

May 25, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4323 - Application for Approval of a Change in Electric and Gas Base Distribution Rates Pursuant to R.I.G.L. Sections 39-3-10 and 39-1-3-11 Responses to Division Data Requests - Set 1 - ELEC

Dear Ms. Massaro:

Enclosed is an original and ten (10) copies of National Grid's¹ responses to the Division's First Set of Data Requests in the above-captioned proceeding. The enclosed responses complete the First Set, as indicated on the attached discovery log.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 4323 Service List
Leo Wold, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid (herein referred to as "National Grid" or the "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/
Janea Dunne

May 25, 2012
Date

National Grid (NGrid) – Request for Change in Electric & Gas Distribution Rates Docket No. 4323 – Service List updated on 5/24/12

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The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C. Docket No. 4323
Discovery Log

DATA SET	DATA REQUEST	DATE ISSUED	DATE FILED	WITNESS	ATTACHMENT	CONFIDENTIAL ATTACHMENT
DIVISION SET 1						
Division Set 1	Division 1-1-ELEC	5/9/2012	5/25/2012	Michael D. Laflamme	Att. DIV 1-1-ELEC	
Division Set 1	Division 1-2-ELEC	5/9/2012	5/25/2012	Michael D. Laflamme	Att. DIV 1-2-ELEC	
Division Set 1	Division 1-3-ELEC	5/9/2012	5/25/2012	Michael D. Laflamme	Att. DIV 1-3-ELEC	
Division Set 1	Division 1-4-ELEC	5/9/2012	5/25/2012	Michael D. Laflamme	Att. DIV 1-4-ELEC	
Division Set 1	Division 1-5-ELEC	5/9/2012	5/25/2012	Michael D. Laflamme		
Division Set 1	Division 1-6-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme	Att. DIV 1-6-ELEC	
Division Set 1	Division 1-7-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-8-ELEC	5/9/2012	5/25/2012	Michael D. Laflamme	Att. DIV 1-8-ELEC	
Division Set 1	Division 1-9-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme	Att. DIV 1-9-ELEC	
Division Set 1	Division 1-10-ELEC	5/9/2012	5/25/2012	Michael D. Laflamme		
Division Set 1	Division 1-11-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme	Att. DIV 1-11-ELEC	
Division Set 1	Division 1-12-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-13-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme	Att. DIV 1-13-ELEC	
Division Set 1	Division 1-14-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-15-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-16-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-17-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-18-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-19-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-20-ELEC	5/9/2012	5/25/2012	Michael D. Laflamme		
Division Set 1	Division 1-21-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme	Att. DIV 1-21-ELEC	
Division Set 1	Division 1-22-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-23-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme	Att. DIV 1-23-ELEC	
Division Set 1	Division 1-24-ELEC	5/9/2012	5/25/2012	Michael D. Laflamme		
Division Set 1	Division 1-25-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-26-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-27-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme	Att. DIV 1-27-ELEC	
Division Set 1	Division 1-28-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-29-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme	Att. DIV 1-29-ELEC	
Division Set 1	Division 1-30-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-31-ELEC	5/9/2012	5/23/2012	Michael D. Laflamme		
DIVISION SET 2						
Division Set 2	Division 2-1-GAS	5/14/2012	Pending	Michael D. Laflamme		
Division Set 2	Division 2-2-GAS	5/14/2012	Pending	Michael D. Laflamme		
Division Set 2	Division 2-3-GAS	5/14/2012	Pending	Michael D. Laflamme		
Division Set 2	Division 2-4-GAS	5/14/2012	Pending	Michael D. Laflamme		
Division Set 2	Division 2-5-GAS	5/14/2012	Pending	Michael D. Laflamme		
Division Set 2	Division 2-6-GAS	5/14/2012	Pending	Michael D. Laflamme		
Division Set 2	Division 2-7-GAS	5/14/2012	Pending	Michael D. Laflamme		

The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C. Docket No. 4323
Discovery Log

DATA SET	DATA REQUEST	DATE ISSUED	DATE FILED	WITNESS	ATTACHMENT	CONFIDENTIAL ATTACHMENT
Division Set 2	Division 2-8-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-9-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-10-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-11-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-12-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-13-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-14-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-15-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-16-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-17-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-18-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-19-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-20-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-21-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-22-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-23-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-24-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 2	Division 2-25-GAS	5/14/2012	<i>Pending</i>	Michael D. Laflamme		

Division 1-1-ELEC

Request:

Referring to Schedule MDL-3-ELEC, Page 8, please provide workpapers supporting each of the normalizing adjustments.

Response:

Please see Attachment DIV 1-1-ELEC for the normalizing adjustments for the Integrated Facilities Agreement, Vegetation Management, Inspection and Maintenance, Expatriate Expenses and Costs of Savings Initiatives reflected in Columns (b), (c), (d), (f) and (g), respectively, of Schedule MDL-3-ELEC, Page 8. For the Storm Costs normalizing adjustments reflected in Column (e) of Schedule MDL-3-ELEC, Page 8, please see the Company's response to Division 1-2-ELEC. For the Other normalizing adjustments reflected in Column (h) of Schedule MDL-3-ELEC, Page 8, please see the Company's response to Division 1-4-ELEC.

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustment Summary
Test Year Ended December 31, 2011

1	Integrated Facilities Agreement	
2	MDL-3-ELEC, Page 8 Line 44(b) minus Line 23(b)	(1,932,945) Page 2-3
3	MDL-3-ELEC, Page 8 Line 23(b)	52,986,986 Page 4
4		
5	Vegetation Management	
6	MDL-3-ELEC, Page 8 Line 44(c)	(4,712,192) Page 5
7		
8	Inspection and Maintenance	
9	MDL-3-ELEC, Page 8 Line 44(d)	(1,129,737) Page 6-7
10		
11	Storm Costs	
12	MDL-3-ELEC, Page 8 Line 44(e)	(2,384,624) Response to DIV 1-2-ELEC
13		
14	Expatriate Expenses	
15	MDL-3-ELEC, Page 8 Line 44(f)	(187,447) Page 8
16		
17	Costs of Savings Initiatives	
18	MDL-3-ELEC, Page 8 Line 44(g)	(3,945,593) Page 9-10
19		
20	Other	
21	MDL-3-ELEC, Page 8 Line 44(h)	(156,519,796) See Attachment DIV-1-4-ELEC
22		
23	Total Normalizing Adjustments	(117,825,348)

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustment - Integrated Facilities Agreement - A&G Expenses
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (b) except Line 23

		(a)	
	Cost Element Group RI	FERC Account	Total
1	401K Match	920	\$ 1,875
2		923	1
3		926	26,114
4		928	0
5		930	(50)
6	401K Match Total		27,940
7	Advertising	921	731
8		930	4,140
9	Advertising Total		4,871
10	Claims	925	76,333
11	Claims Total		76,333
12	Computer Software Purchases	920	0
13		921	37,248
14		923	0
15		925	57
16		926	16
17		928	7
18		930	257
19		935	80
20	Computer Software Purchases Total		37,663
21	Contractor Services	921	72,464
22		922	(269)
23		923	7,728
24		925	3,558
25		926	677
26		928	14
27		930	12,582
28		931	3,590
29		935	475
30	Contractor Services Total		100,819
31	Health & Hospitalization	920	16,970
32		923	6
33		926	109,041
34		928	12
35		930	(69)
36	Health & Hospitalization Total		125,960
37	Insurance	924	865
38		925	26,751
39	Insurance Total		27,615
40	Labor	920	285,681
41		921	189
42		923	4
43		924	145
44		925	7,030
45		926	3,199
46		928	8,916
47		930	6,814
48		931	111
49		935	2,289
50		920	2,490
51	Labor Total		316,868
52	Lease - Non-Real Estate	921	7,763
53		931	28,820
54		935	1,450
55	Lease - Non-Real Estate Total		38,034
56	Lease - Real Estate	921	613
57		931	18,542
58	Lease - Real Estate Total		19,154
59	Materials & Supplies	921	14,538
60		923	39
61		925	201
62		926	67
63		928	11
64		930	61
65		935	316
66	Materials & Supplies Total		15,235
67	OPEB's	920	13,270
68		923	6
69		926	213,818
70		928	4
71		930	(86)

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustment -Integrated Facilities Agreement - A&G Expenses
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (b) except Line 23

		(a)
Cost Element Group RI	FERC Account	Total
72	OPEB's Total	227,011
73	Other	(1,069)
74	920	
75	921	175,711
76	923	37
77	924	79
78	925	974
79	926	(625)
80	928	9,568
81	930	41,612
82	931	7,136
83	935	352
	Other Total	233,775
84	Other Employee Related Expenses & Benefits	26,724
85	920	10,277
86	921	28
87	923	25,987
88	925	129,601
89	926	259
90	928	508
91	930	1
92	931	18
93	935	(2,490)
94	Other Employee Related Expenses & Benefits Total	190,913
95	Payments to Governments	11
96	921	2,939
97	928	0
98	930	
	Payments to Governments Total	2,950
99	Payroll Taxes	8,444
100	920	4
101	923	277
102	926	0
103	928	(101)
104	930	
	Payroll Taxes Total	8,625
105	Pensions	17,672
106	920	8
107	923	208,602
108	926	5
109	928	(135)
110	930	
	Pensions Total	226,152
111	Postage	488
112	921	
	Postage Total	488
113	Purchased Services	793
114	920	14,502
115	921	122,099
116	923	3,860
117	925	285
118	926	10,047
119	928	3,726
120	930	
	Purchased Services Total	155,312
121	Regulatory Assessments	93,768
122	928	
	Regulatory Assessments Total	93,768
123	Transportation	3,037
124	921	115
125	925	22
126	926	78
127	930	208
128	935	
	Transportation Total	3,459
129	Grand Total	\$ 1,932,946

(a) Per Company books as of December 31, 2011 multiplied by salary allocator rates per Workpaper MDL-1 Page 2 Line 57
Grand Total agreed to Workpaper MDL-1 Page 2 Line 43

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustment -Integrated Facilities Agreement
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (b) Line 23

		(a)
	Cost Element Group RI	FERC Account
		Total
1	Transmission O&M-Integrated Facilities Arrangement	\$ 13,639
2		(1,221,646)
3		(388,089)
4		34,654
5		(2,225)
6		60,868,519
7		(1,475,464)
8		(485)
9		(193,368)
10		(210,697)
11		(897,446)
12		(3,449,503)
13		(36,172)
14		(54,732)
15	Transmission O&M-Integrated Facilities Arrangement Total	52,986,986
16	Grand Total	\$ 52,986,986

(a) Per Company books as of December 31, 2011

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustments -Vegetation Management Expenses
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (c)

			(a)
Cost Element Group RI	Activity Roll Up	FERC Account	Total
1 Computer Software Purchases	Core Crew - All other activities	593	\$ (274)
2 Computer Software Purchases Total			(274)
3 Contractor Services	Core Crew - Contractors	580	(2,685)
4		588	(10,335)
5		593	(120,380)
6		908	(117)
7	CustomerRequests	593	(255,673)
8	Cycle Trim	593	(2,451,027)
9	Hazard Tree	593	(668,400)
10	Interim/Spot Trim	593	(43,747)
11	Police Detail	588	(97,976)
12		593	(260,042)
13	Sub-T	593	(378,798)
14	Trouble Maintenance	593	(156,400)
15 Contractor Services Total			(4,445,582)
16 Labor	Core Crew - All other activities	580	(380)
17		581	(9,179)
18		588	(8,267)
19		593	(194,642)
20		920	(3,547)
21	Trouble Maintenance	593	(16,792)
22 Labor Total			(232,806)
23 Materials & Supplies	Core Crew - All other activities	580	(14)
24		593	(455)
25 Materials & Supplies Total			(469)
26 Other	Core Crew - All other activities	581	(98)
27		588	2
28		593	(1,419)
29		908	(2)
30		921	(2,720)
31 Other Total			(4,237)
32 Other Employee Related Expenses & Benefits	Core Crew - All other activities	588	(1,177)
33		593	(6,380)
34		921	(91)
35	Trouble Maintenance	593	(74)
36 Other Employee Related Expenses & Benefits Total			(7,722)
37 Transportation	Core Crew - All other activities	593	(19,505)
38	Trouble Maintenance	593	(1,596)
39 Transportation Total			(21,101)
40 Grand Total			\$ (4,712,192)

(a) Per Company books as of December 31, 2011

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustments - Inspection and Maintenance
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (d)

1	Work Order	9000085018
2	Project	(Multiple Items)
3	Expense Type	(Multiple Items)

4
5 **Excludes Benefits (B expense Types)**

			(a)
Cost Element Group RI	Project Deser	FERC Account	Total
8	Labor	Inspect & Maint Project - Narr	\$ (199,542.10)
9		583	(618.78)
10	Labor Total		(200,160.88)
11	Materials & Supplies	Inspect & Maint Project - Narr	(410.00)
12	Materials & Supplies Total		(410.00)
13	Other	Inspect & Maint Project - Narr	919.43
14		588	2.26
15	Other Total		921.69
16	Transportation	Inspect & Maint Project - Narr	(24,285.99)
17		588	(49.11)
18	Transportation Total		(24,335.10)
19	Grand Total		\$ (223,984.29)

20

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustments - Inspection and Maintenance
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (d)

21			
22			
23	Project	(Multiple Items)	
24	Expense Type	(Multiple Items)	
25			
26			(a)
27	Cost Element Group RI	Project Descri	FERC Account
28			Total
29	Contractor Services	FH - OS OH Inspect & Equip Rep	580 \$ (38,262.36)
30			588 (149,738)
31			593 (5,805)
32			594 (1)
33			595 (1)
34		IE - OS Cutout Replacements	588 (693)
35	Contractor Services Total		(194,499)
36	Labor	FH - OS OH Inspect & Equip Rep	583 (2,036)
37			584 (525)
38			588 (308)
39			593 (377,922)
40			594 (8,011)
41			595 (4,228)
42			596 (3,087)
43		I&M - OS D-Line OH Work From I	588 (156)
44			593 (10,693)
45		IE - OS Cutout Replacements	588 (146)
46			593 (50,271)
47			594 (382)
48			595 (1,563)
49	Labor Total		(459,327)
50	Lease - Non-Real Estate	FH - OS OH Inspect & Equip Rep	580 (683)
51			588 (1,429)
52	Lease - Non-Real Estate Total		(2,112)
53	Materials & Supplies	FH - OS OH Inspect & Equip Rep	593 (129,539)
54			594 (16,046)
55			595 (4,196)
56		I&M - OS D-Line OH Work From I	593 (708)
57		IE - OS Cutout Replacements	593 (3,567)
58			595 (581)
59	Materials & Supplies Total		(154,636)
60	Other	FH - OS OH Inspect & Equip Rep	584 (7)
61			588 (100)
62			593 (6,723)
63			594 (878)
64			595 (222)
65		I&M - OS D-Line OH Work From I	588 1
66		IE - OS Cutout Replacements	582 (4,827)
67			593 (262)
68			595 (34)
69	Other Total		(13,052)
70	Other Employee Related Expenses & Benefits	FH - OS OH Inspect & Equip Rep	588 (72)
71			593 (5,114)
72			594 (221)
73			595 (69)
74		IE - OS Cutout Replacements	593 (235)
75			595 (22)
76	Other Employee Related Expenses & Benefits Total		(5,734)
77	Transportation	FH - OS OH Inspect & Equip Rep	583 (600)
78			584 (46)
79			593 (64,908)
80			594 (1,450)
81			595 (747)
82			596 (683)
83		I&M - OS D-Line OH Work From I	593 (1,938)
84		IE - OS Cutout Replacements	588 (14)
85			593 (5,801)
86			594 (49)
87			595 (156)
88	Transportation Total		(76,391)
	Grand Total		\$ (905,750.80)

Total Inspection and Maintenance Normalizing Adjustment **\$ (1,129,735.09)**

(a) Per Company books as of December 31, 2011

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustment to Expatriate Expenses
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (f)

		(a) Reverse Actual Test Year Expatriate Expenses	(b) Record Normalizing Expatriate Expenses	(c) Reverse IFA Adjustment	Total Adjustment	
	FERC Account					
1	Contractor Services	581000	(7,612)	5,802	(3,940)	(5,750)
2		588000	(12,813)	11,523		(1,290)
3		880000	-			-
4		901000	(3,451)			(3,451)
5		910000	(21,817)			(21,817)
6		921000	(270,291)	149,200		(121,091)
7		928000	(2,919)			(2,919)
8		930200	861			861
9	Total Contractor Services		<u>(318,041)</u>	<u>166,525</u>	<u>(3,940)</u>	<u>(155,456)</u>
10						
11						
12	Other Employee Related Exp. & Benefits	921000	(9,997)	6,980	(184)	(3,201)
13	Total Employee Related Exp. & Benefits		<u>(9,997)</u>	<u>6,980</u>	<u>(184)</u>	<u>(3,201)</u>
14						
15						
16	Other	581000	(484)			(484)
17		588000	(32)			(32)
18		880000	(20)			(20)
19		910000	(118)			(118)
20		921000	(28,062)			(28,062)
21		928000	(73)			(73)
22	Total Other		<u>(28,789)</u>	<u>0</u>	<u>0</u>	<u>(28,789)</u>
23						
24						
25	Total Normalizing Adjustment to Expatriate Expenses		<u>(356,828)</u>	<u>173,505</u>	<u>(4,124)</u>	<u>(187,447)</u>

a From company books

b The lower of actual cost or market-based cost

The Narragansett Electric Company d/b/a National Grid
Other Normalizing Adjustments - Costs of Savings Initiatives
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (g)

Costs to Achieve Savings (Y/N)		Y				
Expense Type		(Multiple Items)				
			(a)	(b)	(c) = (a) - (b)	
			Sum of GL	Sum of \$	Test Year	
Cost Element Group RI	Project	Project Descr	Act \$	charged to IFA	Costs of Savings Initiatives less amounts charged to the IFA	
1	Computer Software Purchases	X05684	Keyspan Integration	\$ (5,089)	\$ (99)	\$ (4,990)
2		X06704	Transformation	(74,485)	(1,838)	(72,647)
3		X07264	Non CTA Exceptional	8,868	136	8,732
4		X11366	Sourcing - Email And Collabor	(2,795)	(162)	(2,633)
5		X11367	Sourcing Programme	(63)	(1)	(62)
6		X11805	Sourcing - Managed Print	(529)	(7)	(522)
7		X12185	INVP 2560 Solution Delivery T	(20)	(0)	(20)
8		X12186	INVP 2559 IS Transformation	39	1	38
9		X12290	IN 2559L Trans Strat And Arch	13,726	(117)	13,843
10	Computer Software Purchases Total		(60,348)	(2,089)	(58,259)	
11	Contractor Services	X05684	Keyspan Integration	(17,857)	(439)	(17,418)
12		X06704	Transformation	(118,303)	(2,469)	(115,834)
13		X07264	Non CTA Exceptional	14,036	153	13,883
14		X11366	Sourcing - Email And Collabor	(10,498)	(317)	(10,181)
15		X11367	Sourcing Programme	(285)	(5)	(280)
16		X11806	Sourcing - Enterprise Services	(5,764)	(335)	(5,429)
17		X12186	INVP 2559 IS Transformation	2,414	14	2,400
18		X12286	IN 2559I Trans Networks Trans	(1,053)	(29)	(1,024)
19		X12288	IN 2559K Transformation CNI	(2,576)	(75)	(2,502)
20	Contractor Services Total		(139,888)	(3,503)	(136,385)	
21	Energy Efficiency O&M	X07264	Non CTA Exceptional	(37,630)	-	(37,630)
22	Energy Efficiency O&M Total		(37,630)	-	(37,630)	
23	Labor	X05684	Keyspan Integration	(766)	(14)	(752)
24		X06704	Transformation	(500,803)	(1,758)	(499,045)
25		X07264	Non CTA Exceptional	(378,552)	(50,758)	(327,794)
26		X11365	Sourcing - Networks RFP	3,941	64	3,877
27		X11366	Sourcing - Email And Collabor	1,520	29	1,491
28		X11367	Sourcing Programme	2,923	49	2,874
29		X11805	Sourcing - Managed Print	27	1	26
30		X11806	Sourcing - Enterprise Services	1,495	25	1,470
31		X12185	INVP 2560 Solution Delivery T	375	(9)	384
32		X12186	INVP 2559 IS Transformation	22	0	21
33		X12286	IN 2559I Trans Networks Trans	(30,950)	(5,356)	(25,594)
34		X12288	IN 2559K Transformation CNI	(10)	(0)	(10)
35	Labor Total		(900,779)	(57,727)	(843,052)	
36	Lease - Non-Real Estate	X06704	Transformation	(1,391)	-	(1,391)
37		X11366	Sourcing - Email And Collabor	(20)	(0)	(19)
38	Lease - Non-Real Estate Total		(1,410)	(0)	(1,410)	
39	Materials & Supplies	X05684	Keyspan Integration	(2,925)	(62)	(2,862)
40		X06704	Transformation	(8,590)	(2)	(8,588)
41		X07264	Non CTA Exceptional	(549)	(15)	(534)
42	Materials & Supplies Total		(12,064)	(79)	(11,985)	
43	Other	X05684	Keyspan Integration	(77,576)	(1,374)	(76,202)
44		X06704	Transformation	(20,233)	(446)	(19,787)
45		X07264	Non CTA Exceptional	(699,695)	(31,221)	(668,474)
46		X11365	Sourcing - Networks RFP	93	2	91
47		X11366	Sourcing - Email And Collabor	238	(5)	243
48		X11367	Sourcing Programme	574	11	564
49		X11805	Sourcing - Managed Print	(281)	(6)	(275)
50		X11806	Sourcing - Enterprise Services	(1,953)	(37)	(1,916)
51		X12185	INVP 2560 Solution Delivery T	(302)	(3)	(299)
52		X12186	INVP 2559 IS Transformation	5	0	4
53		X12286	IN 2559I Trans Networks Trans	(5,022)	(121)	(4,901)
54		X12288	IN 2559K Transformation CNI	(0)	(0)	(0)
55		X12290	IN 2559L Trans Strat And Arch	701	1	700
56	Other Total		(803,450)	(33,200)	(770,251)	
57	Other Employee Related Expenses & Benefits	X05684	Keyspan Integration	(2,485)	(67)	(2,418)

The Narragansett Electric Company d/b/a National Grid
Other Normalizing Adjustments - Costs of Savings Initiatives
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (g)

Costs to Achieve Savings (Y/N)		Y				
Expense Type		(Multiple Items)				
		(a)	(b)	(c) = (a) - (b)		
					Test Year Costs of Savings Initiatives less amounts charged to the IFA	
Cost Element Group RI	Project	Project Descr	Sum of GL Act \$	Sum of \$ charged to IFA		
58	X06704	Transformation	(14,374)	(103)	(14,271)	
59	X07264	Non CTA Exceptional	(7,952)	(183)	(7,769)	
60	X11365	Sourcing - Networks RFP	992	18	975	
61	X11366	Sourcing - Email And Collabor	267	5	263	
62	X11367	Sourcing Programme	(974)	(20)	(955)	
63	X11805	Sourcing - Managed Print	9	0	9	
64	X11806	Sourcing - Enterprise Services	(1,344)	(29)	(1,315)	
65	X12185	INVP 2560 Solution Delivery T	(95)	(2)	(93)	
66	X12186	INVP 2559 IS Transformation	(3)	(0)	(3)	
67	X12286	IN 2559I Trans Networks Trans	(293)	(4)	(288)	
68	X12288	IN 2559K Transformation CNI	240	4	236	
69	Other Employee Related Expenses & Benefits Total		(26,012)	(381)	(25,630)	
70	Purchased Services	X05684	Keyspan Integration	(1,159)	(10)	(1,148)
71		X06704	Transformation	(640,010)	(9,364)	(630,646)
72		X07264	Non CTA Exceptional	(695,944)	(15,879)	(680,065)
73		X11365	Sourcing - Networks RFP	25,869	313	25,557
74		X11366	Sourcing - Email And Collabor	(38,331)	(1,020)	(37,311)
75		X11367	Sourcing Programme	(132,969)	(740)	(132,229)
76		X11407	INVP N/A IS End State Vision	6,405	654	5,751
77		X11805	Sourcing - Managed Print	(19,375)	(850)	(18,525)
78		X11806	Sourcing - Enterprise Services	(54,100)	(1,080)	(53,020)
79		X12185	INVP 2560 Solution Delivery T	(105,936)	(3,819)	(102,118)
80		X12186	INVP 2559 IS Transformation	(41,568)	(659)	(40,910)
81		X12285	IN 2559H Trans Netwrk Cont N	(47,822)	(797)	(47,025)
82		X12286	IN 2559I Trans Networks Trans	(322,890)	(9,888)	(313,001)
83		X12287	IN 2559J Trans Applicat Ration	(18,106)	(288)	(17,817)
84		X12288	IN 2559K Transformation CNI	2,001	(100)	2,101
85		X12289	IN 2559N Trans Relat Managet	(13,849)	(650)	(13,199)
86		X12290	IN 2559L Trans Strat And Arch	(7,374)	(7)	(7,367)
87	Purchased Services Total		(2,105,159)	(44,186)	(2,060,973)	
88	Transmission O&M-Integrated Facilities Arrangement	X07264	Non CTA Exceptional	(985)	(985)	-
89	Transmission O&M-Integrated Facilities Arrangement Total		(985)	(985)	-	
90	Transportation	X06704	Transformation	(17)	-	(17)
91	Transportation Total		(17)	-	(17)	
92	Grand Total		\$ (4,087,742)	\$ (142,149)	\$ (3,945,593)	

(a) - per Company books as of December 31, 2011

(b) - percentage charged through the IFA based on FERC account and salary allocator rates per Workpaper MDL-1 Page 2 Line 57.

Division 1-2-ELEC

Request:

Referring to Schedule MDL-3-ELEC, Page 8, Column (e), please provide documentation supporting the 2011 storm damage costs being normalized.

Response:

Please see Attachment DIV 1-2-ELEC, Page 1 of 2, for supporting information related to the 2011 storm damage cost normalizing adjustment of \$2,384,624 reflected on Schedule MDL-3-ELEC, Page 8, in Column (e).

During the preparation of this response, the Company determined that it made two errors calculating the normalizing storm cost adjustment. First, the Company did not reflect the Storm Fund deductible of \$375,000 per storm event for the two calendar year 2011 storm events that qualified for Storm Fund inclusion. Second, a work order not related to the October 2011 Snowstorm event was inadvertently included in the query accumulating the incremental costs of that event in the Company's original filing. Consequently, the normalizing adjustment for that storm event was overstated by approximately \$419,000, of which approximately \$194,000 was labor-related. Page 2 of Attachment DIV 1-2-ELEC provides the corrected Storm Costs normalizing adjustment incorporating the corrections of these two errors. As shown on that page of Attachment DIV 1-2-ELEC, these corrections result in an increase in cost of service expense of \$1,158,578. Because a portion of these corrections impacts test year labor expense, test year labor percentages will also be affected and will impact various pro forma adjustments throughout the cost of service.

The Narragansett Electric Company
d/b/a National Grid
Storm Normalizing Adjustments
Calendar Year 2011

Bus Unit Descr	(All)
Normal / Incremental	(2) Incremental
Regulatory Acct	(Multiple Items)

Line #	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
	Sum of Posted Jml \$	Business Unit	Fiscal Yr	Period	Filing WO Description				Grand Total
					Storm Event 03/31/10	Storm Event 09/03/10	Storm Event 08/24/11	Storm Event 10/29/11	
1	00049		2011	10	363	15,922		85,975	102,261
2				11	63,087	(16,228)		88,332	135,190
3				12	110,531	(599,153)		153,498	(335,124)
4			2012	1	2,082			14,770	16,851
5				2	76,641			31,807	108,448
6				3	-	4,586		29,538	34,124
7				4	105			6,587	6,692
8				5	-	1,949	501,791	7,809	511,550
9				6	-		392,608	496	393,104
10				7	-		1,929,573	375,000	2,304,573
11				8	36,166	74,981	(467,204)	(10,327)	(366,384)
12				9	-	-	(526,756)	94	(526,662)
13	00049 Total				288,975	(517,941)	1,830,012	783,578	2,384,624
14	Grand Total				288,975	(517,941)	1,830,012	783,578	2,384,624

The Narragansett Electric Company
d/b/a National Grid
Storm Normalizing Adjustments
Calendar Year 2011

Bus Unit Descr	(All)
Normal / Incremental	(2) Incremental
Regulatory Acct	(Multiple Items)

Line #	Sum of Posted Jnl \$			Filing WO Description					Grand Total
	Business Unit	Fiscal Yr	Period	Storm Event 03/31/10	Storm Event 09/03/10	Storm Event 08/24/11	Storm Event 10/29/11		
1	00049	2011	10	363	15,922			16,286	
2			11	63,087	(16,228)			46,859	
3			12	110,531	(599,153)			(488,622)	
4		2012		1	2,082				2,082
5				2	76,641				76,641
6				3	-	4,586			4,586
7				4	105				105
8				5	-	1,949	501,791		503,741
9				6	-		392,608		392,608
10				7	-		1,929,573	375,000	2,304,573
11				8	36,166	74,981	(467,204)	(10,327)	(366,384)
12				9	-	-	(526,756)	94	(526,662)
13	00049 Total			288,975	(517,941)	1,830,012	364,767	1,965,812	
14	Grand Total			288,975	(517,941)	1,830,012	364,767	1,965,812	
15		Storm Fund Deductible Amount				375,000	364,767		
16		Net CY 2011 Normalization		288,975	(517,941)	1,455,012	-	1,226,046	
17		Normalization Adj as Originally filed						2,384,624	
18		Net COS O&M Impact						1,158,578	

Division 1-3-ELEC

Request:

Referring to Schedule MDL-3-ELEC, Page 8, Column (g), please explain how the costs of the savings initiatives were identified and segregated from normal ongoing expenses.

Response:

In its general ledger, the Company has the ability to utilize "project" codes for internal reporting purposes. Costs of savings initiatives have been recorded to specifically assigned project codes, allowing the Company to query the ledger on those specific codes and to segregate those costs of savings initiatives from ongoing expenses. A listing of applicable project codes has been provided as Attachment DIV 1-3-ELEC.

The Company also has the ability to query such projects based on "expense type" codes, which describe the nature of an expense (i.e., labor, consultants, software, etc.). In calculating its normalizing adjustment to the Narragansett Electric Test Year cost of service, shown at Schedule MDL-3-ELEC, Page 8, Column (g), the Company excluded any labor and benefits expenses recorded to savings-initiative project codes, based on the related expense-type codes. By excluding the labor and benefits related expense-type codes from the savings-initiative project codes, the Company has normalized its Test Year for costs of productivity and efficiency savings initiatives, which are not expected to recur in the Rate Year.

Please also refer to Attachment DIV 1-1-ELEC for documentation supporting the "Cost of Savings Initiatives" normalizing adjustment shown at Schedule MDL-3-ELEC, Page 8, Column (g).

General Ledger Project Listing - Cost of Savings Initiatives

Project	Project Descr	Program
X05684	Keyspan Integration	Various
X06704	Transformation	Various
X07264	Non CTA Exceptional	Various
X11365	Sourcing - Networks RFP	IS Transformation
X11366	Sourcing - Email And Collabora	IS Transformation
X11367	Sourcing Programme	IS Transformation
X11407	INVP N/A IS End State Vision	IS Transformation
X11805	Sourcing - Managed Print	IS Transformation
X11806	Sourcing - Enterprise Services	IS Transformation
X12185	INVP 2560 Solution Delivery Tr	IS Transformation
X12186	INVP 2559 IS Transformation	IS Transformation
X12285	IN 2559H Trans Netwrk Cont Neg	IS Transformation
X12286	IN 2559I Trans Networks Transi	IS Transformation
X12287	IN 2559J Trans Applicat Ration	IS Transformation
X12288	IN 2559K Transformation CNI	IS Transformation
X12289	IN 2559N Trans Relat Managemen	IS Transformation
X12290	IN 2559L Trans Strat And Archi	IS Transformation

Division 1-4-ELEC

Request:

Referring to Schedule MDL-3-ELEC, Page 9, please provide a brief narrative description of each of the normalizing adjustments on lines 11-35.

Response:

Please refer to Attachment DIV 1-4-ELEC. The normalizing adjustments summarized on Schedule MDL-3-ELEC, Page 9, are listed by normalization rationale, such as Out of Period Costs. Page 8, Column (h) of Schedule MDL-3-ELEC lists these same Other normalizing adjustments by cost element in Column (h).

The Narragansett Electric Company d/b/a National Grid
Other Normalizing Adjustments - Summary
Test Year Ended December 31, 2011

Other Normalizing Adjustment	Reference	Description	Workpaper/Attachment
1 Labor			
2 Other Normalizing Labor Adjustments	Schedule MDL-3-ELEC Page 9 of 71 Line 1	\$ (24,034)	
3 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 4(h)	(24,034)	Attachment DIV 1-4-ELEC, Page 4 of 24
4			
5 Donations			
6 Reclassification of Donations to O&M Expenses	Schedule MDL-3-ELEC Page 9 of 71 Line 33	401,142	
7 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 8(h)	401,142	Refer to Workpaper MDL-6
8			
9 Computer Software			
10 Remove Band A Employee Expenses and other employee expenses	Schedule MDL-3-ELEC Page 9 of 71 Line 14	(159)	
11 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 9(h)	(159)	Attachment DIV 1-4-ELEC, Page 23 of 24
12			
13 Facilities			
14 Sutton MA CDC	Schedule MDL-3-ELEC Page 9 of 71 Line 19	(214,440)	
15 Remove Westborough facilities costs	Schedule MDL-3-ELEC Page 9 of 71 Line 35	(60,372)	
16 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 11(h)	(274,812)	Attachment DIV 1-4-ELEC, Page 5 of 24
17			
18 Insurance Premiums			
19 Insurance 2007 Tax Accrual	Schedule MDL-3-ELEC Page 9 of 71 Line 27	28,311	
20 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 13(h)	28,311	Attachment DIV 1-4-ELEC, Page 6 of 24
21			
22 Advertising			
23 Branding and Promotional nonrecoverable advertising expenses	Schedule MDL-3-ELEC Page 9 of 71 Line 11	(141,297)	
24 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 22(h)	(141,297)	Attachment DIV 1-4-ELEC, Page 7 of 24
25			
26 Contractor services			
27 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-ELEC Page 9 of 71 Line 13	(41,030)	See Line 84
28 Remove out of period costs	2/ Schedule MDL-3-ELEC Page 9 of 71 Line 17	(43,777)	See Line 85
29 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 35(h)	(84,807)	
30			
31 Materials and Supplies			
32 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-ELEC Page 9 of 71 Line 13	(3,642)	See Line 84
33 Remove Band A Employee Expenses and other employee expenses	3/ Schedule MDL-3-ELEC Page 9 of 71 Line 14	(9,147)	See Line 86
34 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 36(h)	(12,789)	Attachment DIV 1-4-ELEC, Page 23 of 24
35			
36 Lease Non_Real Estate			
37 Remove NYPSC Service Company Allocation audit costs	Schedule MDL-3-ELEC Page 9 of 71 Line 12	(50,874)	
38 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 37(h)	(50,874)	Attachment DIV 1-4-ELEC, Page 8 of 24
39			

The Narragansett Electric Company d/b/a National Grid
Other Normalizing Adjustments - Summary continued
Test Year Ended December 31, 2011

Other Normalizing Adjustment	Reference	Description	Workpaper/Attachment
40 Other Employee Benefits and Expenses			
41 Remove Band A Employee Expenses and other employee expenses	Schedule MDL-3-ELEC Page 9 of 71 Line 14	(33,390) See Line 86	Attachment DIV 1-4-ELEC, Page 24 of 24
42 Remove Band A Employee Expenses and other employee expenses	Schedule MDL-3-ELEC Page 9 of 71 Line 14	(16,741) See Line 86	Attachment DIV 1-4-ELEC, Page 21 of 24 and Page 22 of 24
43 Remove Band A Employee Expenses and other employee expenses	Schedule MDL-3-ELEC Page 9 of 71 Line 14	(2,667) See Line 86	Attachment DIV 1-4-ELEC, Page 23 of 24
44 Total	3/ Schedule MDL-3-ELEC Page 8 of 71 Line 38(h)	(52,798)	
45			
46 Other			
47 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-ELEC Page 9 of 71 Line 13	(46,993) See Line 84	
48 Remove out of period costs	2/ Schedule MDL-3-ELEC Page 9 of 71 Line 17	(66,329) See Line 85	
49 Remove Lock Box Fees	Schedule MDL-3-ELEC Page 9 of 71 Line 20	(169,762) Expenses processed for lock box fees deemed to be outside test year therefore excluded from cost of service Reserve established to charge off old work orders that should not be capitalized.	Attachment DIV 1-4-ELEC, Page 9 of 24
50 Remove write off of old work orders	Schedule MDL-3-ELEC Page 9 of 71 Line 21	(907,052)	
51 Remove reallocation of 2010 collection expenses	Schedule MDL-3-ELEC Page 9 of 71 Line 24	(80,115) Expenses processed for collection expenses deemed to be outside test year therefore excluded from cost of service	Attachment DIV 1-4-ELEC, Page 10 of 24
52 Remove DOT Billing dispute	Schedule MDL-3-ELEC Page 9 of 71 Line 22	(400,000) Expenses processed for a DOT billing dispute deemed to be outside test year therefore excluded from cost of service	
53 Remove ISO response program	Schedule MDL-3-ELEC Page 9 of 71 Line 23	(58,606) Removal of credit for the ISO load response program	
54 Remove E&Y Service Company Allocation Adjustment	Schedule MDL-3-ELEC Page 9 of 71 Line 18	(630,168) To reflect test year adjustments identified per the review of service company charges performed by Ernst & Young.	Refer to Schedule MDL-1 at Page 7.
55 Remove out of period Merger CTA costs	Schedule MDL-3-ELEC Page 9 of 71 Line 26	(126,497) To remove prior period adjustments made to KeySpan/New England Gas Merger Costs to Achieve amortization recorded as operating expense during the test year.	Attachment DIV 1-4-ELEC, Page 11 of 24
56 Remove Service Company Tax Adjustment	Schedule MDL-3-ELEC Page 9 of 71 Line 25	(262,325) Adjustment to Service Company Tax Adjustment that was deemed to be outside test year therefore excluded from cost of service	Attachment DIV 1-4-ELEC, Page 12 of 24
57 Reclassification of rate case expense related to Docket No 4065 to amortization expense	Schedule MDL-3-ELEC Page 9 of 71 Line 31	(343,632) To reclassify the amortization of R.I.P.U.C. Docket No. 4065 rate case expense recorded as Operating Expense in the test year to Regulatory Amortization expense.	Attachment DIV 1-4-ELEC, Page 16 of 24
58 Reclassificatuon of Merger CTA to amortization expense	Schedule MDL-3-ELEC Page 9 of 71 Line 32	(397,079) To reclassify the amortization of KeySpan/New England Gas Merger Costs to Achieve recorded as Operating Expense in the test year to Regulatory Amortization expense.	Attachment DIV 1-4-ELEC, Page 11 of 24
59 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 38(h)	(3,488,558)	
60			
61 Purchased Services			
62 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-ELEC Page 9 of 71 Line 13	(79,228) See Line 84	
63 Total	Schedule MDL-3-ELEC Page 8 of 71 Line 40(h)	(79,228)	
64			
65 Transportation			
66 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-ELEC Page 9 of 71 Line 13	(3,300) See Line 84	
67 Total		(3,300)	
68			

The Narragansett Electric Company d/b/a National Grid
Other Normalizing Adjustments - Summary final
Test Year Ended December 31, 2011

Other Normalizing Adjustment	Reference	Description	Workpaper/Attachment	
69 Commodity-related Uncollectible expense	Schedule MDL-3-ELEC Page 9 of 71 Line 6	5,176,081	To present commodity-related uncollectible expense as a separate line item in the cost of service, normalized to reflect the three-year average write-off rate times normalized revenues. Refer to Schedule MDL-3-ELEC, Page 46	
70 Transmission-related Uncollectible expense	Schedule MDL-3-ELEC Page 9 of 71 Line 7	1,796,688	To present transmission-related uncollectible expense as a separate line item in the cost of service, normalized to reflect the three-year average write-off rate times normalized revenues. Refer to Schedule MDL-3-ELEC, Page 46	
71 Conservation-related Uncollectible expense	Schedule MDL-3-ELEC Page 9 of 71 Line 8	647,213	To present conservation-related uncollectible expense as a separate line item in the cost of service, normalized to reflect the three-year average write-off rate times normalized revenues. Refer to Schedule MDL-3-ELEC, Page 46	
72 Delivery-related Uncollectible expense				
73				
74 Test Year Bad Debt Expenses - Conservation Revenue	Schedule MDL-3-ELEC Page 9 of 71 Line 34	(325,159)	(1) All uncollectible expense is recorded to one account on the Company's books. Normalizing adjustments were made to the cost of service in order to present test year commodity, transmission, conservation and delivery-related uncollectible expense as separate line items, totaling \$5,074,312 Schedule MDL-3-ELEC, Page 46, Line 24(f)	
75 Test Year Bad Debt Expenses - Transmission Revenue	Schedule MDL-3-ELEC Page 9 of 71 Line 34	(1,116,199)		Schedule MDL-3-ELEC, Page 46, Line 24(g)
76 Test Year Bad Debt Expenses - Commodity Revenue	Schedule MDL-3-ELEC Page 9 of 71 Line 34	(3,632,954)		Schedule MDL-3-ELEC, Page 46, Line 24(h)
77 Normalization Adjustment for Bad Debt Expense	Schedule MDL-3-ELEC Page 9 of 71 Line 34	(3,014,555)	(2) to adjust test year delivery-related uncollectible expense to reflect the three-year average write-off rate times normalized revenues, totaling \$3,014,555. Schedule MDL-3-ELEC, Page 46, Line 26(d)	
72 Total	Schedule MDL-3-ELEC Page 9 of 71 Line 34	(8,088,867)		Refer to Schedule MDL-3-ELEC, Page 46
73				
74 Energy Efficiency O&M	Schedule MDL-3-ELEC Page 9 of 71 Line 4	(34,458,263)	Expenses recovered outside base rates Attachment DIV 1-4-ELEC, Page 17 of 24	
75 Transmission O&M-Wheeling Costs-NEP	Schedule MDL-3-ELEC Page 9 of 71 Line 5	(117,809,444)		Attachment DIV 1-4-ELEC, Page 18 of 24
76				
77				
78				
79 Grand Total Other Normalizing Adjustment		(156,519,795)		
80				
81				
82				
83				
84 1/ Remove Non Recoverable Project expenses	Line 27 + Line 32 + Line +47 + Line 62 + Line 66	(174,193)	Per review of test year expenses, these projects were deemed improperly charged based on jurisdiction, period and/or recoverability from customers Attachment DIV 1-4-ELEC, Page 19 of 24	
85 2/ Remove out of period costs	Line 28 + Line 48	(110,106)	Expenses processed through the accounts payable system deemed to be outside test year therefore excluded from cost of service Attachment DIV 1-4-ELEC, Page 20 of 24	
86 3/ Remove Band A Employee Expenses and other employee expenses	Line 10 + Line 33 + Line 41 + Line 42 + Line 43	(62,104)	To remove Band A employee expenses and other employee expenses processed through the EXP system that were improperly charged based on jurisdiction and/or recoverability from customers.	

The Narragansett Electric Company d/b/a National Grid
Legacy Grid Financial Planning Stipend Allocated to all Business Units
Test Year Ended December 31, 2011

<u>Line #</u>	<u>(a) Employee Id</u>	<u>(b) CY2011</u>
1	100000180	735.03
2	100000575	735.03
3	100000588	2,920.80
4	100000642	275.64
5	100000657	735.03
6	100001214	275.64
7	100001341	275.64
8	100004537	275.64
9	100005135	275.64
10	100005280	735.03
11	100006580	275.64
12	100007019	735.03
13	100007485	275.64
14	100009128	2,920.80
15	100010283	275.64
16	100010512	275.64
17	100010804	735.03
18	100016454	275.64
19	100016742	275.64
20	100017259	275.64
21	100017269	275.64
22	100018446	275.64
23	100019209	275.64
24	100019226	735.03
25	100019233	275.64
26	100019240	275.64
27	100019285	275.64
28	100019954	275.64
29	100028797	275.64
30	100033083	275.64
31	100033570	275.64
32	100046236	735.03
33	100046251	275.64
34	100048687	275.64
35	100051448	735.03
36	100052302	275.64
37	100054480	275.64
38	100054551	275.64
39	100054831	735.03
40	100711139	275.64
41	100711508	735.03
42	100711531	735.03
43	100711600	275.64
44	100711652	275.64
45	100711772	275.64
46	100711779	275.64
47	100711780	275.64
48	100711820	275.64
49	Grand Total	24,033.72

The Narragansett Electric Company d/b/a National Grid
2007 Insurance Tax Accrual Adjustment
Test Year Ended December 31, 2011

	(a) <u>Gas</u>	(b) <u>Electric</u>
1 Journal Entry		
2 Reversal of 2007 Insurance Accrual	300,000	300,000
3 Applicable Bill Pool (00380) Percentage	7.057%	9.437%
4		
5 Amount Recorded in March 2011	<u>21,171</u>	<u>28,311</u>

Line Notes

- 2-3 From Company Books
- 5 Line 2 * Line 3

The Narragansett Electric Company d/b/a National Grid
Other Normalizing Adjustment -Advertising
Test Year Ended December 31, 2011

		(a)	(b)	(c)	(d) = (a)-(b)-(c)
		<u>Total Test Year</u>	<u>Advertising</u>		<u>Advertising</u>
<u>Account</u>	<u>Account Description</u>	<u>Advertising Expenses</u>	<u>Expenses Excluded</u>	<u>IFA Related expenses</u>	<u>Expenses Included</u>
			<u>from COS</u>		<u>in COS</u>
1					
2	909 Informational and Instructional Advertising Expenses	\$ -			
3					
4	912 Demonstrating and Selling Expenses	\$ 26,972			
5					
6	921 Office Supplies and Expenses	\$ 32,021			
7					
8	930.1 General Advertising Expenses	\$ 151,856			
9					
10	Total Advertising Expenses	\$ 210,849	\$ 140,059	\$ 4,871	\$ 65,919
11					
12	IFA related Expenses to advertising invoices		\$ 1,238		\$ (1,238)
13					
14	Total Advertising Expenses		\$ 141,297		\$ 64,681

Notes

- Column (c) Refer to Schedule MDL-3-ELEC Page 8 Line 22(b)
14(c) Refer to Schedule MDL-3-ELEC Page 8 Line 22(h)
14(d) Refer to Advertising Filing Requirement for detail listing of invoices Book 1 of 3

The Narragansett Electric Company d/b/a National Grid
Non-Real Estate Lease Costs
Test Year Ended December 31, 2011

Line No.	Business Unit	Expense Type	Expense Type Descr	OBU Key	Project Descr	Work Order Descr	Prd Name												Grand Total	
							Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
1	00049	500	Rental/Lease Non-Real	Company Direct			\$ 73	\$ 1,052	\$ 33,207	\$ 51,333	\$ 7,069	\$ 14	\$ 653	\$ 3,647	\$ 2,050	\$ 4,238	\$ 2,951	\$ 305	\$ 106,592	
2					FAC - Middletown, RI 12 Turner	FAC - Middletown, RI 12 Turner										\$ (200)			\$ (200)	
3					FAC Intercompany Rents	Intercompany Rent - Lincoln	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 2,991	\$ 35,897
4					NE Mail Services	NE Mail Services	\$ 3,063			\$ 3,176									\$ 3,367	
5					Ocean St - Dist - PM - Subs	Crew reports no heat & no wate					\$ 70								\$ 70	
6						Lincoln Avenue 72 #1 Trf Finns									\$ 1,028				\$ 1,028	
7						The water heater in the Contro										\$ 260			\$ 260	
8					OSD Storm Expense Only Project	Hurricane Irene OS Aug 2011 Ex									\$ 5,832				\$ 5,832	
9						Westerly Sub Expense Distribut													\$ -	
10					Company Direct Total		\$ 6,127	\$ 4,043	\$ 36,198	\$ 57,501	\$ 10,130	\$ 6,372	\$ 3,904	\$ 6,639	\$ 11,901	\$ 7,030	\$ 5,942	\$ 3,296	\$ 159,085	
11					KeySpan Corporate Services	Serv Co Allocation Investigati	\$ 18,659	\$ 20,477	\$ 39,819	\$ 15,600	\$ 15,461	\$ 15,527	\$ 15,461	\$ 5,957	\$ 15,461	\$ 17,972	\$ 17,972	\$ (2,595)	\$ 195,770	
12						NYPSC Allocations Audit			\$ 12,635	\$ 5,377	\$ 5,377	\$ 5,377	\$ 5,377	\$ 2,070	\$ 5,377	\$ 5,377	\$ 5,377	\$ (1,471)	\$ 50,874	
13					KeySpan Corporate Services Total		\$ 18,659	\$ 20,477	\$ 52,454	\$ 20,977	\$ 20,838	\$ 20,904	\$ 20,838	\$ 8,027	\$ 20,838	\$ 23,349	\$ 23,349	\$ (4,066)	\$ 246,643	
14					National Grid USA Services	Amortization	\$ 3,522	\$ 2,970	\$ 38,086	\$ 6,100	\$ 3,061	\$ 7,673	\$ 3,260	\$ 3,662	\$ 1,312	\$ 351	\$ 611	\$ 231	\$ 70,839	
15						Amort - FFA	\$ (292)	\$ 292											\$ -	
16					Enterprise App Integration	Enterprise App Integration													\$ 9	
17					FAC - Leominster, MA Viscoloid	FAC - Leominster, MA Viscoloid	\$ 9												\$ -	
18					FAC - Providence RI Melrose St	FAC - Providence RI Melrose St		\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 50	\$ 25	\$ 25	\$ 25	\$ 25	\$ 275	
19					FAC Intercompany Rents	Intercompany Rent - Brockton	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 1,959	
20						Intercompany Rent - Melrose St	\$ 792	\$ 792	\$ 792	\$ 749	\$ 749	\$ 749	\$ 749	\$ 749	\$ 749	\$ 749	\$ 749	\$ 749	\$ 3,197	
21						Intercompany Rent - Millbury T	\$ 6,066	\$ 6,066	\$ 6,066	\$ 5,738	\$ 5,738	\$ 5,738	\$ 5,738	\$ 5,738	\$ 5,738	\$ 5,738	\$ 5,738	\$ 5,738	\$ 69,839	
22						Intercompany Rent - North Ando	\$ 26	\$ 26	\$ 26	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 294	
23						Intercompany Rent - Northboro	\$ 30,375	\$ 30,375	\$ 30,375	\$ 29,786	\$ 29,786	\$ 29,786	\$ 29,786	\$ 29,786	\$ 29,786	\$ 29,786	\$ 29,786	\$ 29,786	\$ 29,786	\$ 359,194
24						Intercompany Rent - Westboro C	\$ 1,206	\$ 1,206	\$ 1,206	\$ 1,141	\$ 1,141								\$ 5,900	
25						Intercompany Rent - Westboro O	\$ 13,462	\$ 13,462	\$ 13,462										\$ 40,386	
26						Intercompany Rent - Worcester	\$ 10,088	\$ 10,088	\$ 10,088	\$ 9,611	\$ 9,611	\$ 9,611	\$ 9,611	\$ 9,611	\$ 9,611	\$ 9,611	\$ 9,611	\$ 9,611	\$ 116,766	
27						FAC Westboro Ma 25 Research Dr	\$ 637	\$ 22	\$ 2,948	\$ 83	\$ 180	\$ 6	\$ 603	\$ 547	\$ 133		\$ 6		\$ 5,163	
28					Facilities Director	Facilities Director	\$ 24		\$ 159		\$ 24								\$ 208	
29					FH - OS OH Inspect & Equip Rep	Engineering for FH OS		\$ 683											\$ 683	
30					LAN Desktop Support	LAN Desktop Support	\$ 73	\$ 134	\$ 132	\$ 130	\$ 4	\$ 186	\$ 303	\$ 121	\$ 121	\$ 89	\$ 65	\$ 64	\$ 1,421	
31					Local Area Network (Lan)	Local Area Network (Lan)		\$ -											\$ -	
32					MWork	MWork Business Charges	\$ 23	\$ 35	\$ 34	\$ 32	\$ 1	\$ 32	\$ 54	\$ 22	\$ 22	\$ 22	\$ 22	\$ 22	\$ 318	
33					NE Mail Services	NE Mail Services	\$ 272	\$ 520	\$ 224	\$ 196	\$ 331	\$ 187	\$ 199	\$ 122	\$ 24				\$ 2,075	
34					NE Metering Dept for Temps	NE Metering Dept for Temps			\$ 8,756										\$ 8,756	
35					Ocean St - Dist - PM - Subs	This MxOrder was created to ca											\$ 100		\$ 100	
36					OS-Admi Service NE-Mgmt	OS-Admi Service NE-Mgmt	\$ 13,902	\$ 13,389	\$ 7,321	\$ 6,683	\$ 4,350	\$ 22,432	\$ 2,797	\$ 1,280	\$ 13,763	\$ 4,747	\$ 2,910	\$ 7,371	\$ 100,946	
37					OSD Storm Expense Only Project	Hurricane Irene OS Aug 2011 Ex								\$ 7,995	\$ 6,984			\$ 2,420		
38						Snow Storm 1/12/2011 (EXPE	\$ 399												\$ 399	
39					Sourcing - Email And Collabora	Sourcing - EMail And Collabora	\$ 12	\$ 10	\$ (22)	\$ 5	\$ 0	\$ 5	\$ 9						\$ 20	
40					Transformation	EDO Transformation-Phase 1 Ana		\$ 433				\$ 185	\$ 358				\$ 415		\$ 1,391	
41					Work Stoppage Trng - NE	Work continuation trng in NE	\$ 150	\$ 120	\$ 60	\$ 60	\$ 120				\$ 300				\$ 750	
42					National Grid USA Services Total		\$ 80,909	\$ 80,689	\$ 119,959	\$ 60,526	\$ 55,188	\$ 76,922	\$ 53,297	\$ 52,233	\$ 69,466	\$ 58,287	\$ 50,226	\$ 58,652	\$ 816,653	
43					Other		\$ 5,646	\$ 11,773	\$ (7,431)	\$ 3,750	\$ 3,749	\$ (4,847)	\$ 7,257	\$ 5,246	\$ 2,500	\$ 4,135	\$ 4,004	\$ 3,741	\$ 39,524	
44						FAC Intercompany Rents		\$ -	\$ -			\$ 432,611	\$ 31,471	\$ 32,958	\$ 36,136	\$ 42,378	\$ 37,656	\$ 37,753	\$ -	
45						Intercompany Rent - North Ando													\$ -	
46						Intercompany Rent - Sutton													\$ -	
47					FH - OS OH Inspect & Equip Rep	Engineering for FH OS											\$ 1,429		\$ 1,429	
48					OSD Storm Expense Only Project	Hurricane Irene OS Aug 2011 Ex									\$ 1,026				\$ 1,026	
49						Snow Storm 1/12/2011 (EXPE		\$ 300											\$ 300	
50					Other Total		\$ 5,646	\$ 12,073	\$ (7,431)	\$ 3,750	\$ 3,749	\$ 427,764	\$ 38,728	\$ 38,204	\$ 38,636	\$ 47,539	\$ 43,089	\$ 41,314	\$ 693,061	
51					Grand Total		\$ 111,341	\$ 117,282	\$ 201,181	\$ 142,754	\$ 89,905	\$ 531,963	\$ 116,767	\$ 105,103	\$ 140,841	\$ 136,205	\$ 122,606	\$ 99,195	\$ 1,915,442	
52					Reclassification adjustments:															
53					Facilities Lease	RECLASS to Facilities	\$ 65,814	\$ 65,215	\$ 68,141	\$ 50,311	\$ 50,478	\$ 481,704	\$ 81,397	\$ 82,618	\$ 86,384	\$ 91,265	\$ 86,849	\$ 89,108	\$ 1,299,286	
54					Add'l releases out of Blank WO	RECLASS to Facilities	\$ 21,817	\$ 23,635	\$ 42,977	\$ 18,758	\$ 18,619	\$ 18,685	\$ 18,619	\$ 9,115	\$ 18,619	\$ 21,179	\$ 563	\$ 233,714		
55					Total Reclassification adjustments		\$ 87,631	\$ 88,850	\$ 111,118	\$ 69,068	\$ 69,097	\$ 500,390	\$ 100,015	\$ 91,733	\$ 105,003	\$ 112,395	\$ 108,028	\$ 89,672	\$ 1,533,000	
56					Test Year Other Non-Real Estate Lease costs		\$ 23,710	\$ 28,432	\$ 90,063	\$ 73,685	\$ 20,809	\$ 31,573	\$ 16,752	\$ 13,370	\$ 35,838	\$ 24,110	\$ 14,578	\$ 9,524	\$ 382,442	
57					Normalization adjustments:															
58					Storm costs	EXCLUDE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,827	\$ 8,010	\$ -	\$ 2,420	\$ 24,257	
59					NMPC Service Co Allocations	EXCLUDE - s/b allocated to all NY R	\$ -	\$ -	\$ 12,635	\$ 5,377	\$ 5,377	\$ 5,377	\$ 5,377	\$ 2,070	\$ 5,377	\$ 5,377	\$ 5,377	\$ (1,471)	\$ 50,874	
60					Costs of Savings Initiatives	EXCLUDE	\$ 12	\$ 443	\$ (22)	\$ 5	\$ 0	\$ 190	\$ 9	\$ 358	\$ -	\$ -	\$ 415	\$ -	\$ 1,410	
61					Inspection & Maintenance	EXCLUDE	\$ -	\$ 683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,429	\$ -	\$ -	\$ 2,112	
62					IFA	EXCLUDE	\$ 889	\$ 696	\$ 2,112	\$ 1,413	\$ 798	\$ 20,979	\$ 1,223	\$ 1,732	\$ 644	\$ 3,124	\$ 1,637	\$ 2,787	\$ 38,034	
63					Total Normalization adjustments		\$ 901	\$ 1,821	\$ 14,725	\$ 6,796	\$ 6,175	\$ 26,547	\$ 6,609	\$ 4,159	\$ 19,849	\$ 16,510	\$ 8,859	\$ 3,735	\$ 116,686	
64					Adjusted Test Year Other Non-Real Estate Lease costs		\$ 22,809	\$ 26,611	\$ 75,337	\$ 66,890	\$ 14,634	\$ 5,026	\$ 10,143	\$ 9,210	\$ 15,989	\$ 7,600	\$ 5,719	\$ 5,788	\$ 265,756	
65					Other Non-Real Estate Lease costs by Activity															
66					Copier Equipment	per above (OSI-Admin)	\$ 13,902	\$ 13,389	\$ 7,321	\$ 6,683	\$ 4,350	\$ 22,432	\$ 2,797	\$ 1,280	\$ 13,763	\$ 4,747	\$ 2,910	\$ 7,371	\$ 100,946	
67					Two Way Radio - Maintenance	per Blank WO	\$ -	\$ -	\$ 33,027	\$ 51,333	\$ -	\$ (8,595)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,765	
68					Testing Equipment	per Blank WO	\$ -	\$ -	\$ 33,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,009	
69					NE Mail Services	per above	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
70					Fiber Optics	per Blank WO	\$ 2,303	\$ 2,303	\$ 2,402	\$ 2,252	\$ 2,252	\$ 2,256	\$ 2,252</							

The Narragansett Electric Company d/b/a National Grid
Lock Box Fee Normalizing Adjustment
Test Year Ended December 31, 2011

	(a) <u>Gas</u>	(b) <u>Electric</u>
1 Journal Entry from January		
2 Lockbox Management Invoices	2,128.35	2,846.03
3	175,000.00	141,000.00
4	99,644.00	44,159.24
5 Total	<u>276,772.35</u>	<u>188,005.27</u>
6		
7		
8		
9 January Only Charges	<u>14,293.82</u>	<u>18,243.57</u>
10		
11		
12 Charges belonging to Sept-Dec 2010	<u><u>262,478.53</u></u>	<u><u>169,761.70</u></u>

Line Notes

- 2-4 From Company Books
- 5 Sum of Line 2 through Line 4
- 9 From Company Books
- 12 Line 5 - Line 9

**The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C Docket No. 4323
Attachment DIV 1-4-ELEC
Page 10 of 24**

**The Narragansett Electric Company d/b/a National Grid
Collection Fee Adjustment
Test Year Ended December 31, 2011**

	<u>Electric</u>
Journal Entry	
1 Nationwide Credit Charges	117,196
2 Nationwide Credit Charges	134,870
3 Nationwide Credit Charges	154,279
4 Nationwide Credit Charges	135,579
5 Nationwide Credit Charges	143,972
6 Nationwide Credit Charges	107,955
7 Total Adjustments	<u>793,851</u>
8	
9 Applicable Bill Pool (00388) Percentage	10.092%
10	
11 Amount Recorded in 2011	<u><u>80,115</u></u>

Line Notes

- 1-6 From Company Books
- 7 Sum of Line 1 through Line 6
- 9 From Company Books
- 11 Line 7 * Line 9

The Narragansett Electric Company d/b/a National Grid
Amortization of NEG & KeySpan Merger Costs to Achieve (CTA)
Test Year Ended December 31, 2011

Merger CTA amortization recorded to Amortization Expense at FERC				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		
Line No.	Business Unit	Regulatory Acct	Jrnl Id	Jrnl Line Descr	Prd Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY 2011
1	00049	407300	49179	RI CTA Deferral- EXP						\$ (763)	\$ (1,944)	\$ (1,070)	\$ (2,400)	\$ (1,218)	\$ (2,077)	\$ (737)	\$ (78,868)	\$ (89,079)
2				RI CTA Deferral- Recovery						\$ 77,000	\$ 77,000	\$ 77,000	\$ 77,000	\$ 77,000	\$ 77,000	\$ 77,000	\$ 77,000	\$ 616,000
3	Grand Total					\$ -	\$ -	\$ -	\$ -	\$ 76,237	\$ 75,056	\$ 75,930	\$ 74,600	\$ 75,782	\$ 74,923	\$ 76,263	\$ (1,868)	\$ 526,921

Merger CTA amortization recorded to Operating Expense at FERC 921.0				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)			
Line No.	Business Unit	Regulatory Acct	Jrnl Id	Jrnl Line Descr	Prd Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY 2011	
9	00049	921000	49179	RI CTA Deferral		\$ 74,723	\$ 72,657	\$ 194,985	\$ 74,344									\$ 416,709	
10	Grand Total					\$ 74,723	\$ 72,657	\$ 194,985	\$ 74,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 416,709

Summary of Regulatory Asset FERC Account 182.380 "Cost to Achiev				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
Line No.				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY 2011	
16		Beginning Balance		\$ 87,427	\$ 12,704	\$ (59,952)	\$ (254,937)	\$ (329,282)	\$ (405,518)	\$ (480,574)	\$ (556,504)	\$ (631,103)	\$ (706,885)	\$ (781,807)	\$ (858,070)	\$ 87,427	
18		offset should be recorded to FERC 407.2 Amortization of Reg Asset		\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (924,000)
19		offset should be recorded to FERC 921.0 Current Period Expense Deferrals		\$ 2,277	\$ 4,343	\$ 8,512	\$ 2,656	\$ 763	\$ 1,944	\$ 1,070	\$ 2,400	\$ 1,218	\$ 2,077	\$ 737	\$ 78,868	\$ 106,867	
20		offset should be recorded to FERC 921.0 True-Up of Prior Period Deferrals		\$ -	\$ -	\$ (126,497)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (126,497)	
21		TOTAL Activity		\$ (74,723)	\$ (72,657)	\$ (194,985)	\$ (74,344)	\$ (76,237)	\$ (75,056)	\$ (75,930)	\$ (74,600)	\$ (75,782)	\$ (74,923)	\$ (76,263)	\$ 1,868	\$ (943,630)	
22				agrees to FERC 921000 (Line 10)				agrees to FERC 407300 (Line 3)									
24		Ending Balance		\$ 12,704	\$ (59,952)	\$ (254,937)	\$ (329,282)	\$ (405,518)	\$ (480,574)	\$ (556,504)	\$ (631,103)	\$ (706,885)	\$ (781,807)	\$ (858,070)	\$ (856,203)	\$ (856,203)	
29		921000 should be		\$ 19,630	=Line 19 Column (m) + Line 20 Column (m)				Sum of Line 18 Cols (a) through (d) =				\$ (308,000)	reclass from Other O&M to Amortization			
30		921000 as recorded		\$ 416,709	=Line 7 Column (m)				Sum of Line 1 Cols (e) through (l) =				\$ (89,079)	reclass from Amortization to Other O&M			
31		Adjustment 921000		\$ (397,079)	=Schedule MDL-3-ELEC, Page 9 Line 32								\$ (397,079)	Normalization adj to Other O&M			
33		407300 should be		\$ 924,000	= Line 18 Column (m)								\$ 397,079	Normalization adj to Reg Amortization			
34		407300 as recorded		\$ 526,921	= Line 3 Column (m)												
35		Adjustment 407300		\$ 397,079	=Schedule MDL-3-ELEC, Page 55 Line 4								Line 20 Column (c) = \$ (126,497) Normalization adj to Other O&M				

Line Notes:
1-2 Per Company books
3 Agrees to Schedule MDL-3-ELEC, Page 55 Line 1
9-10 Per Company books
16-24 Per Company books
18 Annual amortization of \$924,000 per Order received at R.I.P.U.C. Docket No. 4065, Page 122.
20 Agrees to Schedule MDL-3-ELEC, Page 9 Line 26

The Narragansett Electric Company d/b/a National Grid
Summary of Service Company Tax Normalizing Adjustment
Test Year Ended December 31, 2011

Electric

Service Company Tax Normalizing Adjustment - JE 99618DS5 Correction 2	Page 13 of 24, Line 17	\$	(102,800.41)
Service Company Tax Normalizing Adjustment - JE 99618DS5 Correction 4	Page 14 of 24, Line 29(c)		(147,582.64)
Service Company Tax Normalizing Adjustment - JE 99311D07	Page 15 of 24, Line 69		<u>(11,942.23)</u>
Total		\$	<u><u>(262,325.28)</u></u>

Gas

Test Year Ended December 31, 2011	Page 14 of 24, Line 28(c)		(19,559.14)
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The Narragansett Electric Company d/b/a National Grid
Service Company Tax Normalizing Adjustment - JE 99618DS5 Correction 2
Test Year Ended December 31, 2011

Sum of GL Act \$		Period											Grand Total	
Activity	Business Unit	1	2	3	4	5	6	7	8	9	10	11	Grand Total	
1	409157	Mass Elec	(107,650.43)	(85,688.83)	(109,046.63)	(114,562.51)	(113,484.50)	(113,150.66)	(109,863.99)	(107,582.77)	(200,288.17)	(138,684.68)	(114,599.01)	(1,314,602.18)
2		NEP	(61,466.59)	(42,346.86)	(56,886.17)	(61,032.32)	(53,558.57)	(53,095.76)	(56,085.69)	(55,210.28)	(90,844.21)	(53,291.82)	(54,558.35)	(638,376.62)
3		NIMO	(110,164.33)	(85,594.81)	(122,247.27)	(117,719.20)	(119,400.79)	(115,300.67)	(112,871.19)	(119,482.13)	(222,337.05)	(98,930.62)	(123,337.34)	(1,347,385.40)
4		Narragansett Electric	(46,188.40)	(33,784.81)	(42,263.40)	(43,254.44)	(45,708.48)	(50,347.35)	(51,277.48)	(50,993.10)	(87,006.57)	(43,680.79)	(50,064.66)	(544,569.48)
5	409157 Total		(325,469.75)	(247,415.31)	(330,443.47)	(336,568.47)	(332,152.34)	(331,894.44)	(330,098.35)	(333,268.28)	(600,476.00)	(334,587.91)	(342,559.36)	(3,844,933.68)
6	410157	Mass Elec	138,229.85	144,741.66	137,914.73	142,254.45	142,789.12	143,014.80	139,319.79	131,215.02	136,151.39	178,163.12	181,822.73	1,615,616.66
7		NEP	78,926.93	71,530.39	71,945.94	75,784.98	67,388.77	58,462.34	62,081.27	72,853.25	76,201.89	69,913.81	60,273.21	765,362.78
8		NIMO	141,457.89	144,582.84	154,610.36	146,174.15	150,233.16	149,246.45	141,914.68	142,500.18	160,722.21	141,793.21	131,542.79	1,604,777.92
9		Narragansett Electric	59,308.77	57,067.75	53,451.99	53,709.85	57,511.59	67,199.47	74,608.11	71,354.57	59,412.34	42,618.09	44,284.73	640,527.26
10	410157 Total		417,923.44	417,922.64	417,923.02	417,923.43	417,922.64	417,923.06	417,923.85	417,923.02	432,487.83	432,488.23	417,923.46	4,626,284.62
11	Grand Total		92,453.69	170,507.33	87,479.55	81,354.96	85,770.30	86,028.62	87,825.50	84,654.74	(167,988.17)	97,900.32	75,364.10	781,350.94
12														
13														
14														
15	Narragansett Electric Adjustment		(13,120.37)	(23,282.94)	(11,188.59)	(10,455.41)	(11,803.11)	(16,852.12)	(23,330.63)	(20,361.47)	27,594.23	1,062.70	5,779.93	(95,957.78)
16														
17	CY 2010 Total		(102,800.41)											

The Narragansett Electric Company d/b/a National Grid
Service Company Tax Normalizing Adjustment - JE 99618DS5 Correction 4
Test Year Ended December 31, 2011

1	Sum of Posted Jnl \$		Period									
2	Billing Pool	Activity	1	2	3	4	5	6	7	8	9	Grand Total
3	00694	409110	(2,250.00)	(2,250.00)	(2,250.00)	(2,250.00)	(2,250.00)	(2,250.00)	(2,250.00)	(2,250.00)	(2,250.00)	(20,250.00)
4		409111	(42.00)	(41.00)	(42.00)	(42.00)	(41.00)	(42.00)	(42.00)	(41.00)	(42.00)	(375.00)
5		409114	(21.00)	(21.00)	(21.00)	(20.00)	(21.00)	(21.00)	(21.00)	(21.00)	(21.00)	(188.00)
6		409121	(425.00)	(425.00)	(425.00)	(425.00)	(425.00)	(425.00)	(425.00)	(425.00)	(18,862.00)	(22,262.00)
7		409123		(18,082.77)								(18,082.77)
8		409160		10,211,731.32								10,211,731.32
9		409200	414,725.00	417,884.00	421,021.00	428,773.00	423,183.00	422,857.00	420,584.00	424,596.00	413,824.00	3,787,447.00
10		410100	(215,358.00)	(215,359.00)	(215,358.00)	(215,358.00)	(215,359.00)	(215,358.00)	(215,358.00)	(215,359.00)	(215,358.00)	(1,938,225.00)
11		410105		(10,295,611.62)								(10,295,611.62)
12		411100	(1,106,175.00)	(1,106,175.00)	(1,106,175.00)	(1,106,175.00)	(1,106,175.00)	(1,106,175.00)	(1,106,175.00)	(1,106,175.00)	(1,106,175.00)	(9,955,575.00)
13		411200	792,516.00	792,518.00	792,516.00	792,516.00	792,518.00	792,516.00	792,516.00	792,518.00	792,516.00	7,132,650.00
14	00694 Total		(117,030.00)	(215,832.07)	(110,734.00)	(102,981.00)	(108,570.00)	(108,898.00)	(111,171.00)	(107,157.00)	(136,368.00)	(1,118,741.07)
15	Grand Total		(117,030.00)	(215,832.07)	(110,734.00)	(102,981.00)	(108,570.00)	(108,898.00)	(111,171.00)	(107,157.00)	(136,368.00)	(1,118,741.07)

16
17
18

19	Total Current	409157	13,938,020.55
20	Total Deferred	410157	(15,056,761.62)
21	Net		(1,118,741.07)

22
23
24
25
26
27
28
29
30

	A20 %	(a) Current	(b) Deferred	(c) Net
25	Mass Electric	0.34538	4,813,854.08	(5,200,240.10)
26	NEP	0.19847	2,766,314.79	(2,988,354.21)
27	NIMO	0.30675	4,275,488.17	(4,618,662.02)
28	Narragansett Gas	0.01748	243,680.74	(263,239.88)
29	Narragansett Electric	0.13192	1,838,682.77	(1,986,265.41)
30		1.00000	13,938,020.55	(15,056,761.62)

The Narragansett Electric Company d/b/a National Grid
Amortization of Rate Case Expenses in RIPUC Docket No. 4065 included in O&M
Test Year Ended December 31, 2011

Line No.	Sum of Posted Jml \$							Prd Name												Grand Total		
	Business Unit	Bus Unit Descr	Orig Business Unit	Regulatory Acct	Regulatory Acct Descr	Expense Typ	Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1	00049	Narragansett Electric Comp	00049	182378	Rate Case Expense		182378	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$28,636)	(\$343,632)	
2				928000	Regulatory Comm Expense	400	AG0080	\$28,636	\$28,636	\$28,636	\$28,636	\$28,636	\$28,636	\$28,636	\$28,636	\$28,636	\$28,636	\$28,636	\$28,636	\$28,636	\$343,632	
3	Grand Total								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4																						

Line Notes:

- 1-4 Per Company books
- 2 Amortization of Docket No. 4065 rate case expense recorded to FERC 928 should be reclassified to FERC 407:

	<u>FERC Account</u>	<u>Amount</u>	<u>COS Category</u>
DR	Regulatory Debits 407.3	\$343,632	Regulatory Amortization
CR	Regulatory Commission Expense 928.0	(\$343,632)	Other O&M

The Narragansett Electric Company d/b/a National Grid
Energy Efficiency
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (h) Line 18

Cost Element Group RI	Ferc Account	Total
Energy Efficiency O&M	908	\$ 32,529,736
	909	1,928,528
Energy Efficiency O&M Total		34,458,264
Grand Total		\$ 34,458,264

The Narragansett Electric Company d/b/a National Grid
Transmission O&M-Wheeling Costs
Test Year Ended December 31, 2011

In support of Schedule MDL-3-ELEC, Page 8 Column (h) Line 24

Sum of CY 2011		
Cost Element Group RI	Ferc Account	Total
Transmission O&M-Wheeling Costs-NEP	561	\$ 3,154,628
	565	114,654,816
Transmission O&M-Wheeling Costs-NEP Total		117,809,444
Grand Total		\$ 117,809,444

The Narragansett Electric Company d/b/a National Grid
Non Recoverable Project Expenses
Test Year Ended December 31, 2011

Veg Management	N
Costs to Achieve Savings (Y/N)	N
Storm	N

				Values	
				Sum of GL Act \$	Sum of \$ charged to IFA
1	Computer Software Purchases	X14305	USFP Non Project SME Labor	921	\$ 6.37 \$ 0.27
2	Computer Software Purchases Total				6.37 0.27
3	Contractor Services	X00106	FAC - Brockton MA 161 Mulberry	921	13.75 0.34
4		X00111	FAC Hanover MA 19 Philips Land	921	15.33 0.89
5		X00123	FAC - Monson, MA, Palmer St	921	26.49 0.65
6		X00128	FAC - Northampton MA Hayden Rd	921	240.00 5.86
7		X00135	FAC Weymouth, MA, 186 Main St	921	0.44 0.02
8		X02771	CSS Consolidation Project - Ex	905	62.12 -
9		X07644	Finance Integration	921	2,640.03 109.92
10		X11505	Reservior Woods Gym Membership	921	(145.24) 11.24
11		X12705	EDOG Transformation Wave 2	583	693.93 -
12		X14305	USFP Non Project SME Labor	921	13,936.26 523.16
13		X14485	Procurement SAP / Buying Exper	921	18,993.72 512.57
14		X15585	Procurement USFP Costs Proj	921	4,553.57 211.78
15	Contractor Services Total				41,030.40 1,376.41
16	Lease - Non-Real Estate	X00116	FAC - Leominster, MA Viscoloid	931	(6.00) 0.13
17	Lease - Non-Real Estate Total				(6.00) 0.13
18	Materials & Supplies	E07870	FY09 Expense-Airbreaks/Disconn	582	2,207.00 -
19			FY09 Expense-Airbreaks/Disconn	592	106.02 -
20		X08025	Consumer Advocate Expenses	903	110.15 -
21		X12705	EDOG Transformation Wave 2	592	1,209.11 -
22		X14485	Procurement SAP / Buying Exper	921	9.27 0.08
23	Materials & Supplies Total				3,641.55 0.08
24	Other	C03500	Transmission Sub Blanket - NEC	592	34.64 -
25			Transmission Sub Blanket - NEC	925	6.89 0.28
26			Transmission Sub Blanket - NEC	926	366.58 14.23
27		C08377	Transmission Study Blanket - R	925	10.48 0.27
28			Transmission Study Blanket - R	926	664.27 17.66
29		C24175	Hopkinton Substation (Dist Lin	920	5.87 0.10
30		E07870	FY09 Expense-Airbreaks/Disconn	582	154.49 -
31			FY09 Expense-Airbreaks/Disconn	921	39,804.00 1,142.83
32		X00116	FAC - Leominster, MA Viscoloid	921	0.55 0.01
33		X00132	FAC - Tewksbury, Ma, Deck St	921	1,400.31 56.22
34		X01113	Pad 2000 So Shore - General	920	(9.46) (0.27)
35		X02955	MECO Standard Offer Service	920	(47.84) (1.15)
36			MECO Standard Offer Service	921	2,820.03 51.73
37		X06424	Narragansett Gas Environmental	930	0.00 (0.00)
38		X07204	DSM - ISO FCM Project	908	(45.84) -
39		X07644	Finance Integration	920	(6.67) (0.20)
40		X08025	Consumer Advocate Expenses	903	8.93 -
41		X09065	187 King St North Hampton Fund	930	- -
42		X09925	TSS Transformation	921	(0.97) (0.02)
43		X11505	Reservior Woods Gym Membership	921	(0.14) (0.00)
44		X12305	Trans Delivery System	920	(0.19) (0.02)
45		X12445	Solar Miscellaneous Projects	580	(1.86) -
46			Solar Miscellaneous Projects	910	(0.19) -
47			Solar Miscellaneous Projects	920	(0.03) (0.00)
48		X12705	EDOG Transformation Wave 2	581	(0.93) -
49			EDOG Transformation Wave 2	588	(192.15) -
50			EDOG Transformation Wave 2	592	59.04 -
51			EDOG Transformation Wave 2	903	(1.52) -
52			EDOG Transformation Wave 2	920	(15.96) (0.41)
53		X14305	USFP Non Project SME Labor	580	(110.84) -
54			USFP Non Project SME Labor	581	(62.50) -
55			USFP Non Project SME Labor	920	(225.28) (6.41)
56			USFP Non Project SME Labor	921	32.24 1.37
57			USFP Non Project SME Labor	930	(6.62) (0.06)
58		X14485	Procurement SAP / Buying Exper	920	(62.38) (1.69)
59			Procurement SAP / Buying Exper	921	0.57 0.02
60		X15145	DSM EE Accruals Dist	908	- -
61		X15305	USFP Partner Resources	920	(0.50) (0.03)
62		X15386	Detroit Edison Energy Smart Gr	580	(1.34) -
63			Detroit Edison Energy Smart Gr	586	(2.20) -
64		X15785	ICE Bundled Services	921	2,419.24 140.56
65	Other Total				46,992.72 1,415.02
66	Purchased Services	X09065	187 King St North Hampton Fund	923	1,032.93 8.84
67		X13987	LIPA MSA Analysis	923	5,207.24 302.54
68		X14485	Procurement SAP / Buying Exper	923	65,980.42 1,500.89
69		X15305	USFP Partner Resources	923	7,007.89 155.24
70		X15645	USFP Training	923	- (593.86)
71	Purchased Services Total				79,228.48 1,373.65
72	Transportation	C03500	Transmission Sub Blanket - NEC	592	952.88 -
73		E07870	FY09 Expense-Airbreaks/Disconn	592	2,138.91 -
74		X00123	FAC - Monson, MA, Palmer St	921	13.08 0.26
75		X11205	Beverly-Federal & River St-Non	592	138.23 -
76		X12705	EDOG Transformation Wave 2	588	56.68 -
77	Transportation Total				3,299.78 0.26
78	Grand Total				\$ 174,193.30 \$ 4,165.82
79			Less IFA		(4,165.82)
80			Total Normalizing adjustment		\$ 170,027.48

Please note that the normalizing adjustment should had been net of the IFA or \$170,027.24

The Narragansett Electric Company d/b/a National Grid
Accounts Payable Out of Period Adjustments
Test Year Ended December 31, 2011

Non Recoverable	(All)
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Sum of Total Payables \$					
Cost Element Group RI	Vendor	Invoice No	FERC Account	Comments	Total
1 Contractor Services	BENGTSON AND JESTINGS LLP	090310	903	September 2010 Charges	\$ 2,297
2	NORTHEAST DIVING SERVICES	1722	594	Maintenance of Newport submarine cables 2009 charges	\$ 8,040
3	NORTHERN TREE SERVICE INC	69362	593	July 2010 charges	\$ 9,809
4		69995	593	Wood waste pick up June 2010 charges	\$ 9,504
5		70162	593	September 2010 Charges	\$ 3,363
6		70634	593	October 2010 charges	\$ 10,765
7 Contractor Services Total					\$ 43,777
8 Other	RISE ENGINEERING	DSM043247097245	908	Energy Efficiency	\$ 31,090
9		DSM043250097248	908	Energy Efficiency	\$ 35,239
10 Other Total					\$ 66,329
11 Grand Total					\$ 110,106

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustment to Other Employee Expenses
Test Year Ended December 31, 2011

Sum of Expense \$				
Cost Element Group	Exp Type	Exp Type Descr	FERC Acct	Total
1 Other Employee Benefits & Expenses	AIRFARE	Airfare for Buffalo Trip - PSC Estimating Challenge Training	588000	252.30
2	AUTORNT	Car Rental for Buffalo Trip	588000	49.72
3	BRKFAST		588000	271.30
4		Breafast	588000	39.59
5		Breakfast	588000	38.59
6		Breakfast - westerly floods	588000	29.52
7		Breakfast - westerly floods - 4 people	588000	9.81
8		Make A Wish Holiday Fundraiser	902000	167.14
9		Syracuse NY Stay - Meals	921000	6.31
10	BUSMTG	Engineers Week Luncheon - 47 People	588000	299.13
11		Gas Meeting + Luncheon Fidelity	908000	17.00
12		Lunch Meeting w/ Hope Global (Gas Conversion Related)	908000	13.00
13		meeting to discuss supv retirement & moves	588000	479.46
14		Refreshments for Department staff meeting, see attached attendance sheet	588000	102.97
15		Refreshments for Dept safety and staff meeting see attached list of attendees	588000	88.06
16		Re-Org meeting: J. Hoffman, M. Hrycin, K. Lomax, J. Merritt	588000	38.24
17		Storm Room Refreshments - 14 People	588000	41.04
18		Woon Rotary	908000	414.00
19	CELL		588000	118.36
20		Cell Phone car charger - westerly floods	588000	32.08
21	DINNER		588000	435.70
22			921000	19.86
23		Annual Meeting for The Pawtucket Foundation	908000	32.34
24		CVS Caremark - EMC Restaurant	908000	432.86
25		Dinner while in Buffalo; 3 meals	588000	74.30
26		Pawtucket Foundation Annual Awards Dinner	908000	20.00
27		Providence Foundation Awards Dinner (2 tickets)	908000	300.00
28		Storm	588000	84.90
29		Storm Response	588000	22.50
30		supervisors dinner	593000	6.90
31		Syracuse NY Stay - Meals	921000	17.60
32		Worcester Business Journal Man of the Year Awards	908000	15.00
33	EMPLREL	Arrangement for R. Brawley	588000	99.00
34		Bereavement Arrangement	588000	87.00
35		Incentive reward for 400 days with no OSHA recordables	586000	224.88
36	FUEL	Gas for car rental in Buffalo	588000	9.51
37	HOTEL		588000	546.51
38			921000	132.29
39		Business Meeting Albany	588000	124.26
40		Foundations Leadership - hotel and dinner	588000	186.50
41		Hotel	588000	1,133.02
42		Hotel Reservation - Crowne Plaza , 3 night stay in Syracuse NY \$322.05	921000	322.05
43		Hotel room charge for Buffalo Trip - PSC Estimating Challenge Support	588000	135.36
44		Hotel Wizard: Hotel	588000	1,422.15
45		Storm Lodging	588000	350.30
46	LICENSE		582000	20.00
47	LUNCH		588000	23.29
48			921000	32.52
49		Business Meeting Albany	588000	15.04
50		Lunch 4 people - westerly floods	588000	49.91
51		managers Staff meeting 3 people □ J.Carey, C. Montalto,	588000	42.37
52		Meter set team in G Barrington	586000	167.40
53		Syracuse NY Stay - Meals	921000	8.81
54	MILEAGE	1/19/2011 MILEAGE COMPANY DOCTOR NORTHBORO MA	588000	94.86
55		11/17/2011 EAP Meeting Seeknok to North Darmouth.	588000	27.75
56		12/28-12/29/2010 MILEAGE STORM RESTORATION-LINCOLN/BROCKTON/LINCOLN	580000	35.00
57		Balance of miles to/from Logan to home	588000	15.30
58		Brockton Storm Rm Snow Storm	580000	2.00
59		CALLED IN FOR STORM WORK LESS THAN 24 HOURS	581000	21.56
60		Field Investigation. Lunenburg, MA	587000	66.60
61		From Middleboro to Northboro and return on Saturday (minus base 35)	580000	9.90
62		HOPEDALE: ALBANY MEETING	588000	177.60
63		Hurricane Earl	580000	5.00
64		HURRICANE IRENE- SUNDAY- HOME TO PROVIDENCE	580000	22.20
65		IRENE SUNDAY HOME TO NORTH KINGSTOWN	580000	38.85

The Narragansett Electric Company d/b/a National Grid
Normalizing Adjustment to Other Employee Expenses - continued
Test Year Ended December 31, 2011

Sum of Expense \$	Cost Element Group	Exp Type	Exp Type Descr	FERC Acct	Total
66		MILEAGE	LINCOH; from Seekonk to I.A.P. N. Dartmouth	588000	27.75
67			LINCOH; Seekonk to North Dartmouth	588000	222.00
68			Lincoln Storm Rm - Windstorm	580000	2.00
69			Lincoln Tree Storm Rm	580000	4.08
70			Mileage - Called in from New Hampshire to work Hurricane Irene - Mileage one way to home	593000	76.92
71			Mileage 08/09/11-08/15/11	588000	130.98
72			MILEAGE AND PERDIEM FOR 2 DAYS LEBANON OT MILBURY ON 8/8/11-8/11/11	588000	321.90
73			Mileage diff. roundtrip to Lincoln, RI for storm duty - Forestry	921000	0.89
74			Mileage to NK Storm Room	582000	18.36
75			mileage to Worcester for DOT physical	588000	64.38
76			Miles to/from Clifton Park, NY office for PSC Est Challenge Training/Support	588000	178.50
77			Round Trip Mileage - Home to Providence - Saturday - Hurricane Irene Prep	593000	11.66
78			Round Trip Mileage - Worcester - Full trip Saturday- Tornado Response	593000	35.70
79			Round Trip Mileage - Worcester - Less Commute - Tornado Response	593000	60.68
80			Round trip mileage Sunday - Hurricane Irene	593000	11.66
81			Round Trip mileage to No. Andover, less commute - meet with Aldo Barressi to review AG W	593000	58.90
82			Round Trip Mileage to Worcester, less commute - meet Lindsay Sharon - storm planning	593000	30.34
83			Roundtrip mileage to North Andover for capacitor bank work/meeting.	588000	94.35
84			Roundtrip mileage to North Andover for work transfer information.	588000	102.68
85			Seekonk to North Dartmouth	588000	111.00
86			Sno/Rain Storm No Andover	580000	2.00
87			Syracuse Street Light Survey	905000	34.41
88			Training and Prep for Hrrricane IRENE- Waltham to Providence	580000	29.97
89			Travel from Garden City, NY to Portsmouth, RI	588000	408.00
90			Travel from Garden City, NY to Portsmouth, RI (via ferry)	588000	163.20
91			Travel from Portsmouth, RI to Garden City, NY	588000	408.00
92			Travel from Portsmouth, RI to Garden City, NY (via ferry)	588000	81.60
93			Travel from Portsmouth, RI to Garden City, NY (via ferry)	588000	81.60
94			Travel from Portsmouth, RI to Waltham, MA (less commute)	588000	42.84
95			Worcester Tornado 6/4/11	580000	2.04
96		OTHER	Agent Fee for Buffalo Trip	588000	38.00
97			Beverages For Engineers Week luncheon	588000	8.61
98			Coffee & Donuts for Supervisor "Good Bye" send off	586000	186.78
99			crew coffee	594000	6.12
100			CVS Caremark - Fenway Park, Red Sox Game	908000	60.25
101			Ferry fees - New London CT to Long Island -round trip for 2 people & 1 vehicle. - EDOTransf	588000	128.00
102			first office visit to E.A.P.	588000	15.00
103			Flowers for sick co-worker	588000	40.48
104			Gift - D. Fredericks	588000	133.75
105			Gift Cards for T-Men working Christmas Day holiday - Per C. Root	588000	370.00
106			GTI Training & Certification - High Efficiency Gas Boiler Course	908000	195.00
107			Helping Hands Volunteer Party - food from Stop and Shop	586000	265.62
108			Helping Hands Volunteer Party - Coffee	586000	48.57
109			luggage fees for California trip	586000	59.65
110			NO DESCRIPTION	588000	91.80
111			Refreshments for Department safety meeting (see attached attendance sheet)	588000	88.06
112			Refreshments for dept staff meeting see attached attendance sheet for names	588000	169.24
113			Rfreshments for dept staff and safety meeting	588000	88.06
114			Room Gratuity	588000	20.00
115			Tornado Wilbraham - refreshments for workers	588000	24.95
116			tv for traing	588000	727.49
117			tyndale clothing -	588000	155.00
118			wires down area - snack supplies for storm	586000	147.55
119		PARKING	CVS Caremark - Fenway Park, Red Sox Game Parking	908000	20.00
120			Northern RI Chamber of Commerce Legislative Reception	908000	10.00
121			Parking garage	588000	26.00
122				588000	16.00
123		TOLLS	Meetings with Town of ware and Auburn, MA	908000	2.20
124			Mtg c J. Morrell re: permitting issues in Monson, MA	908000	1.50
125			Newport Bridge	588000	40.00
126			Ted Williams Tunnel Tolls	588000	3.50
127			tolls for 07/01/10-02/08/11	586000	43.02
128			Worcester Business Journal Man of the Year Awards	908000	1.00
129		TRANSP	Airline Tickets - Nantucket	588000	267.50
130			Cross Sound Ferry - New London, CT to Orient Pt, NY	588000	198.00
131			Cross Sound Ferry - New London, CT to Orient Pt., NY (round trip)	588000	198.00
132			Cross Sound Ferry New London, CT to Orient Pt, NY (round trip)	588000	297.00
133			Ferry	588000	99.00
134			Trip to Nantucket	588000	14.00
135			Total		16,741.46

The Narragansett Electric Company d/b/a National Grid
ProCard Detail
Test Year Ended December 31, 2011

ProCard Detail - Allocated to The Narragansett Electric Company (Electric)

<u>Line #</u>	<u>PCH Empl Id</u>	(a)	(b) <u>Total</u>
1	100019477		\$ 159.16
2			9,146.62
3			2,666.92
4			
5	Grand Total		<u><u>\$ 11,972.70</u></u>

The Narragansett Electric Company d/b/a National Grid
Band A Employee Expenses
Test Year Ended December 31, 2011

Band A Employee Expenses Allocated to The Narragansett Electric Company

Sum of 00049 (The Narragansett Electric Company)

Line #	(a) Exp Empl Id	(b) Total
1	100000575	1,304.50
2	100000657	645.52
3	100001214	1,253.25
4	100005280	1,072.24
5	100010804	2,556.95
6	100046236	1,068.61
7	100051448	2,918.38
8	100054831	69.87
9	100063302	1,672.97
10	100711508	1,931.77
11	100711531	8,102.05
12	00693	2,067.77
13	05228	2,670.57
14	07179	2,884.03
15	18207	2,786.08
16	38290	371.83
17	72988	13.28
18		
19	Grand Total	33,389.67

Division 1-5-ELEC

Request:

Referring to Schedule MDL-3-ELEC, Page 9, please provide workpapers supporting each of the normalizing adjustments.

Response:

Please refer to the Company's response to Division 1-4-ELEC and Attachment DIV 1-4-ELEC for the workpapers supporting Schedule MDL-3-ELEC, Page 9.

Division 1-8-ELEC

Request:

Referring to Schedule MDL-3-ELEC, Page 21, please explain why the target variable pay including DSM is compared to actual test year actual variable pay excluding DSM for the purpose of calculating the necessary adjustment.

Response:

Target Rate Year variable pay including DSM should not be compared to actual test year actual variable pay excluding DSM as calculated in the Company's original submission on Schedule MDL-3-ELEC, Pages 21 and 22. The Company's original submission incorrectly applied the non-base rate percentage adjustment to Test Year variable pay rather than Rate Year variable pay. Test Year variable pay was already adjusted for these non-base rate adjustments. These errors were also applied to the Union Goals adjustment set forth on Schedule MDL-3-ELEC, Page 22. The correct calculation is set forth on Attachment DIV 1-8-ELEC. These formula corrections result in a decrease to the Variable Pay adjustment in the amount of \$550,854 as shown on Attachment DIV 1-8-ELEC, Page 1. The related change to the Union Goals adjustment is shown on Attachment DIV 1-8-ELEC, Page 2 and amounts to an increase of \$151,235. The total cost of service impact of these corrections for Narragansett Electric is approximately \$484,000, including associated impacts on payroll taxes, employee benefits, cash working capital and bad debt expense.

The Narragansett Electric Company d/b/a National Grid
Adjustments to Operating Expenses
Test Year Ended December 31, 2011
Variable Pay Adjustment

	(a)	(b)	(c)	(d)	(e)	(f)
	Direct	KeySpan Corporate Services	KeySpan Utility Services	National Grid USA Service Co	Other National Grid Companies	Total
1 Target Annual Variable Pay - End of Year Employees	328,419	15,112,734	770,429	20,569,830		36,781,412
2 Target Annual Variable Pay - Vacancies	36,613	326,875		458,739		
3 Total Target Annual Variable Pay	365,032	15,439,610	770,429	21,028,569		
4						
5 Percentage of Annual Wages Charged to Company	100.00%	2.51%	0.58%	9.18%		
6 Percentage of Management Wages Charged to O & M	58.41%	97.06%	100.00%	70.74%		
7 Percentage of Management O & M Wages Charged to DSM	20.12%	15.23%	0.00%	11.54%		
8 Percentage of Management O & M Wages Charged to Veg Management	0.12%	0.00%	0.00%	1.64%		
9 Percentage of Management O & M Wages Charged to I & M	0.40%	0.00%	0.00%	0.44%		
10 Percentage of Management O & M Wages Charged to IFA	3.56%	2.08%	1.82%	10.57%		
11						
12 Target Variable Pay Charged to O&M	213,215	376,141	4,468	1,365,581	106	1,959,511
13 Less: DSM Variable Pay in Rate Year	(42,899)	(57,286)	-	(157,588)		(257,773)
14 Less: Veg Management Variable Pay in Rate Year	(256)	-	-	(22,396)		(22,652)
15 Less: I & M Variable Pay in Rate Year	(853)	-	-	(6,009)		(6,862)
16 Less: IFA Variable Pay in Rate Year	(7,590)	(7,824)	(81)	(144,342)		(159,837)
17						
18 Total Adjusted Rate Year Variable Pay charged to O&M	161,617	311,031	4,387	1,035,246	106	1,512,387
19						
20 Total Test Year Variable Pay charged to O&M	44,079	1,299,506	7,632	2,193,074	106	3,544,397
21						
22 Variable Pay Adjustments-Corrected	\$ 117,538	\$ (988,475)	\$ (3,245)	\$ (1,157,828)	\$ -	\$ (2,032,010)
Variable Pay Adjustments As Filed	212,291	(890,892)	(3,164)	(799,391)	-	(1,481,156)
Change in Variable Pay Adjustment	(94,753)	(97,583)	(81)	(358,437)	-	(550,854)

Line Notes

- 1(a)-(d) From Workpaper MDL-3, Page 6 of 10
- 2(a)-(d) From Workpaper MDL-3, Page 7 of 10
- 3 Sum of Line 1 thru Line 2
- 5 From Page 12 of 71, Line 74
- 6 From Page 12 of 71, Line 87
- 7 From Page 12 of 71, Line 50 / Page 12 of 71, Line 66
- 8 From Page 12 of 71, Line 51 / Page 12 of 71, Line 66
- 9 From Page 12 of 71, Line 52 / Page 12 of 71, Line 66
- 10 From Page 12 of 71, Line 53 / Page 12 of 71, Line 66
- 12 Line 3 x Line 5 x Line 6
- 13 Line 3 x Line 5 x Line 6 x Line 7
- 14 Line 3 x Line 5 x Line 6 x Line 8
- 15 Line 3 x Line 5 x Line 6 x Line 9
- 16 Line 3 x Line 5 x Line 6 x Line 10
- 18 Sum of Line 12 thru Line 16
- 20 From Company Books
- 22 Line 18 - Line 20

Column Notes

- (f) Sum of Column (a) thru Column (e)

The Narragansett Electric Company d/b/a National Grid
Adjustments to Operating Expenses
Test Year Ended December 31, 2011
Union Goals Adjustment

	(a)	(b)	(c)	(d)	(e)	(f)
	Direct	KeySpan Corporate Services	KeySpan Utility Services	National Grid USA Service Co	Other National Grid Companies	Total
1 Target Annual Union Goals - End of Year Employees	959,832	1,696,105	56,893	1,152,869		3,865,699
2 Target Annual Union Goals - Minimum Union Staffing	41,003					
3 Total Target Annual Union Goals	1,000,835	1,696,105	56,893	1,152,869		
4						
5 Percentage of Annual Wages Charged to Company	100.00%	0.07%	0.56%	16.15%		
6 Percentage of Union Wages Charged to O & M	58.67%	99.61%	99.98%	42.20%		
7 Percentage of Union O & M Wages Charged to DSM	0.00%	0.00%	0.00%	0.00%		
8 Percentage of Union O & M Wages Charged to Veg Management	0.00%	0.00%	0.00%	0.00%		
9 Percentage of Union O & M Wages Charged to I & M	2.29%	0.00%	0.00%	2.92%		
10 Percentage of Union O & M Wages Charged to IFA	2.45%	6.51%	2.17%	16.81%		
11						
12 Target Union Goals Charged to O&M	587,190	1,183	319	78,572	199	667,463
13 Less: DSM Union Goals in Rate Year	-	-	-	-	-	-
14 Less: Veg Management Union Goals in Rate Year	-	-	-	-	-	-
15 Less: I & M Union Goals in Rate Year	(13,447)	-	-	(2,294)		(15,741)
16 Less: IFA Union Goals in Rate Year	(14,386)	(77)	(7)	(13,208)		(27,678)
17						
18 Total Adjusted Rate Year Union Goals charged to O&M	559,357	1,106	312	63,070	199	624,044
19						
20 Test Year Union Goals charged to O&M	546,950	25,889	2,542	530,416	199	1,105,996
21						
22 Union Goals Adjustments	12,407	(24,783)	(2,230)	(467,346)	-	(481,952)
Union Goals Adjustments As Filed	12,407	(62,932)	(14,965)	(567,697)	-	(633,187)
Change in Union Goals Adjustment	-	38,149	12,735	100,351	-	151,235

Line Notes

- 1(a)-(d) From Workpaper MDL-3, Page 8 of 10
- 2(a)-(d) From Workpaper MDL-3, Page 10 of 10
- 3 Sum of Line 1 through Line 2
- 5 From Page 12 of 71, Line 75
- 6 From Page 12 of 71, Line 85
- 7 From Page 12 of 71, Line 20 / Page 12 of 71, Line 67
- 8 From Page 12 of 71, Line 21 / Page 12 of 71, Line 67
- 9 From Page 12 of 71, Line 22 / Page 12 of 71, Line 67
- 10 From Page 12 of 71, Line 23 / Page 12 of 71, Line 67
- 12 Line 3 x Line 5 x Line 6
- 13 Line 3 x Line 5 x Line 6 x Line 7
- 14 Line 3 x Line 5 x Line 6 x Line 8
- 15 Line 3 x Line 5 x Line 6 x Line 9
- 16 Line 3 x Line 5 x Line 6 x Line 10
- 18 Sum of Line 12 through Line 16
- 20 From Company Books
- 22 Line 12 - Line 18

Column Notes

- (f) Sum of Column (a) through Column (e)

Division 1-10-ELEC

Request:

Referring to Schedule MDL-3-ELEC, Page 21, please explain why actual test year variable pay exceeded the target variable pay for the National Grid USA Service Co. employees.

Response:

In responding to this question, the Company assumes that the question is referring to the difference in National Grid USA Service Company, Inc. variable pay amounts reflected on Lines 12 and 19. These variable amounts relate to different years. The amount of test year variable pay, net of DSM amounts, that was expensed during the calendar year 2011 Test Year, or \$2,164,972, is shown on MDL-3-ELEC, Page 21 at Line 19, Column (d), and includes variable pay amounts that have been excluded from the twelve months ended January 31, 2013 Rate Year variable pay target reflected on Line 12, or \$1,365,581. The Rate Year target variable pay excludes variable pay for Band A employees and excludes the financial component of variable pay for Band B and C employees. Lastly, rate year management wages are lower than test year management wages, which also has a decreasing impact on Test Year actual versus Rate Year target variable pay.

Division 1-20-ELEC

Request:

Referring to Schedule MDL-3-ELEC, Page 30, please explain the decrease in uninsured claims for Auto & General Liability from 2008 to the subsequent years.

Response:

Uninsured claims paid for Auto & General Liability were higher in 2007 and 2008 because of two claims in the amounts of \$2,000,000 and \$3,000,000 that were settled in November 2007 and June 2008, respectively. Claims paid increased in 2011 because of a claim in the amount of \$536,000. Uninsured Auto & General Liability expense during the test year of \$2,480,624 reflects claims accrued during the year and is at a level that is consistent with the higher level of claims paid in 2007 and 2008. In addition, there are additional large dollar claims pending.

During the preparation of the response to Division 2-13-GAS, the Company determined that the expenses for claims for Worker's Compensation were inadvertently classified as other employee benefits, not as claims. As a result, the total amount of test year claims of \$2,480,624 should have been \$3,530,204. Because of this issue, the revenue requirement for Narragansett Electric should be reduced by approximately \$1,065,000.

Division 1-24-ELEC

Request:

Referring to Workpaper MDL-13, Page 2, please provide a narrative description of how the expense estimates were developed and any supporting documentation for those estimates.

Response:

To date, National Grid has primarily utilized bill inserts and website updates to support customer outreach and education activities. Although these communication channels are inexpensive compared to other channels, research suggests that their effectiveness is limited.

National Grid is increasing its customer outreach and education expenditures as part of an enterprise-wide strategy to improve the effectiveness of National Grid's customer outreach and education program. For Narragansett Electric, the annualized customer outreach and education expenditures for the Rate Year are projected to be \$586,134 (net of amounts allocated to the Integrated Facilities Agreement ("IFA")), or \$521,453 greater than the normalized Test Year amount as reflected on Workpaper MDL-13-ELEC. For Narragansett Gas, the annualized customer outreach and education expenditures for the Rate Year are projected to be \$426,988, or \$353,811 greater than the normalized Test Year amount as reflected on Workpaper MDL-13-GAS.

The amounts for Narragansett Electric and Narragansett Gas are based on an allocation of electric and gas customers served, respectively.

Baseline Campaign Amount

The Company's current budgeted campaign amount is \$264,492 for Narragansett Electric in the areas of Safety, Storm Readiness, and Customer Education and is \$326,511 for Narragansett Gas in the areas of Safety, Benefits of Natural Gas, and Customer Education. These amounts are based on an allocation of customers served and dollars spent on these themes to service electric and gas customers, respectively. In addition, these amounts are more heavily weighted towards bill inserts as compared to other communication channels.

Incremental Campaign Amount

National Grid retained a professional media buying agency to develop a media plan to effectively launch a media campaign in the Rhode Island media markets. The plan was to include recommended spending levels that would be needed to break through and communicate effectively to the Company's customers on safety and other important matters related to their electric and gas service.

Division 1-24-ELEC, page 2

The total incremental cost of the proposed campaign was estimated at \$880,000 and includes the following elements (see Attachment DIV 1-24-ELEC):

- Radio ads generating 100 Gross Rating Points (“GRP”) per week for 10 weeks and 75 GRPs per week for another 12 weeks (cost \$255,000). GRP measures the size of an audience reached by a specific advertisement.
- Billboards/outdoor advertising: Two months of activity viewed by roughly 50 percent of consumers (cost \$205,000).
- Digital web banners: Rotating promotional banners on various web sites (cost \$205,000).
- Newspaper: Multiple inserts in the Providence Journal and other Rhode Island daily publications (cost \$215,000).

These incremental amounts, however, include costs related to branding/promotional-oriented advertising, which are not eligible for recovery through rates. Consequently, the Company is only seeking recovery for the non-promotional incremental costs, or \$437,500, of which \$337,022 corresponds to Narragansett Electric, as itemized in the Column titled “Incremental Budget” on Workpaper MDL-3-ELEC, Page 2. The corresponding incremental amount for Narragansett Gas is \$100,478 (see Workpaper MDL-3-GAS, Page 2).

For Narragansett Electric, adding the incremental non-promotional campaign budget of \$337,022 to the baseline budget amount of \$264,492 relating to the areas of Safety, Storm Readiness, and Customer Education outreach as itemized in the Column titled “Baseline Budget” on Workpaper MDL-3-ELEC, Page 2, results in a total non-promotional Rate Year campaign of \$601,512 (before IFA allocation) as shown on Line 30 of that Workpaper. Similarly, for Narragansett Gas, adding the incremental non-promotional campaign budget of \$100,478 to the baseline budget amount of \$326,511, as itemized on Workpaper MDL-13-GAS, Page 2, results in a total non-promotional Rate Year campaign of \$426,988.