of business at 105B South Street, Hopkinton, Massachusetts 01748 (hereinafter each, individually, a "Party" and, collectively, the "Parties"), for the furnishing by Agency of account collection services.

**IN CONSIDERATION**, of the covenants herein set forth, the Parties, intending to be legally bound, agree as follows:

**ARTICLE 1 – DEFINITIONS**

- 1.1 **"Affiliates"** shall mean Niagara Mohawk Power Corporation ("Niagara Mohawk"), Massachusetts Electric Company ("Massachusetts Electric"), The Narragansett Electric Company ("Narragansett Electric"), Granite State Electric Company ("Granite State Electric"), Nantucket Electric Company ("Nantucket Electric") and any other affiliate wherever located or whenever acquired (during the term of this Collection Agreement) which is organized, controlled by or under the common control with Affiliates. The term "control" shall mean possession, direct or indirect, or the power to direct, or cause the direction of, the management and policies of a person or a company, whether through ownership of voting securities, by contract or otherwise. References to "Affiliate" importing only the singular include the plural and vice versa as the context requires.
- 1.2 **"Collection Agreement"** means this "Collection Agency Account Collection Agreement." If Agency should identify any conflict between or among any of the component parts of the Collection Agreement, Agency shall notify Affiliates of the conflict in writing, cease performance of any Collection Services (defined below) affected by the conflict, and receive resolution of the conflict from Affiliate.

- 1.3 **“Collection Services”** means all services and related submittals provided by Agency under this Collection Agreement and Appendix A Scope of Work (attached hereto and incorporated herein by reference).
- 1.4 **“Commission Rate”** means the all-inclusive, firm, fixed rate paid to Agency, on a contingency basis, for providing Collection Services. The Commission Rate will be the fee paid for Agency Collection Services as a percentage of the money received from a total paid to the Agency responsible for the customer account on behalf of the Affiliates, the principal. Commission Rates operative under this Collection Agreements are stipulated in Article 4.4 and 4.5 below. The stipulated Commission Rates are based upon Agency’s quoted rates set forth in Appendix B attached hereto and incorporated herein by reference. Agency understands that collection and payment of any Commission Rates is uncertain and not assured and is conditioned upon the occurrence of some future event which is itself uncertain or questionable.

## **ARTICLE 2 – SCOPE OF COLLECTION SERVICES**

During the term of this Collection Agreement, Agency, its employees, contractors, and agents, shall perform the following Collection Services:

- 2.1 **Collection Services.** Provide all labor, equipment and materials necessary and incidental to the collection of customer accounts referred to Agency by Affiliates. Agency agrees to accept and process all accounts placed with Agency by Affiliates for collection in accordance with this Collection Agreement (and Appendix A Scope of Work), with the exception of those accounts where a conflict of interest may exist, as to which Agency shall immediately inform the appropriate Affiliate in writing. In the event of a merger or acquisition during the term of this Collection Agreement, Affiliates reserve the right to increase the number of customer collection accounts to be serviced by Agency under the Commission Rates set forth in Article 4. AGENCY UNDERSTANDS AND AGREES THAT AFFILIATES MAKE NO REPRESENTATIONS OR GUARANTEES THAT ANY ACCOUNTS, OR THAT A SPECIFIC NUMBER OF ACCOUNTS OR DOLLAR VOLUME OF ACCOUNTS, WILL BE REFERRED TO AGENCY UNDER THIS COLLECTION AGREEMENT.
- 2.2 **Ethics.** Perform all Collection Services requisite to collect customer account arrears and bad debt (unpaid final bill and charged off accounts) in an ethical and professional manner, and consistent with the standards and procedures as outlined by the COMMERCIAL LAW LEAGUE OF AMERICA, and any other relevant industry standards.
- 2.3 **Personnel.** Furnish all necessary professional, managerial, technical, and administrative personnel necessary for the timely prosecution of the Collection Services to Affiliates’ satisfaction. Agency shall utilize in the performance of the Collection Services only those individuals who are honest, qualified, skilled, trained, reliable and experienced.
- 2.4 **Authorized Representative.** Appoint one individual, and one alternate, who shall be authorized to act on behalf of Agency with whom Affiliates may consult during normal business hours or such additional hours as may be agreed, and whose instructions,

requests and decisions will be binding upon Agency as to all matters pertaining to the Collection Agreement and the performance of the Collection Services hereunder.

- 2.5 **Compliance With Laws.** Be familiar with and comply fully, and at all times, with all applicable federal, state, and local laws, ordinances, rules, regulations, codes, permits, licenses, authorizations, orders of any government code, agency, authority, or court having jurisdiction over any aspects of the Collection Services, including but not limited to, the United States Bankruptcy Code, the Federal Fair Credit Reporting Act, and the Federal Fair Debt Collection Practices Act. If Agency observes that any requirement specified in the Collection Agreements is at variance with such laws, Agency shall promptly notify Affiliates (and appropriate Affiliate) in writing before continuing performance of the Collection Services affected by the variance before incurring any further liability, expense, or obligation in respect thereof.
- 2.6 **Permits.** Obtain and pay for, at its sole cost, all required licenses, bonds, and permits required by any federal, state, or local laws or regulations.
- 2.7 **Agreement Conflicts.** Provide prompt written notice of any nonconformity with Collection Agreement requirements. All component parts of the Collection Agreement are intended to be complementary. In the event Agency knows or has reason to believe there is or may be a conflict or inconsistency within or among the Collection Agreement documents, Agency shall immediately notify NMPC in writing before proceeding with the Collection Services or incurring any further liability, expense or obligation for itself or Affiliates.
- 2.8 **Reports.** Submit to Affiliates those reports annexed hereto as Appendix "A" Scope of Work Section 11.0 (Schedule of Attachments A.A.1 through and including L.L.2) and made part of this Collection Agreement. Two (2) copies of each report shall be provided at the frequency specified in Appendix "A" Attachments A.A. 1 through L.L.2.
- 2.9 **Disputes.** Observe Affiliate requirements regarding the handling of debtor disputes regarding accounts. These requirements are annexed hereto as Appendix "A" Attachment N (N.1 and N.2) and made a part of this Collection Agreement. Agency shall also refer a disputed account item to the appropriate Affiliate for advice and resolution, as provided in Appendix "A" Scope of Work Section 14.0 and the attached customer dispute requirements. Such referral to Affiliates will not operate to disqualify Agency for an otherwise properly earned Rate Commission. Any Agency referral of a disputed account to Affiliates shall be accompanied by a Dispute Notification form, a copy of which is annexed hereto as Appendix "A" Attachment N (N.1 and N.2) and made part of this Collection Agreement.
- 2.10 **Settlements.** Seek approval from Affiliates in writing in advance of all account settlements (pre and post litigation) with Affiliate customers in accordance herewith and Appendix A Scope of Work Section 15.0. Agency shall obtain the prior written approval of Affiliates for the settlement of any account regardless of amount due (including interest and costs). Agency may settle accounts only after all reasonable attempts at collection have been exhausted. In accordance with Article 4, "Compensation," any Agency Commission Rate will be adjusted for settlement offers at less than 80%. Any settlement offer made within ninety (90) days of referral date shall be denied unless there are extenuating circumstances indicating that acceptance of the offer would be beneficial

to Affiliates. "Extenuating circumstances" shall be strictly limited to 1) avoidance of bankruptcy; 2) business organization liquidation/dissolution, or 3) failure of Affiliates to supply a witness for court trial if one was required for whatever reason. A copy of the form to be utilized in requesting Affiliates' approval of settlements is annexed to Appendix A Scope of Work as Attachment "I" and made part of this Collection Agreement.

- 2.11 **Account Recall.** All referred accounts where a bankruptcy is filed subsequent to referral shall be recalled by Affiliates. Upon filing of bankruptcy or completion of all collection efforts by Agency, either as a result of failed efforts, settlements accepted or completed, or payments closing accounts, or otherwise, Agency shall return to Affiliates all file information, documents or records of any type previously transmitted to Agency by Affiliates, and any other documents or records, whether electronic or otherwise, gathered or prepared by Agency in connection with the subject account(s). Further, upon recall under such circumstances, the Agency shall comply with the requirements set forth in Section 18.1 of Appendix A Scope of Work including, but not limited to, preparing a summary report describing its efforts to collect the account on behalf of Affiliates. Agency may be required to prepare separate reports for each Affiliate for which Agency received accounts for collection, at the Affiliates discretion.
- 2.12 **Litigation.** Agency may pursue legal action against a debtor, after first obtaining the written approval of Affiliates. A copy of the form to be utilized in requesting prior Affiliates approval of legal action is annexed to Appendix A Scope of Work as Attachment "M" and made a part of this Collection Agreement. Affiliates will electronically approve the form.
- 2.13 **Annual Financials.** Provide, during each year of this Collection Agreement, within ten days after finalization, an audited financial statement of the Agency's year-end closing financial figures.

### **ARTICLE 3 – SCHEDULE**

- 3.1 **Free Demand Period.** All assigned accounts will be placed with Agency with a five (5) calendar day free demand period, commencing on the date of referral, wherein any monies collected are considered not to have been a result of the Agency's action, if any, beyond the use of an Agency-supplied form notifying the account that collection action has commenced and will be actively pursued on a specific date (5 days from the date of notice). Immediately upon completion of the five (5) calendar day free demand period, agency shall immediately perform Collection Services with all due diligence.
- 3.2 **Time is of the Essence.** Agency acknowledges that TIME IS OF THE ESSENCE. Any failure by Affiliates to terminate the Collection Agreement promptly where Agency does not perform the Collection Services continuously and with due diligence shall not constitute a waiver by Affiliates of its rights to subsequently terminate the Collection Agreement or suspend the Collection Services.
- 3.3 **Account Withdrawal (Inactivity).** Affiliates have the sole right to withdraw any or all accounts after six (6) consecutive months of inactivity. "Inactivity" shall be defined as either no payments collected or legal action authorized in accordance with Article 2.12

above. Upon withdrawal, the Agency shall comply with the requirements set forth in Article 2.11 above and Section 18.1 in Appendix A Scope of Work. Nothing herein shall limit or diminish Affiliates' right under Section 2.11 above to recall any or all accounts at any time in its discretion upon the filing of bankruptcy by an account debtor or completion and/or exhaustion of all collection efforts by Agency.

- 3.4 **Account Holding Time.** Subject to Articles 2.11 and 3.3 above, Agency shall have an exclusive opportunity to pursue collections on an account for a period of Twelve (12) Months for those accounts previously worked by a Primary Tier Agency (hereinafter "Secondary Tier") following Affiliates' referral of the account to Agency. Affiliates shall have the right per Articles 2.11 and 3.3 to recall or withdraw, without charge, one or more accounts referred to Agency. Agency understands and agrees that Affiliates may make such recall or withdrawal in its sole and exclusive discretion without further reason or cause. Agency understands and agrees that, after the expiration of the Twelve (12) Month period, or upon Affiliates recall or withdrawal, Agency shall comply with the requirements set forth in Article 2.11 above.

#### **ARTICLE 4 – COMPENSATION**

- 4.1 **Price.** Affiliates shall provide and Agency accept, as Agency's entire compensation for the Collection Services provided, the all-inclusive, firm, fixed Commission Rate as stipulated in Articles 4.4 and 4.5 herein. The balance of all other sums collected by Agency during the performance of Collection Services shall be reimbursed to Affiliates in accordance with Article 6, "Affiliate Funds." Affiliates shall not be obligated to compensate Agency or any other Party for services or materials provided under the Collection Agreement unless specified in a written document signed by an authorized representative of Affiliates and acknowledged by Agency.
- 4.1.1 On a temporary basis in connection with New England accounts only Agency shall, until further notice, remit monthly all sums collected during the performance of Collection Services in accordance with Article 6, "Affiliate Funds."
- 4.2 **Costs Included.** The Rate Commissions shall include all costs associated with performance of the Collection Services, including but not limited to all labor (including attorney's fees) and associated employment benefits, equipment, materials, parts, computer hardware and software, fuel, vehicles, expenses (including lodging, meals, travel), taxes, telecommunications, transportation and delivery charges (including overnight courier), insurance, incidentals, and all other fees, duties, costs, charges, expenses and everything requisite to accomplish all Collection Services in accordance herewith and Appendix A Scope of Work. Agency shall be liable for and shall pay for all compensation to its employees and shall be liable for and pay all applicable employment taxes, contributions, penalties, or other costs or charges imposed by law.
- 4.3 **Guarantee.** AGENCY UNDERTANDS AND AGREES THAT AFFILIATES MAKE NO GUARANTEE THAT ANY SUMS WILL BE COLLECTED UNDER ANY ACCOUNTS REFERRED TO AGENCY, AND THUS MAKES NO GUARANTY THAT AGENCY WILL RECEIVE ANY COMMISSION RATE SUMS UNDER THIS COLLECTION AGREEMENT.



- 4.4 **Commission Rates.** For all Collection Services rendered on accounts referred to Agency that result in successful collection by Agency, Affiliates shall pay Agency the Base Commission Rate of Twenty Percent (20%) per account and the Commission/Litigation Rate of Thirty Percent (30%) per account for Secondary Tier accounts (secondary placement accounts previously worked by a Primary Tier agency), of the monies collected on each account, in addition to any reimbursable court costs set forth in Article 4.6 hereafter.
- 4.5 **Settlements.** Where Agency settles an account with a debtor, the following Commission Rate shall apply:
- 4.5.1 For settlement amounts of 80% to 100% of the total amount due (including principal and accrued interest); the fee shall be 100% of the applicable fee rate set forth in Article 4.4 above.
- 4.5.2 For settlement amounts of less than 80% of the total amount due (including principal and accrued interest), the fee shall be a percentage of the applicable fee rate set forth in Article 4.4 above in an amount equal to the settlement percentage amount. For example, a settlement at 75% of the total amount due would result in a fee that is 75% of the applicable fee rate set forth in Article 4.4 above.
- 4.6 **Litigation.** For accounts pursued by Agency through litigation approved by Affiliates, in accordance with Article 2.12, Agency shall advance and bill Affiliates for any court filing fees/costs, service of process fees and Sheriff's or Marshall's costs, not recovered within twelve (12) months of incurrence, excluding attorney's fees. Affiliates will reimburse Agency for such invoiced sums within thirty days after Affiliates' receipt of an invoice with necessary backup documentation. Affiliates will not advance any lawsuit or court related expenses prior to commencement of litigation or before expiration of the twelve (12) month litigation effort except as authorized in writing by Affiliates' authorized legal representative. Affiliates will not advance or pay any Agency attorney's fees whatsoever at any time for any reason.
- 4.7 **Payment Report.** Agency shall supply Affiliates, on a weekly basis, a summary statement entitled "Payment Report Summary", in duplicate, listing any and all recoveries made by Agency on each Affiliates account referred to Agency, and any and all Rate Commissions, expenses and fees reimbursable to Agency in accordance with this Article 4 and Section 12.0 in Appendix A Scope of Work. Agency shall provide supporting details on such statements (Appendix A, Attachment DD) as requested by Affiliates.
- 4.7.1 On a temporary basis in connection with New England accounts, Agency shall until further notice supply Affiliates, on a monthly basis, a summary statement entitled "Payment Report Summary", in duplicate, listing any and all recoveries made by Agency on each Affiliates account referred to Agency, and any and all Rate Commissions, expenses and fees reimbursable to Agency in accordance with this Article 4 and Section 12.0 in Appendix A Scope of Work. Agency shall provide supporting details on such statements (Appendix A, Attachment DD) as requested by Affiliates.

- 4.8 **Exclusions.** Notwithstanding the provisions of this Article 4, Agency agrees that it shall not be entitled to any Commission Rate payment on any amounts collected, either by Agency or by Affiliates, on the following types of accounts referred to Agency or under the following circumstances;
- 4.8.1 Accounts recalled by Affiliates;
  - 4.8.2 Payments on an account are made directly to Affiliates or Agency within the five (5) calendar days (free demand period) of referral to Agency;
  - 4.8.3 Payments received by Affiliates or Agency from governmental agencies;
  - 4.8.4 Payments received by Affiliates or Agency from welfare agencies;
  - 4.8.5 Payments received by Affiliates or Agency from bankruptcy courts;
  - 4.8.6 Any non-litigation costs, service fees, etc., recovered by Agency from a debtor on any account, or
  - 4.8.7 Any litigation-related sums recovered by Agency (including court costs/fees and service of process fees, etc.) in excess of the principal amount of the finalized bill other than statutory interest.

## **ARTICLE 5 – TAXES**

- 5.1 **Sales/Use Tax.** Agency shall charge, collect and remit sales tax on invoices in connection with the Collection Services provided to Affiliates, as pertinent and appropriate under the applicable state laws. Agency shall not include, charge or collect sales tax on the Commission Rates and, therefore, shall not apply sales tax when invoicing Niagara Mohawk. Niagara Mohawk is authorized to make direct payment of sales tax, if applicable, by Direct Payment Permit (“DPP”) to the New York State Tax Department in lieu of payment to Agency. Niagara Mohawk shall pay any sales tax applicable to the Collection Services directly to the relevant state taxation authority. Agency shall be relieved of any obligation to charge or collect from Niagara Mohawk said sales tax upon Niagara Mohawk providing Agency, at Agency’s request, a copy of the applicable Direct Payment Permit.
- 5.2 **Taxes General.** Agency shall be liable for and pay all other taxes, contributions and penalties, including interest thereon, that are required or imposed by law in connection with the Collection Services, including, but not limited to, federal, state or local sales, use, excise, consumer, employment (including, but not limited to, FICA labor, pension obligations and fees), unemployment compensation, social security, worker’s compensation, old age retirement benefits, life pensions, annuities and similar taxes or benefits, which may not or hereafter be imposed by law or collective bargaining agreements applicable to labor, services, goods or materials with respect to performance of the Collection Services.
- 5.3 **Tax Indemnification.** Agency shall indemnify, defend and save harmless Affiliates from and against any and all liability for the taxes, contributions and penalties described in Article 5.2, including the interest thereon, resulting from the Collection Agreement or the

Collection Services performed hereunder. If Agency fails to pay said taxes, contributions and penalties; and interest thereon, the appropriate Affiliate, liable for such taxes due to Agencies failure to satisfy its obligations herein, shall have the right, but shall not be obligated, to pay the same. Agency agrees to reimburse the applicable Affiliate for all taxes, contributions and penalties, including interest thereon, assessed against Agency and paid by said Affiliate at the same time that any commissions are due and owing to Agency pursuant to Article 4 "Compensation." The obligations of Agency set forth in this Article shall survive the completion, termination, or expiration of the Collection Agreement.

#### **ARTICLE 6 – AFFILIATE FUNDS**

- 6.1 **Deposits/Trust Accounts.** Agency shall immediately deposit all monies received and due Affiliates in a separate trust account naming the applicable Affiliate as the trust beneficiary in a depository where funds are insured by the Federal Deposit Insurance Corporation, and hold such monies until remitted to the Affiliate as provided in Article 6.2. Agency agrees that funds received and due Affiliates shall be kept segregated from other Affiliates' funds and will in no way co-mingled with Agency's other expense, and operating accounts.
- 6.2 **Remittances.** Agency shall, on the first work day of each week, remit to Affiliates by Agency check all monies received during the previous week, less any Rate Commissions due and owing to Agency in accordance with Article 4, "Compensation" and Appendix A Scope of Work Sections 11.6 and 12.0. A summary report, by account, shall accompany the remittance advice (Scope of Work Attachment F.F). In the event Agency fails to remit such monies on the first work day of each week, Affiliates, in addition to any other rights and remedies they may have, have the right to assess interest at the rate of 1.5% per month on the amount of such monies.
- 6.2.1 On a temporary basis in connection with New England accounts only Agency shall, until further notice, on the first work day of each month remit to Affiliates by Agency check all monies received during the previous month in accordance with Appendix A Scope of Work Sections 11.6 and 12.0. A summary report, by account, shall accompany the remittance advice (Appendix A, Attachment F.F).
- 6.3 **Remittance Reporting.** Remittance must be reported individually for each of the Affiliates through the same communication method (FTP) used for receipt of referrals.

#### **ARTICLE 7 – ACCOUNTING AND AUDITS**

- 7.1 **Records.** Agency shall create and maintain, at all times during the term of this Collection Agreement, accurate and complete records in support of all Collection Services, all monies collected on accounts referred by Affiliates, and all commissions, litigation expenses and fees reimbursable by Affiliates, in accordance with generally acceptable accounting principles.
- 7.2 **Inspection.** Upon the request of Affiliates, Agency shall permit Affiliates to inspect the performance of the Collection Services or shall demonstrate to Affiliates that the

Collection Services are in compliance with the Collection Agreement. Such inspection or demonstration shall in no way impair or be deemed a waiver of Affiliates' right under the Collection Agreement or under applicable law, or relieve Agency of any obligation Agency may have under the Collection Agreement or under applicable law, whether or not such deficiencies were identified or should have been identified in such inspection or demonstration.

- 7.3 **Audit.** Affiliates or its authorized representative shall have the right, at any reasonable time, during normal working hours, to examine and audit Agency's records and vouchers pertaining to Collection Services, monies collected on accounts referred to Affiliates, and commissions, legal expenses and fees reimbursable by Affiliates.
- 7.4 **Audit Costs.** If an audit of collected sums, Rate Commissions, and legal expenses and fees reveals a discrepancy in Affiliates' favor, Agency shall issue a prompt payment to Affiliates, with interest thereon at the rate of 1.5% per month. Such payment shall include all costs incurred by Affiliates in connection with the audit whenever the discrepancy in Affiliates' favor is two percent (2%) or greater of the collected sums audited.

#### **ARTICLE 8 – COLLECTION BOND**

- 8.1 **Amount.** For the duration of this Collection Agreement, and prior to the performance of any Collection Services; Agency shall secure and maintain, at its expense, a Collection Bond in favor of Affiliates in an amount not less than \$250,000.
- 8.2 The original bond shall be sent to:

Niagara Mohawk, A National Grid Company  
Risk Management Department, B-3  
300 Erie Boulevard West  
Syracuse, NY 13202

With a copy forwarded to:

Karen D. Lints  
Niagara Mohawk, a National Grid Company  
Credit & Collections, Building C-3  
300 Erie Blvd. West  
Syracuse, NY 13202  
315-460-7080 (Phone)  
315-460- 7147 (Fax)  
[karen.lints@us.ngrid.com](mailto:karen.lints@us.ngrid.com)

#### **ARTICLE 9 – INTELLECTUAL PROPERTY AND CONFIDENTIALITY**

- 9.1 **Intellectual Property.** Any and all accounts and information furnished to Agency by or on behalf of Affiliates is and shall remain the exclusive intellectual property of Affiliates or its Affiliate.

- 9.2 **Title.** All documents and records exclusively related to Affiliates accounts referred to Agency, whether electronic or otherwise, that are gathered or prepared by Agency in performance of Collection Services are and shall remain the exclusive intellectual property of Affiliates.
- 9.3 **Confidentiality.** Any information provided to Agency by Affiliates is confidential and is solely for the use of Agency in the performance of Collection Services. No other use is authorized.
- 9.4 **Disclosure.** Agency shall not disclose any intellectual property of Affiliates or any information regarding the Collection Services, to any third Party without the prior written consent of Affiliates. Notwithstanding the foregoing, Agency shall comply with all laws regarding the disclosure of information to an account debtor.
- 9.5 **Precautions.** Agency shall take all precautions to prevent all employees, agents, contractors and consultants from disclosing or using any intellectual property of Affiliates. Such precautions shall include, but not be limited to, requiring each employee, agent, contractor, consultant and agent to have in place agreements or policies with Agency personnel sufficient to protect the confidentiality of any intellectual property of Affiliates. Agency shall only communicate Affiliates' confidential information to Agency employees and agents on a "need to know" basis, and strictly for purposes of performing the Collection Services. Agency shall store all information related to this Collection Agreement in a secure place and shall restrict access to such information to its employees who have a need to know such information for the purposes of this Collection Agreement.
- 9.6 **Trademark Dilution.** Agency shall not use the name of Affiliates in any advertising or promotional materials, without the prior written consent of Affiliates.
- 9.7 **Survival Clause.** The obligations of Agency with respect to this Article 9 shall survive the completion, termination, or expiration of the Collection Agreement.
- 9.8 **IP Indemnification.** In the event Agency, or any person under Agency's direct or indirect control, improperly discloses any intellectual property or confidential information of Affiliates, or in the event that such property or information is improperly disclosed as a result of Agency's failure to fulfill its obligations under this Article 9, then Agency shall defend, indemnify and hold harmless Affiliates and its Affiliates and their officers, directors, employees, agents, servants and assigns from and against any and all losses, claims, demands and/or liability, including all expenses, legal or otherwise, arising out of or related thereto. The obligations of Agency set forth in this Article shall survive the completion, termination, or expiration of the Collection Agreement.

## **ARTICLE 10 – RIGHT, CLAIMS AND DISPUTES**

- 10.1 **Claim.** Any claim which Agency may have against Affiliates arising out of the Collection Services shall be presented in writing to Affiliates no later than thirty (30) days after the first occurrence of the circumstance which gave rise to the claim. The

claim shall contain a concise statement of the question or dispute and the relevant facts and data (including the applicable Collection Agreement provision) which support the claim. Agency shall furnish any additional information which Affiliates may require to enable it to evaluate and decide the claim.

- 10.2 **Waiver.** FAILURE TO SUBMIT ANY CLAIM IN THE SAID 30 DAY PERIOD SHALL CONSTITUTE A WAIVER ON THE AGENCY'S PART FOR ENTITLEMENT TO EITHER ADDITIONAL REIMBURSEMENT OR ADDITIONAL TIME FOR PERFORMANCE OF THE COLLECTION SERVICES.
- 10.3 **Dispute Resolution.** Any dispute between Affiliates and the Agency with respect to the Collection Agreement or the Collection Services to be provided hereunder, or both, which cannot be resolved in the normal course by the respective representatives of the Parties, shall be referred to the responsible officers of Affiliates and the Agency for resolution. Notwithstanding the existence of a dispute or dissatisfaction with the manner in which it was resolved or the lack of any such resolution, each Party shall be obligated to maintain payments not in dispute to the other Party and Agency shall be obligated to continue with its performance of the Collection Services, unless otherwise directed by Affiliates.

#### **ARTICLE 11 – WARRANTY**

- 11.1 **Warranty.** Agency warrants that all Collection Services shall:
- 11.1.1 Conform to and be performed in accordance with the requirements as stated in this Collection Agreement, or as may be reasonably implied there from.
  - 11.1.2 Comply with all applicable federal, state, and local laws, ordinances, rules, regulations, codes, permits, licenses, authorizations, orders of any governmental body, agency, authority, or court having jurisdiction over any aspect of the Collection Services, including but not limited to, the United States Bankruptcy Code, the Federal Fair Credit Reporting Act, and the Federal Fair Debt Collection Practices Act.
  - 11.1.3 Be performed using diligent efforts and in accordance with the highest degree of skill and care required by customarily accepted, good, and sound professional practices and procedures in collections-related industries.
  - 11.1.4 Be performed by personnel qualified and trained to furnish the same.
- 11.2 **Remedies/Breach.** In the event Agency, its employees, agents, contractors or consultants, fail to meet the requirements set forth in Article 11.1, Agency shall:
- 11.2.1 Notify Affiliates promptly upon discovery or notice of such failure.
  - 11.2.2 Correctly and promptly re-perform any nonconforming Collection Services, at Affiliates' option and to Affiliates' satisfaction, but at Agency's sole cost and expense and in accordance with a schedule approved by Affiliates.

- 11.2.3 Indemnify, defend, and save harmless Affiliates from and against all claims, liabilities, expenses, and damages, including attorneys' fees, against Affiliates caused by the failure to meet the requirements.
- 11.2.4 Assume all costs of Agency, its employees, agents, contractors, and consultants in support of Affiliates activities before any regulatory, governmental, or judicial body regarding Collection Services provided hereunder.
- 11.3 **Additional Remedies.** If the nonconforming Collection Services are not promptly or satisfactorily remedied by Agency, Affiliates may take whatever action it deems necessary or desirable, including directing further activities by Agency, withholding payment of any sums otherwise payable to Agency, or proceeding to have the nonconformities remedied at Agency's risk and expense.
- 11.4 **Set-Off.** When cost responsibility is the Agency's, the Agency shall make immediate payment to Affiliates of sums reimbursable to Affiliates, or deduct the same from any commissions, litigation expenses or fees otherwise payable by Affiliates to Agency. If such actions are not immediately taken, Affiliates may deduct the appropriate amount from any sums otherwise payable to Agency.
- 11.5 **Survival.** The obligations of Agency set forth in this Article shall survive the completion, termination, or expiration of the Collection Agreement.

## **ARTICLE 12 – INSURANCE**

- 12.1 **Policies.** From the Effective Date of the Collection Agreement through the termination, cancellation, or completion of all Collection Services under this Collection Agreement, or longer where specified in this Article, Agency shall provide and maintain, at its own expense, insurance policies, intended to be primary, issued by reputable insurance companies with a Best's rating of B+ or better and reasonably acceptable to Affiliates, that meet or exceed the following requirements:
- 12.1.1 Worker's Compensation and Employers Liability Insurance, as required by the states wherein operations under the Collection Agreement are to be carried on. Minimum limit for Employer's Liability coverage is \$500,000 each accident. Wherever the exposure is present, coverage shall include the U.S. Longshoremen's Harbor Workers Compensation Act and the Jones Act, if applicable.
- 12.1.2 Commercial General Liability, covering all operations to be performed under the Collection Agreement, with minimum limits of:

Bodily Injury	\$1,000,000/1,000,000
Property Damage or	\$1,000,000
Combined Single Limit or	\$1,000,000
Bodily Injury and Property Damage	
Per occurrence	\$1,000,000

General Aggregate and Product Aggregate \$2,000,000 each

This policy shall include Contractual Liability and Personal Injury coverage and shall include National Grid USA and Affiliates as an additional insured. Agency shall waive all rights of recovery against National Grid USA and Affiliates for any loss or damage covered by said policy.

12.1.3 Automobile Liability, covering all owned, non-owned, and hired vehicles used in connection with the Collection Services with minimum limits of:

Bodily Injury \$500,000/3,000,000  
Property Damage \$100,000  
OR Combined Single Limit \$1,000,000

12.2 **Subcontractors.** In the event that Agency uses agents, contractors, or consultant in connection with the Collection Agreement, Agency shall require all such persons or entities provide the same insurance coverages as set forth in Article 12.1

12.3 **Certificates.** Prior to performing any Collection Services, Agency shall promptly provide Affiliates with (a) Certificate(s) of Insurance for all coverages required in this Article at the following address:

National Grid USA  
Attention: Risk Management, Building B-3  
300 Erie Boulevard West  
Syracuse, NY 13202

Such certificates, and any renewals or extensions hereof, shall provide that at least thirty (30) days prior written notice shall be given to National Grid USA and Affiliates in the event of any cancellation or diminution of coverage and shall outline the amount of deductibles or self-insured retentions which shall be for the account of Agency. Such deductibles or self-insured retentions shall not exceed \$100,000 unless agreed to in advance in writing by National Grid USA's Risk Management Department.

12.4 **Lost/Abandoned Coverage.** If any insurance coverage is not secured or maintained, or is canceled before the completion of all Collection Services provided under the Collection Agreement, and Agency fails immediately to procure other insurance as specified in this Article, Affiliates reserve the right to procure such insurance, in which event Affiliates will have right to deduct the cost thereof from any sums payable to Agency under the Collection Agreement or Agency shall otherwise reimburse Affiliates for the same.

12.5 **Accident Reporting.** Agency shall furnish National GRID USA's Risk Management Department with copies of any accident or incident report(s) sent to Agency's insurance carriers covering accidents or incidents occurring in connection with or as a result of the performance of Collection Services.

12.6 **Compliance with Laws.** Agency shall comply with any governmental or other legally required insurance requirements even if not stated herein.



- 12.7 **Reduction in Coverages.** Agency represents that it has full policy limits available, and shall notify National Grid USA's Risk Management Department in writing when coverages required in this Article have been reduced as a result of claim payments, expenses or both.
- 12.8 **No Waiver.** Nothing in this Article shall be construed as limiting the extent of Agency's responsibility for payment of damages resulting from its activities under this Collection Agreement, or limiting, diminishing, or waiving Agency's obligations to indemnify, defend and save harmless Affiliates in accordance with this Collection Agreement.

### **ARTICLE 13 – INDEMNIFICATION**

- 13.1 **Indemnity.** To the fullest extent allowed by law, Agency shall indemnify, defend, and save harmless Affiliates and their officers, directors, agents, employees, servants, and assigns from and against any loss, damage, liability, cost, suit, charge, expense, (including attorney's fees), claim, investigation, proceeding, or cause of action, whether unconditionally certain or otherwise, as they exist on the effective date of the Collection Agreement or as they arise at any time thereafter, which may at any time be imposed on, incurred by or asserted against Affiliates and in any way relates to or is claimed to related to or arise out of:
- 13.1.1 Any damage or injury to Affiliates' property or property of third parties (including real property, personal property, and environmental damages) or persons (including injuries resulting in death), or economic damages, directly or indirectly caused by or arising out of or in any way connected with this Collection Agreement, the Collection Services, or any equipment, property, or facilities used by Agency, its employees, agents, contractors, or consultants.
- 13.1.2 Any violation of any federal, state, and local laws, ordinances, rules, regulations, codes, permits, licenses, authorizations, orders of any governmental body, agency, authority, or court having jurisdiction over any aspect of the Collection Services, including but not limited to, the United States Bankruptcy Code, Federal Fair Credit Reporting Act, and the Federal Fair Debt Collection Practices Act.
- 13.1.3 Agency shall take prompt action to defend and indemnify Affiliates against claims, actual or threatened, but in no event later than the service of a notice, summons, complaint, petition, or other service of process against Affiliate or Affiliates alleging damage, injury, liability, or expenses attributed in any way to the Collection Agreement, the Collection Services, or the acts, fault, negligence, equipment, materials, properties, facilities, personnel or property of Agency, its employees, agents, contractors and consultants. Agency shall defend any such claim or threatened claim, including, as applicable, the engagement of legal counsel, to respond to, defend, or settle, or compromise any claim or threatened claim.
- 13.1.4 Agency shall pay any and all costs and expenses (including attorney's fees), incurred by Affiliates to enforce the provisions of this Article, or the provisions of Article 12, "Insurance," against Agency or its insurer.

13.1.5 The obligations of Agency set forth in this Article shall survive the completion, termination, or expiration of the Collection Agreement.

#### **ARTICLE 14 – TERM**

Unless sooner terminated in accordance with Article 15, “Termination,” the term of this Collection Agreement shall be for a period of time ending on December 31, 2011.

#### **ARTICLE 15 – TERMINATION**

- 15.1 **Affiliates Discretion.** Agency may be terminated by Affiliates in their sole and exclusive discretion, with or without reason or cause. Nothing in Article 16 “Probation” shall be deemed or construed as to limiting in any way Affiliates’ right to terminate Agency in accordance with this Article 15.
- 15.2 **Notice.** This Collection Agreement may be terminated by Affiliates upon not less than ninety (90) days written notice to Agency (and the other Parties). Such termination shall be effective on the date set forth in the notice.
- 15.3 **Agency Duties.** Upon termination, Agency shall immediately cease all collection activity and return all account files to Affiliates, along with any and all documents or records, whether electronic or otherwise, gathered or prepared by Agency in connection with the accounts, and all intellectual property that is owned by Affiliates, as provided in Article 9, “Intellectual Property.” At Affiliates request, Agency shall prepare a report describing its efforts to collect on the accounts up to the date of termination.
- 15.4 **Compensation.** Upon termination, any compensation due Agency, and any funds payable to Affiliates, shall be determined as set forth in Articles 4, “Compensation” and 6, “Affiliate Funds.”

#### **ARTICLE 16 – PROBATION**

- 16.1 **Probation.** Agency shall be held accountable for the duties, tasks and activities described in the Collection Agreement (and Appendix A Scope of Work). Any Agency that does not meet the requirements described herein will be placed on a six (6) month probation period (“Probation” or “Probation Period”). During the six (6) month Probation Period, monthly reviews will be made by Affiliates to determine if improvements have been made. AGENCY UNDERSTANDS AND AGREES THAT AT ANY TIME DURING THE SIX (6) MONTH PROBATION PERIOD, THE COLLECTION AGREEMENT WITH THE AGENCY MAY BE TERMINATED IN AFFILIATES’ DISCRETION IN ACCORDANCE WITH ARTICLE 15 ABOVE.
- 16.2 **Account Re- allocation.** Re-allocation of accounts from the Collection Agency on Probation will generally be accomplished on a percentage basis, based on a comparative analysis of all collection agencies’ performance. Affiliates reserve the right, in their sole discretion, to re-allocate accounts from the Probation Agency to other collection agencies in any manner most beneficial to Affiliates.

- 16.3 **Monthly Performance Review.** After the initial referrals after the Collection Agreement Effective Date, Affiliates will start reviewing performance of Agency on a monthly basis in accordance with Section 19.3 of Appendix B Scope of Work.

#### **ARTICLE 17 LITIGATION**

- 17.1 **Requirements.** Agency may pursue legal action against a debtor in a court of competent jurisdiction after 1) all standard collections efforts are exhausted; 2) a valid address has been obtained or an asset search has been completed (e.g. employment verification); 3) other outstanding judgments are reviewed; 4) justification of the customer's ability to pay the balance owed is confirmed, and 4) written approval of Affiliates has been received. Affiliates will not give approval for legal action on accounts that have outstanding balances of \$750 or less. Judgments obtained by the Agency and/or its legal representative shall be maintained by the Agency and/or its legal agent. All lawsuits filed against customer account debtors shall be filed in the name of the appropriate Affiliate only. A copy of the form to be utilized in requesting prior Affiliate approval of legal action is set forth in Appendix A Scope of Work as Attachment N and made a part of this Collection Agreement.
- 17.2 **Litigation Costs.** For accounts pursued by Agency through litigation approved by Affiliates, in accordance with Article 17.1 above, Agency shall advance and bill the appropriate Affiliate for any court filing fees/costs, service of process fees and Sheriff's or Marshall's costs, not recovered within 12 months of incurrence, excluding attorney's fees. Affiliate will reimburse Agency for such invoiced sums within thirty days after Affiliate's receipt of an invoice with necessary backup documentation. Affiliate will not advance any lawsuit or court related expenses prior to commencement of litigation or before expiration of the 12 month litigation effort except as authorized in writing by Affiliate's authorized legal representative. Affiliate will not advance or pay any Bidder attorney's fees whatsoever at any time for any reason.
- 17.3 **Bankruptcy Count.** All referred accounts where bankruptcy litigation is commenced by the customer account debtor shall be recalled by Affiliates in their sole and exclusive discretion, with or without reason or cause.

#### **ARTICLE 18 – MISCELLANEOUS**

- 18.1 **Priority Clause.** The Collection Agreement consists of the following parts, which in the event of conflict between them, are listed in descending order of precedence:
- 18.1.1 Collection Agreement Changes, if any;
- 18.1.2 This Collection Agreement (**PO No. 00000 \_\_\_\_\_**)
- 18.1.3 "SCOPE OF WORK Collection Agencies for Collection of Unpaid Final Bill and Charged Off Accounts" (hereinafter "Scope of Work" or "Appendix A");

- 18.1.4 “COST PROPOSAL FORM External Collection Agency Services” (hereinafter “Cost Proposal Form” or “Appendix B”);
- 18.1.5 Agency’s Certificate of Insurance (hereinafter “Appendix C”);
- 18.1.6 National Grid USA Service Company, Inc. Minority and Women – Owned Business Enterprise Form (hereinafter “M.W.B.E. Form” or “Appendix D”); and,
- 18.1.7 Agency’s Proposal Sections 1 through 15 (inclusive) and 16 (hereinafter “Appendix E”). All other sections of Agency’s Proposal not referenced herein are not incorporated in this Collection Agreement.
- 18.2 **Fitness For Duty.** Agency’s employees and the employees of any agents, contractors or consultants shall be fit for duty at all times during their performance of any Collection Services, and shall not be under the influence of alcohol or drugs. Additionally, the Agency shall not allow any individual in violation of this policy to perform Collection Services and if the Agency discovers any of its employees, or the employees of any agents, contractors, or consultants are in violation of these requirements, it shall forbid such individuals from performing Collection Services.
- 18.3 **Assignment.** Agency shall not assign all or any part of the Collection Agreement, nor sublet any portion of the Collection Services, nor assign any moneys payable or receivable under the Collection Agreement without first obtaining the written consent of Affiliates. Affiliates may reject any proposed assignee, within its absolute discretion. Any assignment or subletting by Agency without the written consent of Affiliates, shall be considered null and void from its inception. Sale, merger, transfer, or assignment of Agency, whether through ownership of voting securities, by contract or otherwise, shall be a prohibitive assignment and likewise void from its inception. No Affiliate-authorized assignment or subletting shall relieve Agency of its responsibility for full compliance with the requirements of the Collection Agreement.
- 18.4 **Independent Contractors.** Agency, its employees, agents, contractors, and consultants are independent contractors with respect to Affiliates and neither shall be deemed to be the servants, employees, or agents of Affiliates. Agency shall neither act, purport or act nor represent itself as Affiliates’ agent or representative for any purpose whatsoever.
- 18.5 **Third-Party Beneficiaries.** Except as specifically and solely provided in this Collection Agreement, no person shall have any rights or interest, direct or indirect, in this Collection Agreement or the Collection Services to be provided herein. The Parties specifically disclaim any intent to create rights in any person or third-party beneficiary to this Collection Agreement or Collection Services. Affiliates shall not be liable to Agency’s vendors, subcontractors, suppliers, partners, consultants, agents or any other third parties for any engagement, obligation, commitment, contract, representation, transaction, act or omission to act of Agency in this Collection Agreement or in the Collection Services.
- 18.6 **Changes, Amendments & Waivers.** This Collection Agreement, and any provision thereof, cannot be changed, altered, modified, amended, waived or discharged orally. Any such changes, alterations, modifications, amendments, waivers, or discharges can

only be made effective when embodied in a written amendment signed by an authorized representative or officer of Affiliates and Agency.

- 18.7 **Authorized Representatives.** Each Party hereby designates the following individuals to be their duly authorized representatives for the receipt of any legal or contractual notices required to be sent to either Party. Affiliates have assigned John O. Leana, Director Credit & Collections, as its authorized representative for all activities pursuant to this Collection Agreement. In the event Mr. Leana is no longer occupying the position of Director Credit & Collections for whatever reason, then Affiliates' contact for purposes of this Collection Agreement will be his successor to that position (or successor position). Agency has assigned Andrew B. Robinson, President, Chief Operating Officer as its authorized representative for all activities pursuant to this Collection Agreement. All legal and contractual notices shall be given, and such notices shall be deemed duly sent when sent, to the designated Party by registered mail, certified mail or express (overnight) delivery service, postage prepaid, to the intended Party at the following address or at such changed address as may from time to time be designated in a notice similarly delivered or mailed:

In the case of AFFILIATES, to:

John O. Leana  
Director, Credit & Collections, Building C-3  
Niagara Mohawk, a National Grid Company  
300 Erie Blvd. West  
Syracuse, NY 13202  
315-460-7770 (Phone)  
315-460- 7147 (Fax)  
[johnleana@us.ngrid.com](mailto:johnleana@us.ngrid.com)

In the case of AGENCY, to:

Andrew B. Robinson  
President, Chief Operating Officer  
Associated Credit Services, Inc.  
105B South Street  
Hopkinton, Massachusetts 01748  
800-531-6500 (Ext) 226 (Phone)  
508-435-4375 (Fax)  
[arobinson@acsrecovery.com](mailto:arobinson@acsrecovery.com)

18.8 **Jurisdiction & Governing Laws.**

- 18.8.1 The Collection Agreement shall be deemed to be executed in the state in which the account debt is located and the relevant laws of such state regarding account collection shall apply. The Collection Agreement shall be interpreted and enforced according to the Laws of such state where the account debt is located; provided, however, that in the event that there is more than one account debt and such debt is located in more than one state, then the Collection Agreement shall be deemed to be executed in the Commonwealth of Massachusetts and shall be interpreted and enforced according to the laws of the Commonwealth of Massachusetts.

- 18.8.2 Only the courts in the state as determined in Section 18.8.1 shall have jurisdiction over the Collection Agreement and any controversies arising out of the Collection Agreement. Any controversies arising out of the Collection Agreement shall be submitted only to the courts of such state.
- 18.8.3 Agency hereby submits to the jurisdiction of the courts in the state as determined in Section 18.8.1 for the purposes of interpretation and enforcement of the Collection Agreement. Agency hereby waives personal service by manual delivery and agrees that service of process on Agency in any action arising out of the Collection Agreement may be made by registered or certified mail, return receipt requested, directed to Agency at its address set forth on the Collection Agreement.
- 18.9 **Severability.** To the extent that any portion of this Collection Agreement shall be held to be invalid, illegal or unenforceable, it shall be severed from this Collection Agreement without affecting the validity, legality or enforceability of the remaining provisions of the Collection Agreement.
- 18.10 **Damages.** Affiliates shall in no event be liable to Agency for any incidental, consequential, special, contingent, or punitive damages in connection with this Collection Agreement, including, without limitation, lost profits, whether or not such damages were foreseeable.
- 18.11 **Several Liability Clause.** The rights and obligations of each Affiliate utilizing or purchasing Collection Services from Agency under this Collection Agreement are several and not joint; to the extent any Affiliate is liable in connection herewith, such liability shall be borne only by that Affiliate for which the specific Collection Services giving rise to such liability were being provided or purchased.
- 18.12 **Titles and Headings.** Titles and heading to Articles and Sections in this Collection Agreement are inserted for convenience of reference only and are not intended to affect the interpretation or construction of this Collection Agreement.
- 18.13 **Integration and Merger.** Agency and Affiliates agree that there are no understandings, agreements, or representations, expressed or implied, other than those expressed herein. The Collection Agreement, as the same may be amended from time to time in writing by a Collection Agreement Amendment, sets forth the full and complete understanding of the Parties regarding the Services to be performed by Agency for Affiliates and supersedes or merges any and all prior and contemporaneous agreements, commitments, understandings, and discussions, whether written or oral, which may have existed relating to the Collection Services to be performed by Agency. This Collection Agreement shall not merge with or be terminated or superseded by any future agreement between the Parties that does not specifically so provide and without a Collection Agreement Amendment to that effect. **THE PARTIES HAVE READ AND UNDERSTOOD THIS COLLECTION AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS.**

**IN WITNESS WHEREOF**, the Parties hereto agree to the terms and conditions of this Collection Agreement, and agree to be bound by the same, and represent that their signatories

have complete authority to sign and accept this Collection Agreement effective as of the day and year first above written.

**VENDOR NAME**

**NIAGARA MOHAWK  
POWER CORPORATION**

**MASSACHUSETTS ELECTRIC  
COMPANY**

**THE NARRAGANSETT  
ELECTRIC COMPANY**

**GRANITE STATE ELECTRIC  
COMPANY**

**NANTUCKET ELECTRIC  
COMPANY**

*Signature*

Andrew B. Robinson

*Name*

President, Chief Operating Officer  
*Title*

*Date*

*Signature*

A.Scott Cauger

*Name*

Principal Purchasing Agent  
*Title*

May 6, 2005  
*Date*

Commission Data Request 2-50

Request:

How is the outside collection agent compensated? (Straight Fee, Percent of Collections, etc.)

Response:

Collection agencies are compensated through a commission based on the amounts collected. The Company's customer service system allows for net back. For example, if the agency receives 20% commission when collecting \$100.00, the agency only remits \$80.00 to the Company on its weekly transmission, and the customer's account gets credit for \$100.00.



Commission Data Request 2-51

Request:

For each of the last 4 years, please provide the fee paid to the outside collection agent and the amount of money collected from customers by the collection agent.

Response:

Please refer to Attachment COMM 2-51 for the collection agency fees paid over the last four years. For the amount of money collected from customers, please see the Company's response to Division Data Request 8-25.

**COLLECTION AGENCY FEE HISTORY NARRAGANSETT ELECTRIC**

Sum of Posted Jrnl \$				MONTH														
Business Unit	Bus Unit Descr	CAL YEAR	Project Descr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total		
00049	Narragansett Electric Company	2005	Agency Support (Primary)				\$ 4,956	\$ 4,161	\$ 3,022	\$ 520	\$ -	\$ 11,522	\$ 23,045		\$ 7,625	\$ 54,851		
			Agency Support (Secondary)					\$ 37,978	\$ 45,929	\$ 12,670	\$ 27,097	\$ 11,767	\$ 37,298	\$ 21,372	\$ 22,938	\$ 217,048		
			Agency Support (Tertiary)				\$ 13,184		\$ 13,163	\$ 154	\$ -	\$ 14,278	\$ 47,783	\$ 11,242	\$ 12,229	\$ 112,034		
		2005 Total				\$ 18,140	\$ 42,139	\$ 62,114	\$ 13,344	\$ 27,097	\$ 37,567	\$ 108,126	\$ 32,614	\$ 42,792	\$ 383,933			
		2006	Agency Support (Primary)	\$ 8,598	\$ 7,131	\$ 11,240	\$ 8,507	\$ 11,093	\$ 8,146	\$ 10,829	\$ 13,709	\$ 10,434	\$ 13,299	\$ 9,486	\$ 12,953	\$ 125,425		
			Agency Support (Secondary)	\$ 18,475	\$ 16,215	\$ 16,687	\$ 15,504	\$ 21,639	\$ 13,257	\$ 14,965	\$ 17,079	\$ 13,222	\$ 14,661	\$ 11,791	\$ 13,138	\$ 186,634		
			Agency Support (Tertiary)	\$ 15,541	\$ 18,933	\$ 13,794	\$ 20,107	\$ 15,786	\$ 11,760	\$ 9,848	\$ 14,918		\$ 12,681	\$ 11,059	\$ 10,252	\$ 154,678		
		2006 Total		\$ 42,614	\$ 42,279	\$ 41,721	\$ 44,118	\$ 48,519	\$ 33,163	\$ 35,643	\$ 45,706	\$ 23,656	\$ 40,640	\$ 32,337	\$ 36,342	\$ 466,737		
		2007	Agency Support (Primary)	\$ 10,242	\$ 10,546	\$ 8,770	\$ 9,351	\$ 11,623	\$ 8,779	\$ 10,945	\$ 9,899	\$ 15,363	\$ 24,295	\$ 9,576	\$ 10,638	\$ 140,026		
			Agency Support (Secondary)	\$ 16,040	\$ 24,085	\$ 18,834	\$ 14,739	\$ 18,163	\$ 13,675	\$ 14,484	\$ 12,402	\$ 12,873	\$ 13,543	\$ 19,039	\$ 11,942	\$ 189,818		
			Agency Support (Tertiary)	\$ 22,573	\$ 18,583	\$ 16,628	\$ 13,734	\$ 17,823	\$ 14,272	\$ 13,991	\$ 11,119	\$ 10,025	\$ 10,855	\$ 8,743	\$ 7,780	\$ 166,126		
		2007 Total		\$ 48,855	\$ 53,215	\$ 44,233	\$ 37,823	\$ 47,609	\$ 36,726	\$ 39,419	\$ 33,420	\$ 38,260	\$ 48,693	\$ 37,358	\$ 30,359	\$ 495,970		
		2008	Agency Support (Primary)	\$ 9,096	\$ 4,119	\$ 7,340	\$ 7,484	\$ 6,147	\$ 4,262	\$ 7,695	\$ 8,232	\$ 11,759	\$ 6,448	\$ 8,421	\$ 7,660	\$ 88,661		
			Agency Support (Secondary)	\$ 17,073	\$ 10,695	\$ 13,090	\$ 12,125	\$ 9,278	\$ 13,818	\$ 10,753	\$ 7,608	\$ 9,107	\$ 7,677	\$ 6,675	\$ 8,030	\$ 125,930		
			Agency Support (Tertiary)	\$ 10,829	\$ 16,478	\$ 16,185	\$ 16,823	\$ 11,623	\$ 9,266	\$ 11,947	\$ 8,702	\$ 27,462	\$ 18,475	\$ 11,232	\$ 11,630	\$ 170,651		
		2008 Total		\$ 36,998	\$ 31,292	\$ 36,615	\$ 36,432	\$ 27,048	\$ 27,346	\$ 30,395	\$ 24,542	\$ 48,328	\$ 32,599	\$ 26,328	\$ 27,320	\$ 385,242		
		2009	Agency Support (Primary)	\$ 5,493	\$ 6,880	\$ 11,599	\$ 5,742	\$ 4,888	\$ 6,510							\$ 41,111		
Agency Support (Secondary)	\$ 5,057		\$ 8,216	\$ 16,414	\$ 9,158	\$ 10,362	\$ 11,644							\$ 60,851				
Agency Support (Tertiary)	\$ 9,302		\$ 16,960	\$ 19,008	\$ 13,020	\$ 11,743	\$ 12,165							\$ 82,198				
2009 Total		\$ 19,852	\$ 32,056	\$ 47,021	\$ 27,919	\$ 26,993	\$ 30,318							\$ 184,160				
Narragansett Electric Company Total				\$ 148,320	\$ 158,841	\$ 169,591	\$ 164,433	\$ 192,308	\$ 189,667	\$ 118,801	\$ 130,764	\$ 147,811	\$ 230,058	\$ 128,636	\$ 136,813	\$ 1,916,043		
00049 Total				\$ 148,320	\$ 158,841	\$ 169,591	\$ 164,433	\$ 192,308	\$ 189,667	\$ 118,801	\$ 130,764	\$ 147,811	\$ 230,058	\$ 128,636	\$ 136,813	\$ 1,916,043		
Grand Total				\$ 148,320	\$ 158,841	\$ 169,591	\$ 164,433	\$ 192,308	\$ 189,667	\$ 118,801	\$ 130,764	\$ 147,811	\$ 230,058	\$ 128,636	\$ 136,813	\$ 1,916,043		

Commission Data Request 2-52

Request:

What performance metrics does the Company use to evaluate the performance of the outside collection agent?

Response:

National Grid has a champion challenger program where the Company evaluates all agencies within their collection tier (Primary, Secondary, Tertiary) against each other. If one agency falls behind, the Company puts that agency on probation. If an agency falls behind by 1%, the Company has the right to take away a percent of accounts and give them to the top agency.

National Grid also does a yearly onsite audit, where we review each agency. The Company establishes guidelines & expectations and focuses on weaknesses. The agency must complete a questionnaire prior to the audit that encompasses collection agency history, financial data, management & administration, utility experience, National Grid contract expectations and statistical data. During the audit, a random sample of accounts is reviewed, phone calls are monitored, the questionnaire is reviewed, and the facility is toured. After the audit, the Company prepares an audit scorecard as well as an executive summary, which evaluates the agency.

Commission Data Request 2-53

Request:

Does the Company agree that it is the Company that is ultimately responsible for the actions of its outside collection agents in terms of interaction with customers? If no, why not?

Response:

Yes, the Company agrees that it is ultimately responsible for the actions of its outside collection agents in terms of interaction with customers. The Company sets standards for its outside collection agents and has the responsibility to ensure its agents are following the fair debt collections practices act. If the Company receives complaints from customers, the Company addresses these directly with the agency.

Commission Data Request 2-54

Request:

Please provide an organizational chart for the customer service and collections departments. Include in the chart where the outside collection agents fit in.

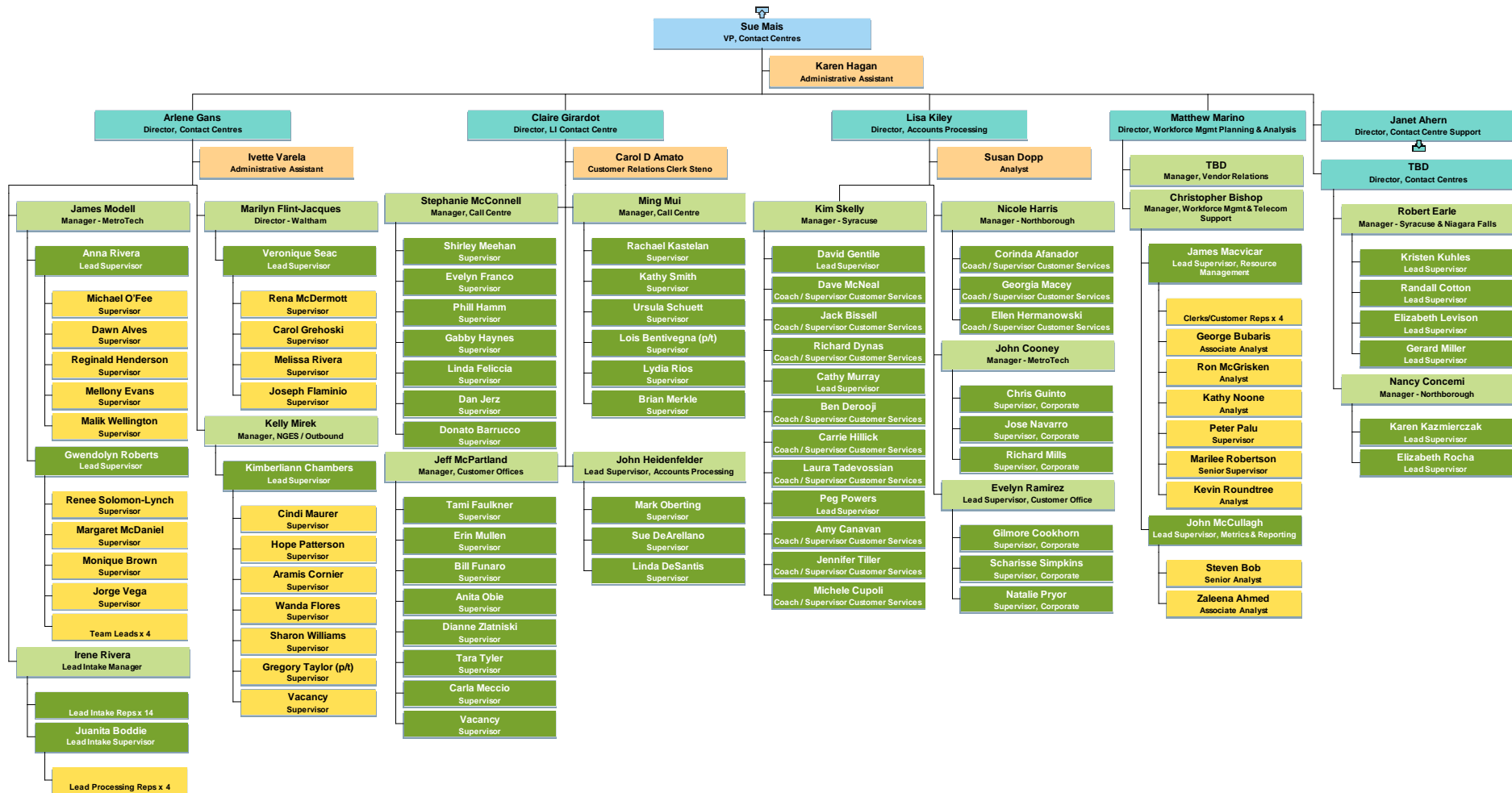
Response:

Organizational charts for Customer Service and Collection departments are attached as COMM 2-54 Attachment 1 and Attachment 2, respectively. Michele Haritos-Buck, identified in Attachment 2, has responsibilities which include the management of the outside collection agents.

# ED&G - C&M, Customer Interaction Management (Contact Centers)

Refreshed 29-Jun-2009

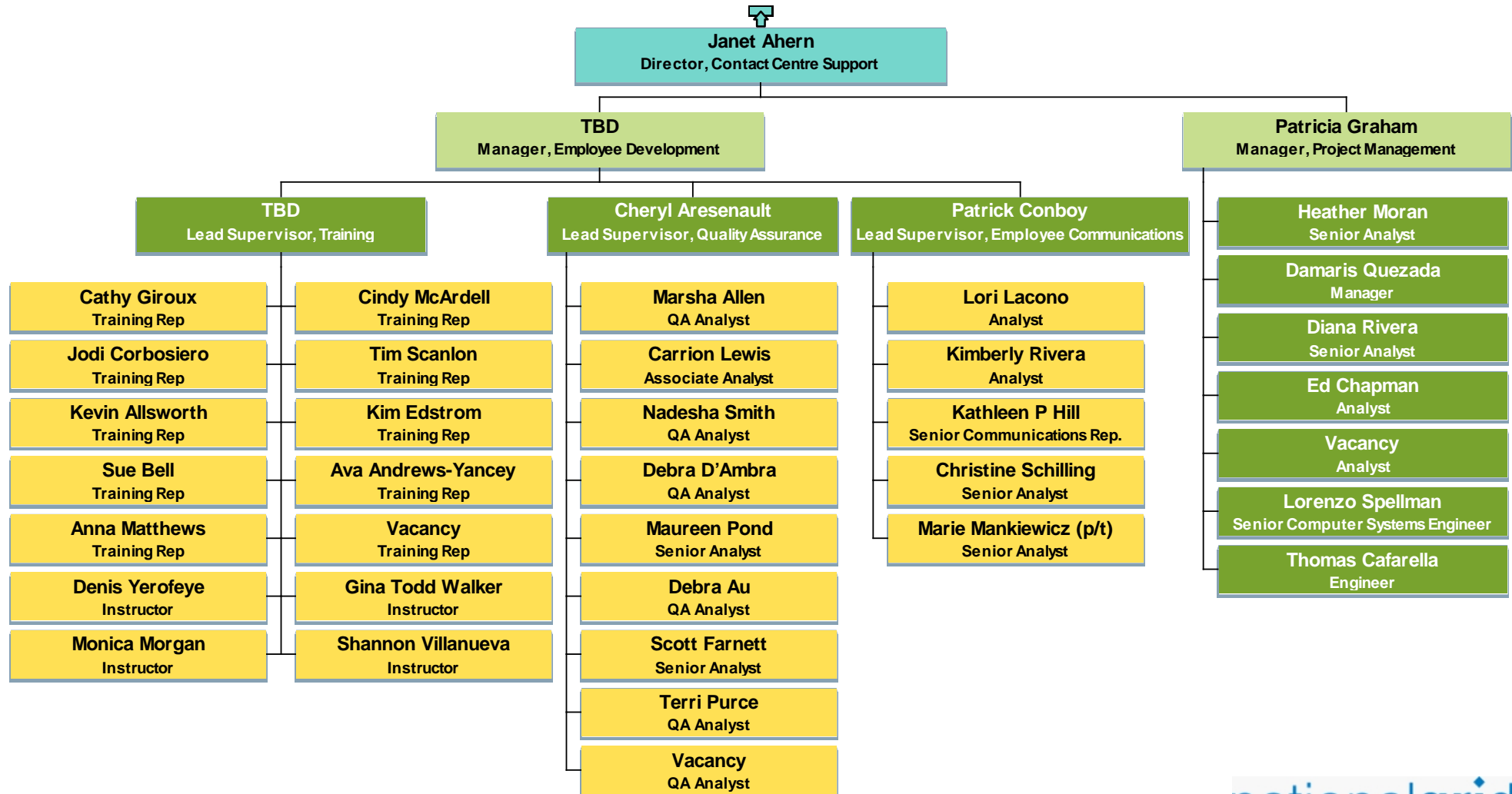
The Narragansett Electric Company  
d/b/a National Grid  
R.I.P.U.C. Docket No. 4065  
Att. COMM 2-54-1  
Page 1 of 2



# ED&G - C&M, Cust Interaction Mgmt (Contact Ctrs - Support)

Refreshed 29-Jun-2009

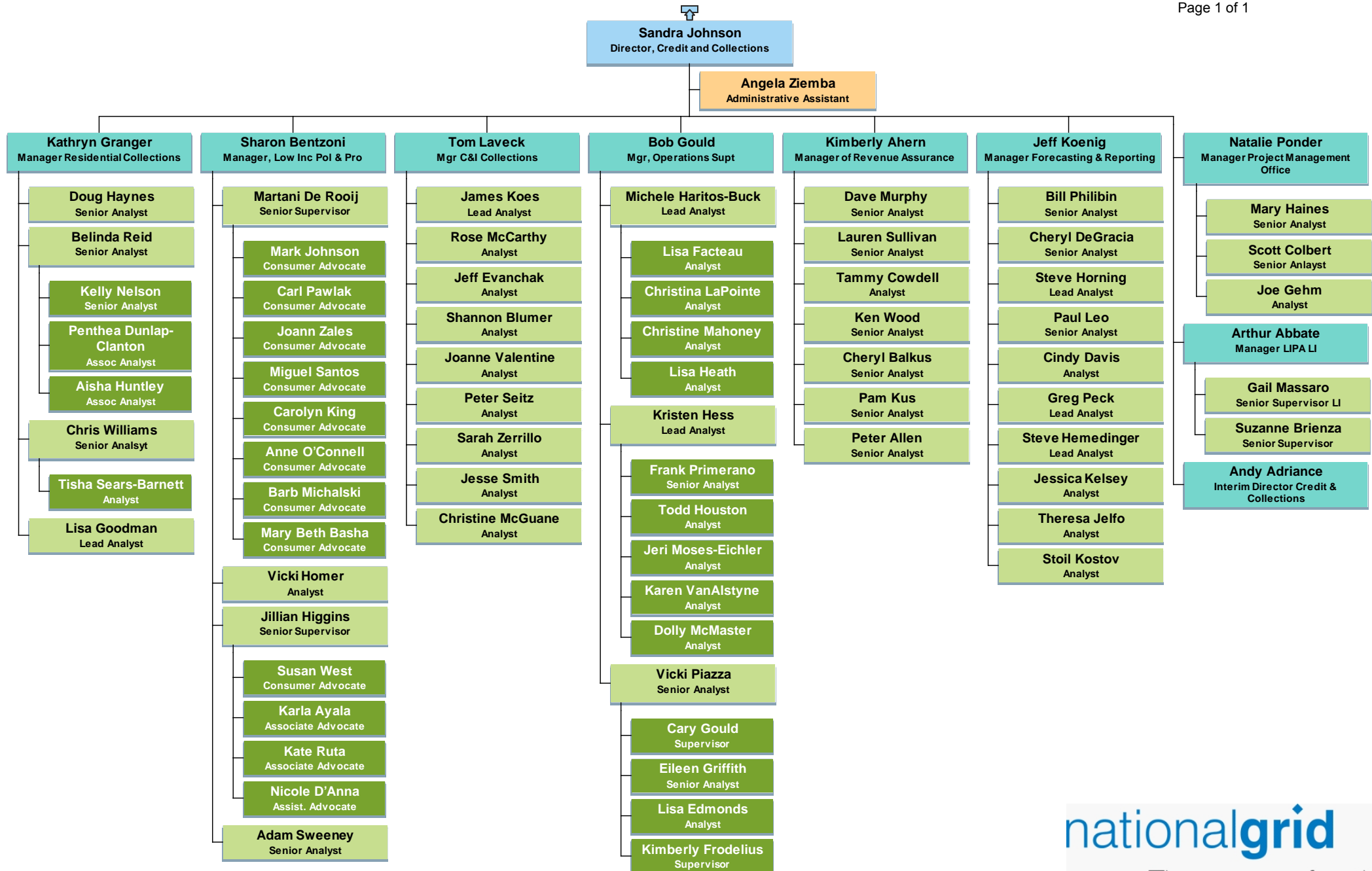
The Narragansett Electric Company  
d/b/a National Grid  
R.I.P.U.C. Docket No. 4065  
Att. COMM 2-54-1  
Page 2 of 2



# US SS - Customer Financial Services (Credit & Collections)

Refreshed 13-Jul-2009

The Narragansett Electric Company  
d/b/a National Grid  
R.I.P.U.C. Docket No. 4065  
Att. COMM 2-54-2  
Page 1 of 1





Commission Data Request 2-56

Request:

Please provide a job description for in house customer service agents and for the immediate supervisors of the customer service agents.

Response:

Please see COMM 2-56 Attachment 1 for a job description of an in-house customer service agent. COMM 2-56 Attachment 2 provides a job description for the immediate supervisors of the customer service agents.

## **Senior Customer Service Representative**

**JOB PURPOSE:** Provide prompt, accurate and professional response to all customer requests and inquiries to ensure effective customer relations.

### **POSITION RESPONSIBILITIES:**

1. Respond to customer telephone inquiries, including balance inquiries, meter orders, service requests, payment arrangements, high bill complaints, and power outages.
2. Investigate and analyze customer problems and develop appropriate solutions to satisfy customer needs.
3. Complete the appropriate work to initiate various service actions to ensure a quick and satisfactory response to the customer.
4. Provide information on the products and programs offered by the Company and generate referrals to the appropriate person.
5. Identify and ensure customer accounts are billed in a timely manner.

Title: Coach/Supervisor Customer Service

**Job Responsibilities:**

1. Provides, maintains and continuously improves telephone and billing services for all customers: cut-ins, cut-outs, transfers, deposits, bookkeeping, credit information, bill complaints, service interruptions, customer accounting, general company information and policies, conservation, marketing and special programs.
2. Ensures timely review and processing of reports, transactions and adjustments that affects the billing and file maintenance of customer accounts.
3. Provide on-the-job-training and evaluation of employee performance, recommendations for progression and promotion.
4. Schedule and delegate work to Customer Services Representatives to meet fluctuating customer requirements.
5. Assist employees with difficult tasks, customer situations, and work-related problems.
6. Review and resolve complex problems with customer accounts or billing.
7. Investigate and respond to difficult and sensitive complaints or issues.
8. Coordinate with other departments, local governmental and regulatory agencies to resolve routing and complex customer inquiries and complaints.
9. Provide coverage of office during outages or other emergencies (including off-hour coverage).
10. Must be able to work overtime and storm and emergency situations as needed.

Commission Data Request 2-57

Request:

Please explain when and why the G-62 customer class was created.

Response:

Rate G-62 was proposed and approved in Docket 2290, and became effective July 1, 1997. At that time, based on discussions with customers and economic development officials in the state, the Company believed a new rate class was an important step toward accomplishing the goals of encouraging economic growth and retention of large customers in Rhode Island through appropriate rate designs. At that time, the Company's information indicated that customers with annual demands above 3 megawatts exhibited different usage characteristics than the Rate G-30 class (now Rate G-32) as a whole and, accordingly a separate rate class for these customers was established to allow for a more precise allocation of costs and the implementation of a rate design which reflected the generally high load factor of these customers. The existing G-62 rate design encouraged customers to reduce their peak loads and have high load factors, and provided price stability.

The Company is proposing to combine the B-32, G-32, B-62 & G-62 rate classes. As stated in page 6 of Mr. Gorman's testimony, there is no substantial difference in their usage of the distribution system. In addition, the proposed rate to which current G-62 customers would migrate (i.e., Rate G-32) is better aligned with the goal of conservation because it includes a kWh-based charge as well as a demand-based charge.

Commission Data Request 2-58

Request:

Why is the company proposing to eliminate the conservation component of the A-60 rate?

Response:

Please see the pages 24-25 of the testimony of Mr. Gorman in book 6 of 10 for a discussion of the proposed rate design for rate A-60. The Company is proposing to simplify the rate structure for Rate A-60 by implementing the Rate A-16 rate structure for energy-based charges. The A-60 rate is designed to reflect a 50% discount of Rate A-16. However, the Company would not oppose any proposals to keep the existing A-60 rate structure.

Division Data Request 12-16

Request:

Please provide all Requests for Proposals (“RFPs”) issued by Narragansett Electric for the services procured from affiliates, including the Service Company, for the years 2006, 2007, 2008 and 2009. Include all bid responses, bid scorings and analyses and an explanation of why Narragansett Electric did not issue RFPs where services were procured without RFP.

Response:

Narragansett Electric did not issue RFPs for the services procured from affiliates, including the National Grid service companies, for the years 2006, 2007, 2008 and 2009.

Narragansett Electric does not issue RFPs for the services that it receives from affiliates because these services are service-company type services that, if not provided by an affiliate in the National Grid holding company system, would be provided internally by the centralized service companies. These services would not generally be outsourced to a third party.

Under this arrangement, all services procured by Narragansett Electric from its affiliates are provided at cost without the mark-up that Narragansett Electric could incur if it tried to procure these services from third parties. In fact, procuring these services from other affiliates, particularly the centralized service companies within the National Grid holding company system, allows Narragansett Electric to take advantage of economies of scale and thereby incur lower costs for these services.

However, when Narragansett Electric or the centralized service companies procure external services, rather than services that need to be handled internally, RFPs are used to solicit and analyze offers.

Division Data Request 13-7

Request:

Please provide monthly typical bill comparisons that show the impact of the Company's proposed rates on current B-32 and B-62 customers taking backup service, similar to the comparisons shown for supplemental service under G-32 and G-62 on pages 9 through 16 of Schedule NG-HSG-9.

Response:

See DIV 13-7 Attachment 1 for the Backup Service Rates B-32 and B-62 typical bill comparisons. For purposes of the analysis, the bill comparisons assume that the customer provides 50% of their own requirements and receive 50% of their requirements from the Company.

File: S:\RADATA\1\2009 neco\General Rate Case\Discovery\DIV\Set 13\DIV 13-7\ATT 1 DIV 13-7.xls\Input Section  
Date: 23-Jul-09  
Time: 05:39 PM

Narragansett Electric Company  
d/b/a National Grid  
Docket No. R.I.P.U.C. 4065  
Attachment 1 DIV 13-7  
Page 1 of 8

Calculation of Monthly Typical Bill  
Comparison of Present and Proposed Rates  
Impact on B-32 Rate Customers

Hours Use: 200

Monthly Power				Present Rates			Proposed Rates			Increase/(Decrease)	
Backup kW	Backup kWh	Supplemental kW	Supplemental kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	0	200	80,000	\$11,849.20	\$7,744.17	\$4,105.03	\$11,530.84	\$7,809.17	\$3,721.67	-\$318.36	-2.7%
750	0	750	300,000	\$43,757.22	\$29,040.63	\$14,716.59	\$43,360.94	\$29,284.38	\$14,076.56	-\$396.28	-0.9%
1,000	0	1,000	400,000	\$58,260.86	\$38,720.83	\$19,540.03	\$57,829.16	\$39,045.83	\$18,783.33	-\$431.70	-0.7%
1,500	0	1,500	600,000	\$87,268.16	\$58,081.25	\$29,186.91	\$86,765.63	\$58,568.75	\$28,196.88	-\$502.53	-0.6%
2,500	0	2,500	1,000,000	\$145,282.74	\$96,802.08	\$48,480.66	\$144,638.54	\$97,614.58	\$47,023.96	-\$644.20	-0.4%

Present Rates: B-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Charge	kWh x	\$0.01064
Distribution Demand Charge	kW x	\$1.99
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (2) kWh x \$0.09293

Proposed Rates: B-32

Customer Charge		\$980.00
Transmission Demand Charge-Supplemental	kW x	\$2.28
Transmission Charge	kWh x	\$0.00621
Distribution Demand Charge-xcs 200 kW	kW x	\$2.50
Distribution Energy Charge	kWh x	\$0.00840
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (3) kWh x \$0.09371

Note (2): Includes Standard Offer of \$0.092/kWh and Renewable Energy Standard Charge of \$0.00093/kWh

Note (3): Includes Standard Offer of \$0.092/kWh, Renewable Energy Standard Charge of \$0.00093/kWh and proposed Commodity Cost Adjustment Factor of \$0.00078/kWh



File: S:\RADATA\1\2009 neco\General Rate Case\Discovery\DIV\Set 13\DIV 13-7\ATT 1 DIV 13-7.xls\Input Section  
Date: 23-Jul-09  
Time: 05:39 PM

Narragansett Electric Company  
d/b/a National Grid  
Docket No. R.I.P.U.C. 4065  
Attachment 1 DIV 13-7  
Page 2 of 8

Calculation of Monthly Typical Bill  
Comparison of Present and Proposed Rates  
Impact on B-32 Rate Customers

Hours Use: 300

Monthly Power				Present Rates			Proposed Rates			Increase/(Decrease)	
Backup kW	Backup kWh	Supplemental kW	Supplemental kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	0	200	120,000	\$16,778.78	\$11,616.25	\$5,162.53	\$16,287.92	\$11,713.75	\$4,574.17	-\$490.86	-2.9%
750	0	750	450,000	\$62,243.16	\$43,560.94	\$18,682.22	\$61,200.00	\$43,926.56	\$17,273.44	-\$1,043.16	-1.7%
1,000	0	1,000	600,000	\$82,908.78	\$58,081.25	\$24,827.53	\$81,614.58	\$58,568.75	\$23,045.83	-\$1,294.20	-1.6%
1,500	0	1,500	900,000	\$124,240.04	\$87,121.88	\$37,118.16	\$122,443.76	\$87,853.13	\$34,590.63	-\$1,796.28	-1.4%
2,500	0	2,500	1,500,000	\$206,902.54	\$145,203.13	\$61,699.41	\$204,102.09	\$146,421.88	\$57,680.21	-\$2,800.45	-1.4%

Present Rates: B-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Charge	kWh x	\$0.01064
Distribution Demand Charge	kW x	\$1.99
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (2) kWh x \$0.09293

Proposed Rates: B-32

Customer Charge		\$980.00
Transmission Demand Charge-Supplemental	kW x	\$2.28
Transmission Charge	kWh x	\$0.00621
Distribution Demand Charge-xcs 200 kW	kW x	\$2.50
Distribution Energy Charge	kWh x	\$0.00840
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (3) kWh x \$0.09371

Note (2): Includes Standard Offer of \$0.092/kWh and Renewable Energy Standard Charge of \$0.00093/kWh

Note (3): Includes Standard Offer of \$0.092/kWh, Renewable Energy Standard Charge of \$0.00093/kWh and proposed Commodity Cost Adjustment Factor of \$0.00078/kWh

File: S:\RADATA\1\2009 neco\General Rate Case\Discovery\DIV\Set 13\DIV 13-7\ATT 1 DIV 13-7.xls\Input Section  
Date: 23-Jul-09  
Time: 05:39 PM

Narragansett Electric Company  
d/b/a National Grid  
Docket No. R.I.P.U.C. 4065  
Attachment 1 DIV 13-7  
Page 3 of 8

Calculation of Monthly Typical Bill  
Comparison of Present and Proposed Rates  
Impact on B-32 Rate Customers

Hours Use: 400

Monthly Power				Present Rates			Proposed Rates			Increase/(Decrease)	
Backup kW	Backup kWh	Supplemental kW	Supplemental kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	0	200	160,000	\$21,708.36	\$15,488.33	\$6,220.03	\$21,045.00	\$15,618.33	\$5,426.67	-\$663.36	-3.1%
750	0	750	600,000	\$80,729.09	\$58,081.25	\$22,647.84	\$79,039.06	\$58,568.75	\$20,470.31	-\$1,690.03	-2.1%
1,000	0	1,000	800,000	\$107,556.70	\$77,441.67	\$30,115.03	\$105,400.00	\$78,091.67	\$27,308.33	-\$2,156.70	-2.0%
1,500	0	1,500	1,200,000	\$161,211.91	\$116,162.50	\$45,049.41	\$158,121.88	\$117,137.50	\$40,984.38	-\$3,090.03	-1.9%
2,500	0	2,500	2,000,000	\$268,522.33	\$193,604.17	\$74,918.16	\$263,565.63	\$195,229.17	\$68,336.46	-\$4,956.70	-1.8%

Present Rates: B-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Charge	kWh x	\$0.01064
Distribution Demand Charge	kW x	\$1.99
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (2) kWh x \$0.09293

Proposed Rates: B-32

Customer Charge		\$980.00
Transmission Demand Charge-Supplemental	kW x	\$2.28
Transmission Charge	kWh x	\$0.00621
Distribution Demand Charge-xcs 200 kW	kW x	\$2.50
Distribution Energy Charge	kWh x	\$0.00840
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (3) kWh x \$0.09371

Note (2): Includes Standard Offer of \$0.092/kWh and Renewable Energy Standard Charge of \$0.00093/kWh

Note (3): Includes Standard Offer of \$0.092/kWh, Renewable Energy Standard Charge of \$0.00093/kWh and proposed Commodity Cost Adjustment Factor of \$0.00078/kWh

File: S:\RADATA\1\2009 neco\General Rate Case\Discovery\DIV\Set 13\DIV 13-7\ATT 1 DIV 13-7.xls\Input Section  
Date: 23-Jul-09  
Time: 05:39 PM

Narragansett Electric Company  
d/b/a National Grid  
Docket No. R.I.P.U.C. 4065  
Attachment 1 DIV 13-7  
Page 4 of 8

Calculation of Monthly Typical Bill  
Comparison of Present and Proposed Rates  
Impact on B-32 Rate Customers

Hours Use: 500

Monthly Power				Present Rates			Proposed Rates			Increase/(Decrease)	
Backup kW	Backup kWh	Supplemental kW	Supplemental kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	0	200	200,000	\$26,637.95	\$19,360.42	\$7,277.53	\$25,802.09	\$19,522.92	\$6,279.17	-\$835.86	-3.1%
750	0	750	750,000	\$99,215.03	\$72,601.56	\$26,613.47	\$96,878.13	\$73,210.94	\$23,667.19	-\$2,336.90	-2.4%
1,000	0	1,000	1,000,000	\$132,204.61	\$96,802.08	\$35,402.53	\$129,185.41	\$97,614.58	\$31,570.83	-\$3,019.20	-2.3%
1,500	0	1,500	1,500,000	\$198,183.79	\$145,203.13	\$52,980.66	\$193,800.01	\$146,421.88	\$47,378.13	-\$4,383.78	-2.2%
2,500	0	2,500	2,500,000	\$330,142.12	\$242,005.21	\$88,136.91	\$323,029.17	\$244,036.46	\$78,992.71	-\$7,112.95	-2.2%

Present Rates: B-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Charge	kWh x	\$0.01064
Distribution Demand Charge	kW x	\$1.99
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (2) kWh x \$0.09293

Proposed Rates: B-32

Customer Charge		\$980.00
Transmission Demand Charge-Supplemental	kW x	\$2.28
Transmission Charge	kWh x	\$0.00621
Distribution Demand Charge-xcs 200 kW	kW x	\$2.50
Distribution Energy Charge	kWh x	\$0.00840
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (3) kWh x \$0.09371

Note (2): Includes Standard Offer of \$0.092/kWh and Renewable Energy Standard Charge of \$0.00093/kWh

Note (3): Includes Standard Offer of \$0.092/kWh, Renewable Energy Standard Charge of \$0.00093/kWh and proposed Commodity Cost Adjustment Factor of \$0.00078/kWh

File: S:\RADATA\1\2009 neco\General Rate Case\Discovery\DIV\Set 13\DIV 13-7\ATT 1 DIV 13-7.xls\Input Section  
Date: 23-Jul-09  
Time: 05:39 PM

Narragansett Electric Company  
d/b/a National Grid  
Docket No. R.I.P.U.C. 4065  
Attachment 1 DIV 13-7  
Page 5 of 8

Calculation of Monthly Typical Bill  
Comparison of Present and Proposed Rates  
Impact on B-62 Rate Customers

Hours Use: 200

Monthly Power				Present Rates			Proposed Rates			Increase/(Decrease)	
Backup kW	Backup kWh	Supplemental kW	Supplemental kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	0	3,000	1,200,000	\$172,825.75	\$116,162.50	\$56,663.25	\$173,575.00	\$117,137.50	\$56,437.50	\$749.25	0.4%
5,000	0	5,000	2,000,000	\$276,154.92	\$193,604.17	\$82,550.75	\$289,320.84	\$195,229.17	\$94,091.67	\$13,165.92	4.8%
7,500	0	7,500	3,000,000	\$405,316.38	\$290,406.25	\$114,910.13	\$434,003.13	\$292,843.75	\$141,159.38	\$28,686.75	7.1%
10,000	0	10,000	4,000,000	\$534,477.83	\$387,208.33	\$147,269.50	\$578,685.41	\$390,458.33	\$188,227.08	\$44,207.58	8.3%
20,000	0	20,000	8,000,000	\$1,051,123.67	\$774,416.67	\$276,707.00	\$1,157,414.59	\$780,916.67	\$376,497.92	\$106,290.92	10.1%

Present Rates: B-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Charge	kWh x	\$0.01064
Distribution Demand Charge	kW x	\$2.22
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$2.22

Gross Earnings Tax 4%

Standard Offer Charge (2) kWh x \$0.09293

Proposed Rates: B-32

Customer Charge		\$980.00
Transmission Demand Charge-Supplemental	kW x	\$2.28
Transmission Charge	kWh x	\$0.00621
Distribution Demand Charge-xcs 200 kW	kW x	\$2.50
Distribution Energy Charge	kWh x	\$0.00840
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (3) kWh x \$0.09371

Note (2): Includes Standard Offer of \$0.092/kWh and Renewable Energy Standard Charge of \$0.00093/kWh

Note (3): Includes Standard Offer of \$0.092/kWh, Renewable Energy Standard Charge of \$0.00093/kWh and proposed Commodity Cost Adjustment Factor of \$0.00078/kWh

File: S:\RADATA\1\2009 neco\General Rate Case\Discovery\DIV\Set 13\DIV 13-7\ATT 1 DIV 13-7.xls\Input Section  
Date: 30-Jul-09  
Time: 08:45 AM

Narragansett Electric Company  
d/b/a National Grid  
Docket No. R.I.P.U.C. 4065  
Attachment 1 DIV 13-7  
Page 6 of 8

Calculation of Monthly Typical Bill  
Comparison of Present and Proposed Rates  
Impact on B-62 Rate Customers

Hours Use: 300

Monthly Power				Present Rates			Proposed Rates			Increase/(Decrease)	
Backup kW	Backup kWh	Supplemental kW	Supplemental kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	0	3,000	1,800,000	\$241,213.25	\$174,243.75	\$66,969.50	\$244,931.25	\$175,706.25	\$69,225.00	\$3,718.00	1.5%
5,000	0	5,000	3,000,000	\$390,134.08	\$290,406.25	\$99,727.83	\$408,247.92	\$292,843.75	\$115,404.17	\$18,113.84	4.6%
7,500	0	7,500	4,500,000	\$576,285.13	\$435,609.38	\$140,675.75	\$612,393.76	\$439,265.63	\$173,128.13	\$36,108.63	6.3%
10,000	0	10,000	6,000,000	\$762,436.17	\$580,812.50	\$181,623.67	\$816,539.58	\$585,687.50	\$230,852.08	\$54,103.41	7.1%
20,000	0	20,000	12,000,000	\$1,507,040.33	\$1,161,625.00	\$345,415.33	\$1,633,122.92	\$1,171,375.00	\$461,747.92	\$126,082.59	8.4%

Present Rates: B-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Charge	kWh x	\$0.01064
Distribution Demand Charge	kW x	\$2.22
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$2.22

Proposed Rates: B-32

Customer Charge		\$980.00
Transmission Demand Charge-Supplemental	kW x	\$2.28
Transmission Charge	kWh x	\$0.00621
Distribution Demand Charge-xcs 200 kW	kW x	\$2.50
Distribution Energy Charge	kWh x	\$0.00840
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax	4%	Gross Earnings Tax	4%
--------------------	----	--------------------	----

Standard Offer Charge (2)	kWh x	\$0.09293	Standard Offer Charge (3)	kWh x	\$0.09371
---------------------------	-------	-----------	---------------------------	-------	-----------

Note (2): Includes Standard Offer of \$0.092/kWh and Renewable Energy Standard Charge of \$0.00093/kWh

Note (3): Includes Standard Offer of \$0.092/kWh, Renewable Energy Standard Charge of \$0.00093/kWh and proposed Commodity Cost Adjustment Factor of \$0.00078/kWh

File: S:\RADATA\1\2009 neco\General Rate Case\Discovery\DIV\Set 13\DIV 13-7\ATT 1 DIV 13-7.xls\Input Section  
Date: 30-Jul-09  
Time: 08:45 AM

Narragansett Electric Company  
d/b/a National Grid  
Docket No. R.I.P.U.C. 4065  
Attachment 1 DIV 13-7  
Page 7 of 8

Calculation of Monthly Typical Bill  
Comparison of Present and Proposed Rates  
Impact on B-62 Rate Customers

Hours Use: 400

Monthly Power				Present Rates			Proposed Rates			Increase/(Decrease)	
Backup kW	Backup kWh	Supplemental kW	Supplemental kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	0	3,000	2,400,000	\$309,600.75	\$232,325.00	\$77,275.75	\$316,287.50	\$234,275.00	\$82,012.50	\$6,686.75	2.2%
5,000	0	5,000	4,000,000	\$504,113.25	\$387,208.33	\$116,904.92	\$527,175.00	\$390,458.33	\$136,716.67	\$23,061.75	4.6%
7,500	0	7,500	6,000,000	\$747,253.88	\$580,812.50	\$166,441.38	\$790,784.38	\$585,687.50	\$205,096.88	\$43,530.50	5.8%
10,000	0	10,000	8,000,000	\$990,394.50	\$774,416.67	\$215,977.83	\$1,054,393.75	\$780,916.67	\$273,477.08	\$63,999.25	6.5%
20,000	0	20,000	16,000,000	\$1,962,957.00	\$1,548,833.33	\$414,123.67	\$2,108,831.25	\$1,561,833.33	\$546,997.92	\$145,874.25	7.4%

Present Rates: B-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Charge	kWh x	\$0.01064
Distribution Demand Charge	kW x	\$2.22
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$2.22

Gross Earnings Tax 4%

Standard Offer Charge (2) kWh x \$0.09293

Proposed Rates: B-32

Customer Charge		\$980.00
Transmission Demand Charge-Supplemental	kW x	\$2.28
Transmission Charge	kWh x	\$0.00621
Distribution Demand Charge-xcs 200 kW	kW x	\$2.50
Distribution Energy Charge	kWh x	\$0.00840
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (3) kWh x \$0.09371

Note (2): Includes Standard Offer of \$0.092/kWh and Renewable Energy Standard Charge of \$0.00093/kWh

Note (3): Includes Standard Offer of \$0.092/kWh, Renewable Energy Standard Charge of \$0.00093/kWh and proposed Commodity Cost Adjustment Factor of \$0.00078/kWh

File: S:\RADATA\1\2009 neco\General Rate Case\Discovery\DIV\Set 13\DIV 13-7\ATT 1 DIV 13-7.xls\Input Section  
Date: 30-Jul-09  
Time: 08:45 AM

Narragansett Electric Company  
d/b/a National Grid  
Docket No. R.I.P.U.C. 4065  
Attachment 1 DIV 13-7  
Page 8 of 8

Calculation of Monthly Typical Bill  
Comparison of Present and Proposed Rates  
Impact on B-62 Rate Customers

Hours Use: 500

Monthly Power				Present Rates			Proposed Rates			Increase/(Decrease)	
Backup kW	Backup kWh	Supplemental kW	Supplemental kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	0	3,000	3,000,000	\$377,988.25	\$290,406.25	\$87,582.00	\$387,643.75	\$292,843.75	\$94,800.00	\$9,655.50	2.6%
5,000	0	5,000	5,000,000	\$618,092.42	\$484,010.42	\$134,082.00	\$646,102.09	\$488,072.92	\$158,029.17	\$28,009.67	4.5%
7,500	0	7,500	7,500,000	\$918,222.63	\$726,015.63	\$192,207.00	\$969,175.01	\$732,109.38	\$237,065.63	\$50,952.38	5.5%
10,000	0	10,000	10,000,000	\$1,218,352.83	\$968,020.83	\$250,332.00	\$1,292,247.91	\$976,145.83	\$316,102.08	\$73,895.08	6.1%
20,000	0	20,000	20,000,000	\$2,418,873.67	\$1,936,041.67	\$482,832.00	\$2,584,539.59	\$1,952,291.67	\$632,247.92	\$165,665.92	6.8%

Present Rates: B-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Charge	kWh x	\$0.01064
Distribution Demand Charge	kW x	\$2.22
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$2.22

Gross Earnings Tax 4%

Standard Offer Charge (2) kWh x \$0.09293

Proposed Rates: B-32

Customer Charge		\$980.00
Transmission Demand Charge-Supplemental	kW x	\$2.28
Transmission Charge	kWh x	\$0.00621
Distribution Demand Charge-xcs 200 kW	kW x	\$2.50
Distribution Energy Charge	kWh x	\$0.00840
Transition Energy Charge	kWh x	\$0.00235
C&LM Adjustment	kWh x	\$0.00350
Distribution Demand - Backup	kWh x	\$5.11

Gross Earnings Tax 4%

Standard Offer Charge (3) kWh x \$0.09371

Note (2): Includes Standard Offer of \$0.092/kWh and Renewable Energy Standard Charge of \$0.00093/kWh

Note (3): Includes Standard Offer of \$0.092/kWh, Renewable Energy Standard Charge of \$0.00093/kWh and proposed Commodity Cost Adjustment Factor of \$0.00078/kWh

Division Data Request 15-3

Request:

At page 6, lines 8 – 10, Ms. Fields refers to energy discount programs that it offers in both upstate and Metro New York regions.

- a. Do these energy discount programs result in a revenue shortfall?
- b. Are these revenue shortfalls borne by National Grid or are they allocated to other retail customers?
- c. If allocated to other retail customers, please indicate what customer classes are allocated these costs and the basis for the allocation.

Response:

- a. Yes, energy discount programs offered in upstate New York and Metro New York result in a revenue shortfall.
- b. An estimate of these revenue shortfalls in upstate New York was prepared for each year of the ten-year National Grid-Niagara Mohawk Merger Rate Plan approved by the New Public Service Commission effective February 2002. The shortfalls were allocated to all other retail customers. With the exception of a portion of the Empire Zone Rider revenue shortfalls, which are borne by National Grid, the difference between the estimated and actual shortfalls are deferred monthly for later refund or collection from other retail customers. Such deferrals are re-forecasted biennially and refunded or collected in accordance with the applicable provisions of the National Grid-Niagara Mohawk Merger Joint Proposal. The net deferral balance has been and continues to be in customers' favor.

An estimate of these revenue shortfalls for Metro New York, which provides natural gas service, was prepared for the rate plans for the National Grid Companies KeySpan Energy Delivery NY and KeySpan Energy Delivery LI, approved by the New York Public Service Commission effective May 20, 2009. The shortfalls were allocated to all other retail customers. Differences between forecasted and actual shortfalls are borne by the Companies.



Division Data Request 15-3 (cont.)

- c. All customers other than that portion of customer load served under a discount program or under an electricity supply program of the New York Power Authority are allocated these costs. The original revenue shortfall and subsequent deferrals are allocated in proportion to each customer class's annual base rate transmission and distribution revenue forecasted for the formal two years of the Niagara Mohawk PowerChoice Rate Plan, which was in effect prior to the National Grid-Niagara Mohawk Merger. In the case of natural gas service in Metro New York, the allocation was consistent with the overall revenue requirement allocation to firm customers.

Division Data Request 17-12

Request:

Please explain what is included in the kwh sales number reported in Narragansett Electric's FERC Form 1.

Response:

Narragansett Electric's FERC Form 1 includes kWh sales pertaining to Standard Offer Service and Last Resort Service. It does not include kWh deliveries to customers receiving commodity service from competitive suppliers.

Division Data Request 17-13

Request:

Please provide total actual kwhs delivered from 1993 to 2008, including kwh for which generation was not provided by Narragansett.

Response:

Please see Schedule NG-APM-1, on page 25 of Book 8 of 9, which contains the Testimony and Schedules of Alfred P. Morrissey, John E. Walter and Carmen Fields.

Division Data Request 18-2

Request:

Please refer to Schedule NG-GSG-2:

- a. Please confirm that Line 21 on page 12 indicates that 32 G32 customers take service from an OH 1 25 transformer, and that the OH 1 25 transformer is single-phase and has a kV rating of 25 kVA.
- b. Please confirm that the Company places on Rate G-32 customers with minimum demands of 200 kW.
- c. Please explain how G-32 customers with minimum loads of 200 kW can be served from a single-phase transformer with a 25 kVA rating.
- d. Is the OH 3 30 transformer on line 57, page 13 one single 3-phase transformer with a 30 kVA rating or a combination of three single-phase transformers each with a 10 kVA rating?
- e. Please explain how a G-32 customer with a minimum load of 200 kW can be served by an OH 3 30 transformer with a 30 kVA rating as is indicated on line 57, page 13.
- f. What is the source of the average cost per transformer shown in the fourth column on page 17? Please provide all backup documentation for these average cost data.
- g. At line 4 on page 12 are data for Rate Code C08. What is rate code C08? Why is there no rate schedule for this rate code? Do customers in Rate Code C08 have similar usage characteristics to customers in Rate Code C06?

Response:

- a. Yes, that is correct.
- b. Yes, that is correct.
- c. The Company recognizes that there are minor inaccuracies in the GIS data. The Company continually investigates inaccuracies that are identified and makes necessary corrections to the GIS data. These inaccuracies have a negligible effect on the results of the Allocated Cost of Service Study. Please note that, in some cases, a single-phase transformer may be used to serve a specific smaller load for customer who is billed on the G-32 rate.
- d. The OH\_3\_30 transformer on line 57, page 13 is one three-phase transformer with a 30 kVA rating.
- e. See response to (c) above.

Division Data Request 18-2 (cont.)

- f. The average transformer costs on Schedule NG-HSG-2, page 17 are current replacement costs. The Company found that the costs in its original filing include only materials costs; the Company will correct this by including all appropriate transformer costs, when it files updated schedules.
- g. Customers identified as 'Rate Code C-08' are customers taking unmetered service under Rate C-06, such as telephone booths and fire-box lights. These customers represent less than 1% of the customers and sales of Rate C-06 and are included in Rate C-06 based on historical practice. The Company does not believe it is worthwhile to establish a separate rate for less than 300 very small customers.

Division Data Request 18-5

Request:

Does the Company have a standard rule regarding how many customers should be served by a single line transformer? If so, please provide the rule. If not, please explain the factors that will determine how many customers will be served by a particular single line transformer.

Response:

The Company does not have a standard regarding the number of customers served via a single line transformer. Rather, the Company's standards provide guidance as to the "design" loading for transformers and secondary conductors taking into consideration equipment ratings and expected voltage performance.

Navy Data Request 3-2

Request:

Referring to Schedule NG-HSG-2, page 26 of the Company's filing:

- (a) Please provide a complete description and detailed breakdown of all costs included in the Economic Development Program.
- (b) Please provide a complete description of each economic development program included in this cost category, provide the costs budgeted for each such program and explain in detail which customer class or classes is targeted by each such program.
- (c) Please provide a detailed explanation of the Company's rationale for allocating Economic Development Program costs on the basis of the energy consumption of the commercial and industrial customer classes.

Response:

Referring to Schedule NG-HSG-2, page 26 of the Company's filing:

(a) All currently available details related to the cost of the Company's proposed Economic Development Pilot Program are included in the testimony of Company Witness Fields. Specific program details will be developed through the Company's proposed 180-day collaborative program development process. The outcome of that process will be a more detailed proposal that will be submitted to the Commission for approval. In summary, the program cost structure as currently proposed is as follows:

<u>Program Category</u>	<u>Proposed Annual Funding Allocation</u>
Targeted Infrastructure Improvement	\$ 400,000
Urban Revitalization	\$ 400,000
Strategic Business Development	<u>\$ 200,000</u>
TOTAL	\$1,000,000

All proposed funding is for direct grant assistance; there are no funds allocated for program marketing, program administration or other cost categories.

Navy Data Request 3-2 (cont.)

(b) All currently available details related to the proposed Economic Development Pilot initiative are included in the testimony of Company Witness Fields. In general, the proposed economic development programs will target the Company's commercial and industrial customer classes. Program details will be developed through the Company's proposed 180-day collaborative program development process. The outcome of that process will be a more detailed proposal that will be submitted to the Commission for approval.

(c) The amount included on page 26 of Schedule NG-HSG-2 for economic development reflects the adjustment to the Test Year for the proposed economic development pilot program presented in the testimony of Ms. Carmen Fields contained in Book 9 of 9 to the Company's filing. This pilot is targeted to helping commercial and industrial customers grow, retain, and attract business to Rhode Island. Therefore the costs are most closely causally related to energy consumption by the commercial and industrial customer classes.



Navy Data Request 3-3

Request:

Referring to Schedule NG-HSG-2, pages 11 through 17 of the Company's filing:

- (a) Please provide a detailed narrative description of the methodology and rationale behind the special study used by the Company to allocate transformer costs to the customer classes.
- (b) Please confirm or deny that the transformer costs were allocated to the customer classes on the basis of the percentage of customers served by each transformer.
- (c) If the transformer costs were allocated to the customer classes on the basis of the percentage of customers served by each transformer, please explain in detail why the Company did not reflect customer class demands in the class allocation of transformer costs.

Response:

(a) Transformer costs were allocated to the customer classes on the basis of the percentage of customers served by each transformer. Specifically, an analysis was performed that provided the number of customers by rate class who are serviced by each transformer type. The cost of each transformer type was then allocated to rate classes in proportion to the number of customers served by that transformer type. Transformer costs were summed for each rate class to calculate the total transformer cost.

(b) Yes, transformer costs were allocated to the customer classes on the basis of the percentage of customers served by each transformer.

(c) The Company does not have information on the peak loads of the specific customers served by each transformer that would be necessary to allocate transformer costs based on demands.

Navy Data Request 3-4

Request:

Referring to Schedule NG-HSG-4, page 2 of the Company's filing:

- (a) Please provide a detailed explanation of the Company's rationale for allocating the proposed revenue subsidy for the Lighting and Propulsion classes exclusively to the C & I Large Demand class and provide copies of all prior orders and decisions of the Rhode Island Commission that support the Company's class revenue distribution proposal.
- (b) Please provide a breakdown of the total revenues for the Lighting and Propulsion classes into delivery service and non-delivery service revenues. Please provide this data for the test year in this proceeding and for the most recent five calendar years.

Response:

(a) The Company's proposed rate design moves all classes to full cost of service, except for the Lighting class and the Propulsion class. The increases assigned to Lighting and Propulsion are constrained by the limit of 2X the system average increase, requiring a subsidy of \$1,264,000. This subsidy is proposed to be recovered from the C & I Large Demand class, because this produces a reasonable balancing of the results of the revenue allocation. Under the Company's proposed revenue allocation, the C & I Large Demand class makes the most progress towards unity (moving from 2.64X system average rate of return at current rates, to 1.0X at proposed revenue allocation) and has the lowest overall increase in distribution revenue.

(b) Please see table below for a breakdown of the total revenues for the Lighting and Propulsion classes into delivery service and non-delivery service revenues for the last five calendar years.

	Streetlights Delivery	Streetlights Non- delivery	Streetlights Total	Propulsion Delivery	Propulsion Non- Delivery	Propulsion Total
2004	\$10,098,286	\$2,019,665	\$12,117,951	\$768,632	\$1,593,511	\$2,362,143
2005	\$9,861,908	\$1,180,625	\$11,042,533	\$727,081	\$87,743	\$814,824
2006	\$9,817,728	\$1,615,184	\$11,432,912	\$732,894	\$827,598	\$1,560,492
2007	\$9,727,794	\$1,276,114	\$11,003,908	\$799,888	\$2,496,026	\$3,295,914
2008	\$8,860,174	\$1,712,745	\$10,572,919	\$743,973	\$197,797	\$941,770

Navy Data Request 3-6

Request:

Referring to Schedule NG-HSG-4, page 2, line 38 of the Company's filing:

- (a) Please provide a detailed explanation of the Company's rationale for incorporating commodity-related costs into the determination of the revenue distribution for delivery service costs in this proceeding.
- (b) Please specify the precise nature of the commodity-related costs that are included in the Company's proposed revenue distribution.
- (c) Please provide copies of all prior orders and decisions of the Rhode Island Commission that support the inclusion of commodity-related costs in the revenue distribution for delivery service.

Response:

- (a) The Company analyzed the results of the proposed revenue allocation from several perspectives, including distribution revenue only (Schedule NG-HSG-4, page 2, line 36), and distribution revenue plus commodity-related costs (line 38).
- (b) The commodity-related costs included in the Company's analysis of the proposed revenue distribution are the administrative costs associated with the provision of Standard Offer Service that are proposed to be collected through the Standard Offer Service rates. These costs are described in detail in the testimony of Mr. O'Brien and on Schedule RLO-6.
- (b) This proceeding is the first time that the Company has proposed to remove commodity-related costs from distribution rates and collect them through the proposed fully reconciling Standard Offer Service Adjustment mechanism.