

Division Data Request 1-1

Request:

Referring to Workpaper NG-RLO-28, page 4, please provide the same information for 2006 and 2007.

Response:

Please see Attachment DIV 1-1, which provides additions, retirements and removal for 2006 and 2007.

Analysis of Plant
Additions, Retirements and Removal
Excluding Land and Land Rights

Category	Calendar Year	Distribution	General	Total	Percentage of General Allocable to Transmission 1/	Less Allocation of General to Transmission	Total Distribution	% of Additions
Additions	2007	47,788,173	920,116	48,708,289	4.64%	42,693	48,665,596	
Retirements	2007	8,053,284	393,046	8,446,330	4.64%	18,237	8,428,093	17.32%
Removal	2007	2,841,840	103,409	2,945,249	4.64%	4,798	2,940,451	6.04%
Additions	2006	46,520,613	(504,276)	46,016,337	4.64%	(23,398)	46,039,735	
Retirements	2006	8,616,240	724,584	9,340,824	4.64%	33,621	9,307,203	20.22%
Removal	2006	5,190,449	143,697	5,334,146	4.64%	6,668	5,327,478	11.57%

1/ Percentage calculated based on average salary allocator used for calendar year 2008 IFA.

Division Data Request 1-4

Request:

Referring to Schedule NG-RLO-2, Page 38, please explain why the transmission O&M are included in the cash working capital although those expenses are eliminated on Schedule NG-RLO-2, Page 1.

Response:

Transmission O&M are not included in the calculation of working capital. This is shown by comparing the Operating & Maintenance Expense of \$137,113,118 on page 38, column (d), line 7 to the Adjusted Pro Forma Other Operation & Maintenance Expenses on page 1, column (h), line 15 of \$137,113,118, which represents only distribution O&M expense. The Company has removed transmission O&M expenses from the calculation of working capital in the amount of \$17,789,123.

Division Data Request 1-5

Request:

Referring to Schedule NG-RLO-2, Page 38, please explain why Municipal Taxes show a 33.77% CWC %, whereas the Municipal Taxes showed a -8.27% CWC % in Docket No. 3943.

Response:

The primary reason for the difference is that the CWC percentage in Docket No. 3943 was calculated using an annual period of January to December, while the calculation on Schedule NG-RLO-2, page 38 reflects the use of an annual period of July to June. The Company believes the July to June period is more appropriate since the fiscal period for municipal taxes is typically a July to June year.

Division Data Request 1-9

Request:

Referring to Schedule NG-RLO-2, Page 1, please provide the financial statement from which the "Per Books" amounts in Column (a) were taken.

Response:

Please see Attachment DIV 1-9, which is the Company's Income Statement for the twelve months ending December 31, 2008.

Narragansett Electric Company
For the period ended: December 31, 2008
Run Date/Time: January 15, 2009 at 01:32

	Reg Account	12 Month Total
<u>OPERATING REVENUE</u>		
Residential	440000	317,208,455.08
Commercial & Industrial	442000	381,816,236.87
Street Lighting	444000	1,087,606.13
Sale for Resale	447040	40,859.72
Refund Provision	449130	56,193,224.32
Sales of Electric Energy		756,346,382.12
Gas Sales		0.00
<u>Other Revenues</u>		
Forfeited Discounts-Electric	450000	2,230,203.46
Misc Service Revenue-Electric	451000	426,652.21
Open Access Rev-DSM	451010	15,222,127.27
Open Access Rev-Cust Charge	451020	32,547,010.03
Rent From Electric Property	454000	2,947,914.54
Open Access Rev-Access Charge	456005	26,974,081.73
Open Access Rev-Transmission	456010	89,611,863.48
Open Access Rev-GET	456015	40,122,773.32
Open Access Rev-Distribution	456020	187,099,980.99
Other Elec Rev-Support Payment	456035	(49,886.00)
Other Elec Rev-Misc	456040	1,798,303.44
Other Operating Revenue		398,931,024.47
Other Gas Revenue		0.00
Total Other Revenues		398,931,024.47
TOTAL OPERATING REVENUE		1,155,277,406.59
<u>OPERATING EXPENSES</u>		
Purchased Power-Variable	555010	2,024,872.81
Purchased Power-Fixed & SO	555050	750,043,252.09
PP-Mass Elec-Elim	555110	37,946.73
PP-NEP-Access Charge-Elim	555112	26,719,222.39
Purchased Energy		778,825,294.02
Fuel for Generation		0.00
<u>O&M Expenses</u>		
<u>Steam Power Generation Expenses-O&M</u>		
Operate Steam Power Generation		0.00
Maint Steam Power Generation		0.00
Subtotal Steam Power Generation Expenses-O&M		0.00
<u>Other Power Generation Expenses-O&M</u>		
Other Power Generation-MiscExp	549000	270.54
Operate Other Power Generation		270.54
Maint Other Power Generation		0.00
Other Power Supply Expenses		0.00
Subtotal Other Power Generation Expenses-O&M		270.54
<u>Hydro Power Generation Expenses-O&M</u>		
Operate Hydro Power Generation		0.00
Maint Hydro Power Generation		0.00
Subtotal Hydro Power Generation Expenses-O&M		0.00
<u>Transmission Expenses-O&M</u>		
Trans Oper-Supervision & Eng	560000	33,907.07
Trans Oper-Load Dispatching	561000	1,080,345.94
Schd, Sys Cntrl & Dispatch Srv	561400	4,419,733.68
Reliab, Plan & Standards Dev	561500	52,385.30
Trans Oper-Substations	562000	466,383.59
Trans Oper-Overhead Lines	563000	71,915.75
Trans Oper-Underground Lines	564000	19,291.80
Trans Oper-Wheeling	565000	59,320,696.73
Elec Rev Wheeling-Elim	565035	25,659,157.39
Sale for Resale-Tran CR-Elim	565037	(38,882,752.00)
Trans Oper-Misc Expenses	566000	524,306.33
Trans Oper-Rents	567000	19,000.00
Oper Transmission Facilities		52,784,371.58

Narragansett Electric Company
For the period ended: December 31, 2008
Run Date/Time: January 15, 2009 at 01:32

	<u>Reg Account</u>	<u>12 Month Total</u>
Trans Maint-Supervision & Eng	568000	235,247.75
T Maint of Computer Hardware	569100	24,600.79
T Maint of Computer Software	569200	27,618.16
T Maint of Communication Equip	569300	8,955.80
Trans Maint-Substations	570000	933,790.55
Trans Maint-Substation-Trouble	570010	503,444.93
Trans Maint-Overhead Lines	571000	223,686.60
Trans Maint-Switch-Unplanned	571010	32,796.38
Trans Maint-Right of Way	571020	388,836.97
Trans Maint-Underground Lines	572000	73,267.58
Trans Maint-Misc Expenses	573000	(411,814.13)
Maint Transmission Facilities		2,040,431.38
Subtotal Transmission Expenses-O&M		<u>54,824,802.96</u>
 <i><u>Distribution Expenses-O&M</u></i>		
Dist Oper-Supervision & Eng	580000	1,214,773.94
Dist Oper-Load Dispatching	581000	2,144,144.27
Dist Oper-Substations	582000	3,062,632.53
Dist Oper-Overhead Lines	583000	5,095,785.43
Dist Oper-Underground Lines	584000	1,750,672.44
Dist Oper-Outdoor Lighting	585000	483,557.31
Dist Oper-Electric Meters	586000	2,596,836.09
Dist Oper-CustomerInstallation	587000	1,432,144.40
Dist Oper-Misc Expenses	588000	10,642,693.20
Dist Oper-Rents	589000	18,578.82
Rents-Building-Dist-Elim	589001	87,553.72
Rents-Equip-Dist-Elim	589002	1,199.71
Operate Dist Facilities		<u>28,530,571.86</u>
Dist Maint-Supervision & Eng	590000	41,343.12
Dist Maint-Structures	591000	23,665.60
Dist Maint-Substations	592000	2,245,054.78
Dist Maint-Substations-Trouble	592010	901,905.69
Dist Maint-Overhead Lines	593000	9,230,202.09
Dist Maint-OH Lines-Trouble	593010	190,466.83
Dist Maint-OH Lines-Veg Mgmt	593020	6,546,588.90
Dist Maint-Underground Lines	594000	1,069,779.91
Dist Maint-Line Transformers	595000	247,380.99
Dist Maint-Outdoor Lighting	596000	1,564,050.79
Dist Maint-Electric Meters	597000	305,586.72
Dist Maint-Misc Distr Plant	598000	196.16
Maint Distribution Facilities		<u>22,366,221.58</u>
Subtotal Distribution Expenses-O&M		<u>50,896,793.44</u>
 <i><u>Gas Expenses-O&M</u></i>		
Production Expenses-Gas		<u>0.00</u>
Operate Gas Facilities		<u>0.00</u>
Maintain Gas Facilities		<u>0.00</u>
Subtotal Gas Expenses-O&M		<u>0.00</u>
 <i><u>Customer Expenses-O&M</u></i>		
Cust Acct-Supervision	901000	1,126,913.86
Cust Acct-Meter Reading Exp	902000	1,211,646.93
Cust Records & Collection	903000	10,704,988.07
Uncollectible Accounts	904000	12,748,167.31
Cust Acct-Misc Expenses	905000	1,021,580.73
Customer Accts Oper Exp-Elec		<u>26,813,296.90</u>
Cust Service-Supervision	907000	82,193.33
Cust Assistance Expenses	908000	15,594,308.04
Info&Instruct Advertising Exp	909000	347,746.05
Cust Service-Misc Expenses	910000	2,379,969.10
Demo & Selling Expenses	912000	423.03
Sales-Misc Expenses	916000	212.29
Cust Service & Info Expenses		<u>18,404,851.84</u>
 <i><u>Administration Expenses-O&M</u></i>		

Narragansett Electric Company
For the period ended: December 31, 2008
Run Date/Time: January 15, 2009 at 01:32

	<u>Reg Account</u>	<u>12 Month Total</u>
A&G-Salaries	920000	9,118,040.47
A&G-Office Supplies	921000	9,848,177.01
A&G-Outside Services Employed	923000	2,436,365.28
Property Insurance	924000	1,078,119.36
Injuries & Damages Insurance	925000	7,054,505.71
Employee Pensions & Benefits	926000	19,530,978.06
Regulatory Comm Expenses	928000	3,330,758.87
A&G-Institutional/Goodwill Adv	930110	508,532.35
A&G-Misc Expenses	930200	4,012,435.14
A&G-Research & Development	930210	128,068.71
A&G-Rents	931000	3,418,387.92
Airplane Rent Expense-Elim	931005	38,196.14
NE Share CSS Costs-Elim	931006	724,187.89
Administrative Oper Exp-Elec		<u>61,226,752.91</u>
A&G Maint-General Plant-Elec	935000	256,704.96
Administrative Maint Expenses		<u>256,704.96</u>
Subtotal Administration Expenses-O&M		<u>61,483,457.87</u>
Total Operation Expenses		<u>187,760,115.63</u>
Total Maintenance Expenses		<u>24,663,357.91</u>
O&M Expenses		<u>212,423,473.54</u>
<u>Depreciation & Amortization</u>		
Depreciation Expense - LAB	403010	912,205.13
Depreciation Expense - PAM	403030	43,348,560.12
Depreciation Expense-AR Costs	403100	2,312.64
Depreciation		<u>44,263,077.89</u>
Amortization		<u>0.00</u>
Depreciation & Amortization		<u>44,263,077.89</u>
<u>Taxes Other than Income Taxes</u>		
Tx Oth Inc Tx-Fed Unempl Comp	408100	26,208.91
Federal Unemployment		<u>26,208.91</u>
Tx Oth Inc Tx-FICA Co Portion	408110	3,363,026.79
Company FICA		<u>3,363,026.79</u>
Tx Oth Inc Tx-St Unempl Tax	408130	125,874.98
State Unemployment		<u>125,874.98</u>
Tx Oth Inc Tx-Mun Op Prop	408140	21,964,503.14
Municipal Property Tax		<u>21,964,503.14</u>
Franchise Tax		<u>0.00</u>
Tx Oth Inc Tx-Misc	408150	32,838.00
Tx Oth Inc Tx-St Gross Earn	408160	43,330,773.17
Tx Oth Inc Tx-St Tax MA	408170	244,125.00
Miscellaneous		<u>43,607,736.17</u>
Taxes Other than Income Taxes		<u>69,087,349.99</u>
Inc Tx Other-St Inc Tx	409121	(2,334.00)
Current State Income Taxes		<u>(2,334.00)</u>
Deferred State Income Taxes-DR		<u>0.00</u>
Deferred State Income Taxes-CR		<u>0.00</u>
Fed Inc Tx-Utility Operations	409151	(10,863,346.87)
Fed Inc Tax-Curr-Util Oper Inc	409157	(3,279,576.93)
Fed Inc Tx-Prior Years	409160	(1,928,398.54)
Current Federal Income Taxes		<u>(16,071,322.34)</u>
Def FIT Expense-Debit	410100	48,397,274.00
Def FIT Expense-Prior Year	410105	(943,279.00)
Def Inc Tax-Utility Oper Inc	410157	2,661,752.59
Deferred Fed Income Taxes-DR		<u>50,115,747.59</u>
Def FIT Expense-Credit	411100	(23,042,249.00)
Deferred Fed Income Taxes-CR		<u>(23,042,249.00)</u>
ITC Adjustment-Amort	411400	(591,556.00)
Investment Tax Credit Adj		<u>(591,556.00)</u>
Current Tax-Exceptional Items		<u>0.00</u>
Deferred Tax-Exceptional Items		<u>0.00</u>
Gain/Loss Dispos of Util Plant		<u>0.00</u>
ARO-Accretion Expense	411101	(83,031.96)

Narragansett Electric Company
For the period ended: December 31, 2008
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	<u>Reg Account</u>	<u>12 Month Total</u>
ARO-Accretion Expense		(83,031.96)
TOTAL OPERATING EXPENSES		1,114,924,449.73
NET OPERATING INCOME		40,352,956.86
<u>OTHER INCOME AND DEDUCTIONS</u>		
Allow Oth Funds Used Dur Cons	419100	31,389.86
Allow Oth Funds Used Dur Cons		31,389.86
Equity in Inc-Narr Gas	418148	8,916,681.31
Equity in Earnings of Subs		8,916,681.31
<u>Other Income & Deductions</u>		
<u>Income Taxes</u>		
Fed Inc Tx-Nonutility Oper	409200	738,500.00
Current Federal		738,500.00
Deferred Federal		0.00
Current State		0.00
Deferred State		0.00
Income Taxes		738,500.00
Exp from Nonutility Operations	417100	(635,983.08)
NGT Share Awards	417110	(799,000.00)
Nonutility Operations		(1,434,983.08)
NonOp Rent Inc-Deprec-Non Util	418003	(7,622.28)
Non-Operating Rental Income		(7,622.28)
Tx Oth Inc Tx-Mun Non-Op Prop	408240	(42,001.30)
Municipal & Other Taxes		(42,001.30)
Rabbi Dividends	419202	28,110.46
Dividends		28,110.46
Int&Div Inc-Temp Cash Invest	419103	353.56
Temp Cash Investments		353.56
Int&Div Inc-Other Interest	419102	258,695.70
Money Pool Interest Income		258,695.70
Int&Div Inc-Rabbi Trust	419101	94,043.16
Other Interest Income		94,043.16
Investment Tax Credits		0.00
Discontinued Operations		0.00
Misc Non-Operating Income	421002	6,017.73
Misc Non-Operating Income		6,017.73
Group Tax Relief Adj Expense		0.00
Exchange Gains & Losses		0.00
Realized Gn/Ls on Dfd Comp Inv	421010	(95,189.22)
Realized Gn/Ls on Def Comp Inv		(95,189.22)
Gain on Disp of Property		0.00
Loss on Disp of Property		0.00
Impairment of Assets-Oper		0.00
Miscellaneous Amortization		0.00
<u>Other Income Deductions</u>		
Dividend Income-Parent		0.00
Donations	426100	(548,593.16)
Donations		(548,593.16)
Civic & Political Activity	426400	(442,853.67)
Civic & Political Activity		(442,853.67)
Def Comp Inv-Life Ins	426200	532,775.61
SQ Plan Penalties	426301	(1,800,000.00)
Other Deductions	426500	(6,604.21)
Other Deductions		(1,273,828.60)
Service Co Net Income		0.00
Other Income Deductions		(2,265,275.43)
Other Income & Deductions		(2,719,350.70)
Equity in Minority Interest		0.00

Narragansett Electric Company
For the period ended: December 31, 2008
Run Date/Time: January 15, 2009 at 01:32

	Reg Account	12 Month Total
TOTAL OTHER INCOME AND DEDUCTIONS		6,228,720.47
INCOME BEFORE INTEREST CHARGES		46,581,677.33
INTEREST CHARGES		
Interest on LTD	427000	350,999.97
Interest on Long Term Debt		350,999.97
Amort Debt Disc & Exp	428000	41,262.12
Amort of Bond Discount & Exp		41,262.12
Amort of Bond Premium		0.00
Amort Loss Reacquired Debt	428100	831,807.60
Amort of Gain/Loss Reacq Debt		831,807.60
Int Debt to Assoc-MP-Exp	430002	2,016,115.24
Int Debt to Assoc-MP-Oth	430004	2,913.52
Interest on Debt to Assoc Cos		2,019,028.76
Other Interest Expense	431000	2,070,449.22
Oth Int Exp-Tax	431010	547,901.20
Oth Int Exp-Environ & NY Misc	431102	560,000.00
Oth Int Exp-Commitment Fee	431130	38,499.99
Other Interest Expenses		3,216,850.41
Allow Brwd Funds Dur Const-CR	432000	(534,558.55)
Allow Brwd Funds Dur Con-CR		(534,558.55)
TOTAL INTEREST CHARGES		5,925,390.31
NET INCOME / (LOSS)		40,656,287.02
Divs Declared-Preferred Stock	437000	(10,794.97)
Preferred Dividends		(10,794.97)
Preferred Dividends of Subs		0.00
(Gain)/Loss on Preferred Stock		0.00
Extraordinary Items		0.00
NET INCOME AVAILABLE FOR COMMON		40,667,081.99

Division Data Request 1-10

Request:

Please provide the accrued balance in the Environmental Response Fund as of December 31, 2008 and of the latest date available.

Response:

As indicated in the Company's response to Commission Data Request 1-58, the Company's Environmental Response Cost Report for fiscal year 2009 (twelve months ending 3/31/09) will be provided as a supplemental response when it is available. The response to this request will also be provided at that time.

Division Data Request 1-11

Request:

Please provide the actual number of Narragansett Union and Non-Union employees from January 2007 until the most recent month available.

Response:

Please see the attached file for the Narragansett employee population by month from January 2007 through to May 2009.

Please note that the numbers presented as part of the Cost of Service analysis were based on the first of the month. The attached numbers in response to this question are based on the end of the month.

Employee Counts	2007 - Month End											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Company/Type												
The Narragansett Electric Co - Management	100	99	98	97	98	98	98	97	98	98	98	98
The Narragansett Electric Co - Mgmt Non-exempt	9	9	9	9	12	11	11	8	7	7	7	8
The Narragansett Electric Co - Union Only	368	366	366	364	366	368	370	370	368	365	353	353

Employee Counts	2008 - Month End											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Company/Type												
The Narragansett Electric Co - Management	99	98	98	96	95	93	93	94	97	97	97	95
The Narragansett Electric Co - Mgmt Non-exempt	11	11	10	10	12	11	11	10	10	9	9	10
The Narragansett Electric Co - Union Only	350	349	349	353	358	359	361	359	361	359	348	352

Employee Counts	2009 - Month End											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Company/Type												
The Narragansett Electric Co - Management		94	94	94	81	63						
The Narragansett Electric Co - Mgmt Non-exempt		10	10	10	4	6						
The Narragansett Electric Co - Union Only		352	353	360	353	379						

Division Data Request 1-12

Request:

Please provide the Narragansett overtime wages as a percentage of base wages for 2006 and 2007. The response should include supporting calculations.

Response:

Please see Attachment DIV 1-12, which reflects Narragansett overtime wages as a percentage of base wages for 2006 and 2007.

Narragansett Electric Company
Overtime Wages as a Percent of Base Wages

Overtime Wages

Sum of GL Act \$			Calendar Year	
Orig Bus Unit Descr	Bus Unit Descr	Expense Type Descr	2006	2007
Narragansett Electric Company	Narragansett Electric Company	Base OT Pay Monthly	770,620.21	736,555.61
		Base OT Pay Weekly	3,638,982.84	3,519,988.44
		Incremental OT Pay Monthly	297,640.69	301,079.73
		Incremental OT Pay Weekly	2,214,135.75	2,073,118.67
Narragansett Electric Company Total			6,921,379.49	6,630,742.45
Grand Total			6,921,379.49	6,630,742.45

Base Wages

Sum of GL Act \$			Calendar Year	
Orig Bus Unit Descr	Bus Unit Descr	Expense Type Descr	2006	2007
Narragansett Electric Company	Narragansett Electric Company	Regular Pay Monthly	6,600,639.64	6,739,614.00
		Regular Pay Weekly	17,289,431.59	18,089,261.84
		Time Not Worked	5,293,712.76	6,055,304.92
Narragansett Electric Company Total			29,183,783.99	30,884,180.76
Grand Total			29,183,783.99	30,884,180.76

Overtime Wages as a percentage of Base Wages

OT Wages % of Base Wages	Calendar Year	
	2006	2007
	23.72%	21.47%

Division Data Request 1-13

Request:

Please provide the actual number of Service Company Union and Non-Union employees from January 2007 until the most recent month available.

Response:

Please see the attached file for the Service Company employee population by month from January 2007 through to May 2009.

Please note that the employee counts reflected in the Cost of Service analysis were as of the first of the month. The attached employee counts provided in response to this data request are as of the end of the month.

Employee Counts	2008 - Month End											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
National Grid Service Co. - Management	1,742	1,746	1,761	1,744	1,761	1,778	1,769	1,776	1,786	1,794	1,803	1,808
National Grid Service Co. - Mgmt Non-exempt	126	123	122	122	127	143	149	126	125	125	123	132
National Grid Service Co. - Union	473	484	478	474	469	470	476	488	488	505	495	489
Corp Services LLC - Management	1,443	1,459	1,624	1,631	1,661	1,729	1,743	1,697	1,708	1,721	1,744	1,757
Corp Services LLC - Union	1,517	1,507	1,591	1,586	1,576	1,579	1,568	1,571	1,616	1,652	1,663	1,675
Utility Services LLC - Management	144	144	107	105	104	106	108	106	105	106	106	109
Utility Services LLC - Union	93	92	34	34	31	31	31	31	31	31	31	31

Merge between National Grid and KeySpan was finalized Aug 2007

Division Data Request 1-14

Request:

Please describe the incentive compensation program for Service Company employees. The response should explain the goals included in the incentive compensation program, the rewards to employees for achievement of those goals, and the amounts awarded for the achievement of each goal in 2008.

Response:

The description of the incentive compensation program for Service Company employees was provided in Schedules NG-WFD-1 through 5 as part of the Testimony of William F. Dowd in this proceeding. The descriptions include an explanation of the goals included in the program, and the potential awards to employees for achievement of those goals. The individual goal portion of the program is described in Mr. Dowd's testimony at pages 8-9. The amounts awarded for the achievement of goals in 2008 are reported in the Company's response to Data request COMM 1-34 in this docket.

Division Data Request 1-15

Request:

Referring to NG-RLO-2, Page 8, please identify the source of the 8% escalation rate on Line 18.

Response:

As discussed in William F. Dowd's testimony on page 17, Lines 10 through 12, the 8% escalation rate on Line 18 of NG-RLO-2, Page 8, is based on information provided by Towers Perrin, the Company's consultant regarding medical and dental related matters. Please refer to the response to DIV 1-16 for additional information.

Division Data Request 1-16

Request:

Referring to Workpaper NG-RLO-14 Pages 3 and 4, are the medical and dental costs shown the actual costs in 2009? If not, please provide the actual costs.

Response:

The amounts reflected on Workpaper NG-RLO-14, Pages 3 and 4 represent the estimated 2009 Company costs associated with the medical and dental benefit plans offered to employees of the Company and to National Grid USA Service Company, Inc., as well as the cost of actual open enrollment selections made by employees in November 2008 for calendar year 2009 for each plan option. Each year, Towers Perrin, the Company's consultant regarding medical and dental related matters, develops estimated healthcare costs using actual claims data for representative populations and applies actuarial assumptions to that data using population demographics to assess costs. These costs-per-plan estimates are used to establish individual employee contribution amounts for their healthcare plan enrollment selections. As a self-funded employer, National Grid records actual claims expense on a lagging basis, as invoices are received. Actual medical and dental costs for January through May 2009 are shown in the response to Division Data Request 1-17.

Division Data Request 1-17

Request:

Please provide the actual Narragansett and Service Company medical and dental insurance expense for each month January 2008 until the most recent month available.

Response:

Please see Attachment Division 1-17, which reflects the actual medical and dental insurance expense charged to Narragansett for each month January 2008 through May 2009. Consistent with the manner in which rate year medical and dental expense was derived, the costs represent charges originating within the Company as well as charges from the legacy National Grid and KeySpan service companies.

2008 Narragansett Electric Medical and Dental Insurance Expense

Sum of GL Act \$															Less 1/1/09 Ice Storm Reclass	Total Adjusted 12/31/2008 per COS			
Expense Type	Expense Type Descr	O&M / Non-O&M	Orig Business Unit	January	February	March	April	May	June	July	August	September	October	November	December	Total			
B03	Health Care	Balance Sheet	00049	142,879	132,332	147,463	133,908	148,988	135,589	154,876	123,691	127,840	122,850	104,644	94,085	1,569,145		1,569,145	
			00099	59,389	66,780	47,483	65,549	71,133	57,114	59,032	48,914	50,218	53,486	35,558	30,766	645,423		645,423	
			00431					710			(128)					582		582	
		Balance Sheet Total			202,268	199,112	194,946	199,458	220,830	192,702	213,908	172,478	178,057	176,337	140,203	124,851	2,215,149	-	2,215,149
		Expense																	
					(1,604)	35,680	30,427	32,558	34,823	421,762	444,529	490,309	379,065	620,938	257,758	365,812	3,112,057		3,112,057
					137,525	177,571	169,309	208,046	129,355	(236,639)	(272,391)	(219,775)	(235,003)	(241,892)	(217,780)	(284,525)	(886,198)		(886,198)
					137,446	171,870	128,910	168,703	174,739	159,989	166,175	162,329	162,877	171,757	154,772	147,278	1,906,845	(10,472)	1,896,373
									6,679	9,077	5,080	8,251	12,860	8,851	11,628	12,906	75,330		75,330
												1,190	870	701	82	2,843		2,843	
Expense Total			273,367	385,121	328,646	409,307	345,596	354,189	343,393	441,113	320,990	560,525	207,079	241,553	4,210,878	(10,472)	4,200,406		
B03 Total				475,634	584,233	523,592	608,765	566,426	546,891	557,301	613,590	499,047	736,862	347,282	366,404	6,426,027	(10,472)	6,415,555	
Grand Total				475,634	584,233	523,592	608,765	566,426	546,891	557,301	613,590	499,047	736,862	347,282	366,404	6,426,027	(10,472)	6,415,555	

2009 Narragansett Electric Medical and Dental Insurance Expense

Sum of GL Act \$										Total	
Expense Type	Expense Type Descr	O&M / Non-O&M	Orig Business Unit	January	February	March	April	May		Total	
B03	Health Care	Balance Sheet	00049	107,555	113,762	112,471	59,888	45,169		438,845	
			00099	27,808	34,614	(8,440)	42,574	57,938		154,494	
			00431				41	51		92	
		Balance Sheet Total			135,363	148,376	104,031	102,503	103,158		593,431
		Expense									
					424,418	85,782	(33,757)	899,676	921,918		2,298,036
					(244,740)	(214,839)	(214,814)	(170,025)	(135,052)		(979,471)
					96,900	139,151	622,171	(504,204)	169,721		523,738
					7,345	8,810	18,812	23,286	29,068		87,320
					641	754	1,015	1,086	1,098		4,593
Expense Total			284,563	19,657	393,426	249,818	986,753		1,934,217		
B03 Total				419,926	168,033	497,457	352,321	1,089,911		2,527,647	
Grand Total				419,926	168,033	497,457	352,321	1,089,911		2,527,647	

Note: Above amounts exclude charges by Narragansett Electric to affiliates as well as amounts charged to Narragansett Electric from affiliates other than the legacy National

Division Data Request 1-18

Request:

Referring to Workpaper NG-RLO-16, please provide the actuarial studies supporting the rate year pension expense.

Response:

Please see the attachments provided in response to Commission Data Request 1-47, which are as listed below:

Attachment 1: January 2009 Hewitt report for the five year expense projections for National Grid USA, which includes information for the Company.

Attachment 2: April 24, 2009 Hewitt report for Pension and Retiree Welfare Expense for National Grid's upstate New York affiliate, Niagara Mohawk Power Corporation, for the fiscal year ending March 31, 2010.

Attachment 3: January 2009 Hewitt report for the five-year expense projections for the legacy KeySpan companies.

Division Data Request 1-19

Request:

Referring to Workpaper NG-RLO-17, please provide the actuarial studies supporting the rate year OPEB expense.

Response:

Please see the response to Commission Data Request 1-47, which provides the following attachments.

Attachment 1: January 2009 Hewitt report for the five year expense projections for National Grid USA, which includes information for the Company.

Attachment 2: April 24, 2009 Hewitt report for Pension and Retiree Welfare Expense for National Grid's upstate New York affiliate, Niagara Mohawk Power Corporation, for the fiscal year ending March 31, 2010.

Attachment 3: January 2009 Hewitt report for the five-year expense projections for the legacy KeySpan companies.

Division Data Request 1-20

Request:

Referring to O'Brien testimony, page 26, please provide the relevant section of the union contract specifying the minimum staffing.

Response:

Please see Attachment Division 1-20, which is the excerpt of the union contract pertaining to minimum staffing requirements covering the period May 12, 2007 through May 11, 2011.

May 12, 2007 – May 11, 2011

AGREEMENT

As To

Wages, Working Conditions and Seniority

Between

**Narragansett Electric Company
National Grid USA Service Company
d/b/a National Grid**

And

Utility Workers Union of America, AFL-CIO

Local Unions No. 310

The Brotherhood of Utility Workers Council

*The rates shown above shall be adjusted at each change in the IRS mileage reimbursement rate.

p. Per diems are to be paid tax free.

Section 2. The Districts may establish permanent satellite locations as may be necessary to accomplish area workload. Permanent means that the Company intends to conduct usual and customary business operations at such satellite locations as opposed to project or fixed time period operations. The Company reserves its usual rights to make changes in staffing levels and satellite locations.

Section 3. These satellites will be staffed via canvassing within the District. If unable to obtain the required staffing through a voluntary process, junior qualified employees will be assigned as necessary. Persons reporting to these satellites will not receive per diem payments.

Section 4. In the event that an employee so assigned to a newly established satellite location is, within one year of such assignment, subsequently roved to another work site pursuant to this language, per diems shall apply from the better of the former work location or the new work location for the duration of the rove.

Section 5. If, as the result of unforeseen circumstances, a satellite is discontinued prior to a year of operation, employees who had been assigned to that location will receive per diem payments as if they were roving from their base of operation to the new reporting location for the period of assignment.

Section 6. There shall be no restrictions on the right of the Company to rove any of its employees into any area based on union representation status.

F. Guaranteed Staffing And Use Of Contractors

Section 1. The Company agrees to attain staffing levels in the departments shown below, inclusive of employees in progression; no later than May 11, 2010. In reaching these levels, staffing shall be increased pro-rata from the prior agreement's specified staffing levels in each of the next 3 years, i.e. one third by May 11, 2008, two thirds by May 11, 2009 and the full amount shown below by May 11, 2010.

	Bay State <u>South</u>	North and <u>Granite</u>	Bay State <u>West</u>	<u>Ocean State</u>	<u>Total</u>
Overhead	168	71	122	168	529
Underground	12	30	31	39	112
Substation O&M	31	26	38	43	138

The numbers in the table above represent union staffing levels for the UWUA locals in electric distribution. Any claim that the Company has failed to comply with staffing levels in the table shall be resolved in accordance with Article XVI Settlement of Disputes.

Section 2. In the event staffing levels fall below the pro-rated staffing levels for each term of the agreement, the Company agrees to post positions sufficient to reach the applicable staffing level within thirty (30) days. Further the Company agrees to post all non-VERO retirements from these departments during the term of this agreement.

Section 3. The Company will meet twice per year with each local union president or their designee to provide an overview of the Overhead and Underground work plan for their area and the Company's plans to use outside contractor crews. For other than pole setting, when contractor crews are utilized for work in the overhead or underground departments, the Company will offer four hours of overtime per week to an equal number of crews (rated workers) in that respective department. Trouble Shooters and Emergency Workers may be utilized to fill this compliment providing it does not interfere with their regular schedule and the company does not incur additional expense. The offer of four hours of overtime per week will be applied every other Saturday, or other non-Sunday day of relief for shift workers, as an eight hour shift. In order to facilitate the planning of the work to be performed, by Friday of the week prior to the week in which the overtime will be worked, the union will provide the names of the employees who will be working. In cases where the union was unable to fill the full compliment, the Company's offer obligation is completed. In the assignment of this overtime work, the Company agrees to prioritize cut-out replacement. When overtime is cancelled due to inclement weather, it will be offered at a later date. The Company is committed to increasing its use of employees for pole sets in order to achieve and maintain proficiency in this area. The aforementioned language will also be applicable to the Substation O&M department when outside contractors are performing maintenance work at substations.

Section 4. No later than May 11, 2010, the Company shall cease the use of platform contractors, which are those system crews staged on or off Company property who are assigned work that is day to day customer oriented. Thereafter, the Company and the Union will work jointly to identify an appropriate percentage of work to be performed by contractors. Any claim that the Company has failed to comply with this understanding shall be resolved in accordance with Article XVI Settlement of Disputes.

Section 5. Subject to the limits described in this section, it is understood that the Company reserves all of its rights relative to the assignment of work and the allocation of the work plan between employees and contractors.

Section 6. When the Company determines that contractors will be used, all other factors being equal, the Company will use contractors whose employees are represented by the UWUA.

ARTICLE VI - REDUCTION IN FORCES

A. Furloughs

Section 1. If, because of a reduction in forces, an employee is demoted from a class of work to which he was assigned on the date when seniority first became effective, such employee shall be assigned to the head of the list in the class to which he is demoted, but an employee promoted after said date and subsequently demoted because of a reduction in forces shall revert to that place on the list in the lower class which he held before his promotion, provided, however, that when forces are reduced in the lowest class, necessitating the furloughing of employees, the employee in such class having the shortest total period of service with the Company shall be furloughed first and so on up through the class.

Division Data Request 1-26

Request:

Referring to Workpaper NG-RLO-29, Page 2, please provide an itemization of the non-property related deferred tax assets and deferred tax liabilities.

Response:

Please see Attachment DIV 1-26, which provides an itemization of the non-property related deferred tax assets and deferred tax liabilities at December 31, 2008, as shown on Workpaper NG-RLO-29, Page 29.

The Narragansett Electric Company
Detail of Non-Property Related Deferred Taxes

Description	Balance Per Books	Deferred @ 35%	Unfunded/ (Excess)
Non-Qualified Pension	\$ 1,506,919	\$ 325,949	\$ (1,180,970)
Property Tax	(1,059,636)	(6,504,570)	(5,444,934)
Worker's Compensation	797,500	367,311	(430,189)
Deferred Compensation	(45,154)	83,114	128,268
Environmental Reserve	5,175,837	5,129,697	(46,140)
Pension	13,311,102	2,765,202	(10,545,900)
OPEB	15,626,047	26,180,140	10,554,093
FAS 112	808,811	1,160,077	351,266
Vacation Accrual	1,110,379	734,729	(375,650)
Sales Tax Reserve	808,600	664,096	(144,504)
Storm Reserve	7,379,378	7,366,543	(12,835)
Interest Reserve	(7,100)	(3,636)	3,464
Regulatory Liabilities	(854,480)	584,431	1,438,911
Bonus Accrual	(161,700)	31,373	193,073
Unbilled Revenue	(2,168,799)	(2,932,598)	(763,799)
Bad Debts	3,004,554	3,542,987	538,433
Uninsured Claims	1,606,472	1,666,700	60,228
Debt	(3,039,675)	(2,440,075)	599,600
Rabbi Trust Unrealized	(126,709)	(126,709)	0
Other	(1,638)	0	1,638
Total	\$ 43,670,708	\$ 38,594,761	\$ (5,075,947)

Division Data Request 1-27

Request:

Please reconcile the Accumulated Deferred FIT as of December 2008 on Schedule NG-RLO-2, Page 31 to the balance of \$124,460,000 on Workpaper NG-RLO-29, Page 2.

Response:

The Accumulated Deferred FIT balance of \$124,460,000 on Workpaper NG-RLO-29, Page 2 represents the total property-related Deferred FIT reserves per the Company's books at December 2008, as shown on Schedule NG-RLO-2, Page 33. This amount is reduced by \$14,455,245 related to Deferred FIT applicable to the Integrated Facilities Agreement on Schedule NG-RLO-2, Page 32, to derive the Distribution portion of the December 2008 Deferred FIT balance of \$110,099,887 on Schedule NG-RLO, Page 31

Division Data Request 1-28

Request:

Please provide a schedule of entries to the storm fund in 2008. The response should show the monthly accruals, interest, any charges, and the balance at the end of each month.

Response:

Please see page 4 of the attachment to the response to Commission Data Request 1-107, which provides a schedule of entries made to the storm fund in 2008.

Division Data Request 1-31

Request:

Please provide details of expenses charged to Account 926 for the twelve months ended December 31, 2008.

Response:

Please see Attachment DIV 1-31 for the requested information.

Division Data Request 1-32

Request:

Please provide the operation and maintenance expenses by FERC account for the twelve months ended March 31, 2009 and when available June 30, 2009.

Response:

Please see Attachment DIV 1-32 for the operation and maintenance expenses by FERC account for the twelve months ended March 31, 2009. The same information will be provided for the twelve months ended June 30, 2009 when it becomes available.

Narragansett Electric Company
O&M Expenses
For the period ended: March 31, 2009

	<u>Reg Account</u>	<u>12 Month Total</u>
<u>O&M Expenses</u>		
<u>Steam Power Generation Expenses-O&M</u>		
Operate Steam Power Generation		-
Maint Steam Power Generation		-
Subtotal Steam Power Generation Expenses-O&M		-
<u>Other Power Generation Expenses-O&M</u>		
Other Power Generation-MiscExp	549000	(78)
Operate Other Power Generation		(78)
Maint Other Power Generation		-
Other Power Supply Expenses		-
Subtotal Other Power Generation Expenses-O&M		(78)
<u>Hydro Power Generation Expenses-O&M</u>		
Operate Hydro Power Generation		-
Maint Hydro Power Generation		-
Subtotal Hydro Power Generation Expenses-O&M		-
<u>Transmission Expenses-O&M</u>		
Trans Oper-Supervision & Eng	560000	297,042
Trans Oper-Load Dispatching	561000	1,118,649
Schd. Sys Cntrl & Dispatch Srv	561400	3,898,792
Reliab. Plan & Standards Dev	561500	115,726
Trans Oper-Substations	562000	696,581
Trans Oper-Overhead Lines	563000	22,927
Trans Oper-Underground Lines	564000	19,269
Trans Oper-Wheeling	565000	63,248,051
Elec Rev Wheeling-Elim	565035	23,880,075
Sale for Resale-Tran CR-Elim	565037	(40,961,937)
Trans Oper-Misc Expenses	566000	400,770
Oper Transmission Facilities		52,735,945
Trans Maint-Supervision & Eng	568000	249,903
T Maint of Computer Hardware	569100	34,218
T Maint of Computer Software	569200	39,135
T Maint of Communication Equip	569300	17,719
Trans Maint-Substations	570000	1,024,196
Trans Maint-Substation-Trouble	570010	634,462
Trans Maint-Overhead Lines	571000	228,828
Trans Maint-Switch-Unplanned	571010	37,556
Trans Maint-Right of Way	571020	472,484
Trans Maint-Underground Lines	572000	94,473
Trans Maint-Misc Expenses	573000	81,866
Maint Transmission Facilities		2,914,838
Subtotal Transmission Expenses-O&M		55,650,783
<u>Distribution Expenses-O&M</u>		
Dist Oper-Supervision & Eng	580000	1,688,406
Dist Oper-Load Dispatching	581000	2,253,993
Dist Oper-Substations	582000	2,676,227
Dist Oper-Overhead Lines	583000	4,532,733
Dist Oper-Underground Lines	584000	1,680,057
Dist Oper-Outdoor Lighting	585000	492,329
Dist Oper-Electric Meters	586000	2,601,107
Dist Oper-Customer Installation	587000	1,466,145
Dist Oper-Misc Expenses	588000	10,683,031
Dist Oper-Rents	589000	10,274
Rents-Building-Dist-Elim	589001	87,115
Rents-Equip-Dist-Elim	589002	5,784
Operate Dist Facilities		28,177,200
Dist Maint-Supervision & Eng	590000	30,371
Dist Maint-Structures	591000	22,034
Dist Maint-Substations	592000	2,057,913
Dist Maint-Substations-Trouble	592010	887,243
Dist Maint-Overhead Lines	593000	9,376,366
Dist Maint-OH Lines-Trouble	593010	160,770
Dist Maint-OH Lines-Veg Mgmt	593020	7,409,109
Dist Maint-Underground Lines	594000	732,160
Dist Maint-Line Transformers	595000	328,165
Dist Maint-Outdoor Lighting	596000	1,217,197
Dist Maint-Electric Meters	597000	323,116
Dist Maint-Misc Distr Plant	598000	75
Maint Distribution Facilities		22,544,520
Subtotal Distribution Expenses-O&M		50,721,721
<u>Gas Expenses-O&M</u>		
Production Expenses-Gas		-
Operate Gas Facilities		-
Maintain Gas Facilities		-
Subtotal Gas Expenses-O&M		-
<u>Customer Expenses-O&M</u>		
Cust Acct-Supervision	901000	1,073,275
Cust Acct-Meter Reading Exp	902000	1,287,812
Cust Records & Collection	903000	11,805,306
Uncollectible Accounts	904000	17,540,234
Cust Acct-Misc Expenses	905000	966,480
Customer Accts Oper Exp-Elec		32,673,108

Narragansett Electric Company
O&M Expenses
For the period ended: March 31, 2009

	<u>Reg Account</u>	<u>12 Month Total</u>
Cust Service-Supervision	907000	74,551
Cust Assistance Expenses	908000	16,058,311
Info&Instruct Advertising Exp	909000	(10,805)
Cust Service-Misc Expenses	910000	1,676,887
Demo & Selling Expenses	912000	421
Sales-Misc Expenses	916000	1,289
Cust Service & Info Expenses		<u>17,800,654</u>
 <i>Administration Expenses-O&M</i>		
A&G-Salaries	920000	9,557,960
A&G-Office Supplies	921000	11,547,448
Admin Expense Transferred-CR	922000	10
A&G-Outside Services Employed	923000	2,780,712
Property Insurance	924000	946,204
Injuries & Damages Insurance	925000	6,001,487
Employee Pensions & Benefits	926000	19,029,941
Regulatory Comm Expenses	928000	3,547,838
Duplicate Charges-Credit	929000	18
A&G-Institutional/Goodwill Adv	930110	497,832
A&G-Misc Expenses	930200	4,579,156
A&G-Research & Development	930210	159,983
A&G-Rents	931000	3,259,915
Airplane Rent Expense-Elim	931005	39,015
NE Share CSS Costs-Elim	931006	648,335
Administrative Oper Exp-Elec		<u>62,595,854</u>
A&G-Maint-General Plant-Gas	932000	33,830
A&G Maint-General Plant-Elec	935000	214,510
Administrative Maint Expenses		<u>248,341</u>
Subtotal Administration Expenses-O&M		<u>62,844,195</u>
Total Operation Expenses		<u>193,982,684</u>
Total Maintenance Expenses		<u>25,707,699</u>
O&M Expenses		<u>219,690,383</u>

Division Data Request 1-33

Request:

With regard to any amortizations included in test year operation and maintenance expense, please provide the following:

- a. A brief description of the cost being amortized.
- b. The amount of such amortization included in expense.
- c. The period over which the cost is being amortized.
- d. The unamortized balance as of December 31, 2007.
- e. The unamortized balance as of December 31, 2008.
- f. The account to which the amortization is charged.

Response:

Please see Attachment COMM 1-33.

Amortizations included in test year operation and maintenance expense

Brief Description of the cost being amortized	Prepaid Insurance Premium Amortization
Amount of amortization included in expense	\$73,460.72
Period over which cost is being amortized	The amortizations occur over twelve months depending on the coverage period of the related insurance premium.
Unamortized Balance at 12/31/07	\$57,682.23
Unamortized Balance at 12/31/08	\$2,768.89
Account to which the amortization is being charged	925 - Injuries & Damages

Brief Description of the cost being amortized	Voluntary Early Retirement Obligation Amortization
Amount of amortization included in expense	\$2,511,132.00
Period over which cost is being amortized	The amortization is spread out over 10 year period ending in 2013.
Unamortized Balance at 12/31/07	\$12,555,745.00
Unamortized Balance at 12/31/08	\$15,066,877.00
Account to which the amortization is being charged	926 - Employee Pensions & Benefits

The following unamortized balances reside in the books of National Grid Service Company and are being allocated from National Grid Service Company to Narragansett Electric Company and other National Grid affiliates.

Brief Description of the cost being amortized	Prepaid insurance
Amount of amortization included in expense	\$938,986.84 allocated from Service Company and charged to expense on Narragansett Electric Company
Period over which cost is being amortized	Cost amortized at 12-month renewable term.
Unamortized Balance at 12/31/07 - Note 1 *	\$3,697,241.01
Unamortized Balance at 12/31/08 - Note 1 *	\$3,430,243.92
Account to which the amortization is being charged	925 - Injuries and Damages

Brief Description of the cost being amortized	Prepaid PeopleSoft ledger system license and support fees.
Amount of amortization included in expense	\$307,320.64 allocated from Service Company and charged to expense on Narragansett Electric Company
Period over which cost is being amortized	The amortizations are spread out over 12 to 48 month period depending on the coverage period of the related cost.
Unamortized Balance at 12/31/07 - Note 1 *	\$3,709,646.55
Unamortized Balance at 12/31/08 - Note 1 *	\$4,071,329.35
Account to which the amortization is being charged	921 - A&G-Office Supplies

Brief Description of the cost being amortized	Various software and computer application licensing and maintenance fees.
Amount of amortization included in expense	\$19,623.72 allocated from Service Company and charged to expense on Narragansett Electric Company
Period over which cost is being amortized	The amortizations are spread out over 26 to 38 month period depending on the coverage period of the related cost.
Unamortized Balance at 12/31/07 - Note 1 *	\$828,560.02
Unamortized Balance at 12/31/08 - Note 1 *	\$566,909.74
Account to which the amortization is being charged	931 - A&G-Rents

Brief Description of the cost being amortized	Fiber optic lease/Banker's lease
Amount of amortization included in expense	\$32,954.28 allocated from Service Company and charged to expense on Narragansett Electric Company.
Period over which cost is being amortized	Amortization periods vary from 64 to 91 months depending on the coverage period of the related cost.
Unamortized Balance at 12/31/07 - Note 1 *	\$784,128.93
Unamortized Balance at 12/31/08 - Note 1 *	\$653,409.81
Account to which the amortization is being charged	935 - A&G Maint-General Plant-Elec

Brief Description of the cost being amortized	Field Force Automation MWorks Phase II
Amount of amortization included in expense	\$136,681.98 allocated from Service Company and charged to expense on Narragansett Electric Company.
Period over which cost is being amortized	Amortization periods vary from 12 to 48 months depending on the coverage period of the related cost.
Unamortized Balance at 12/31/07 - Note 1 *	\$5,750,053.15
Unamortized Balance at 12/31/08 - Note 1 *	\$4,625,804.04
Account to which the amortization is being charged	931 - Rent

Brief Description of the cost being amortized	Interactive Voice Replacement/IVR, Outage management Systems/OMS, Customer Service System/CSS
Amount of amortization included in expense	\$1,273,084 allocated from Service Company and charged to expense on Narragansett Electric Companies.
Period over which cost is being amortized	Amortization periods vary from 60-120 months depending on the coverage period of the related cost.
Unamortized Balance at 12/31/07 - Note 1 *	\$39,511,174.45
Unamortized Balance at 12/31/08 - Note 1 *	\$44,173,134.06
Account to which the amortization is being charged	931 - Rent

Note 1: Unamortized balances reside in the books of National Grid Service Company to be allocated from National Grid Service Company to Narragansett Electric Company and other National Grid affiliates.