

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 2 - GAS

Dear Ms. Massaro:

Enclosed is an original and ten (10) copies of National Grid's¹ responses to the Division's Second Set of Data Requests in the above-captioned proceeding.

The responses to the Second Set included with this filing are listed in the enclosed 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

Name/Address	E-mail Distribution	Phone
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Thomas R. Teehan, Esq. National Grid 280 Melrose St. Providence, RI 02907	Thomas.teehan@us.ngrid.com	401-784-7667
	Joanne.scanlon@us.ngrid.com	
Cheryl M. Kimball, Esq. (for NGrid) Keegan Werlin LLP 265 Franklin Street Boston, MA 02110	ckimball@keeganwerlin.com	617-951-1400
	lindas@keeganwerlin.com	
Gerald Petros, Esq. Hinckley, Allen & Snyder	gpetros@haslaw.com	
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Leo Wold, Esq. (for Division) Dept. of Attorney General 150 South Main St. Providence, RI 02903	Lwold@riag.ri.gov	401-222-2424
	dmacrae@riag.ri.gov	
	Steve.scialabba@ripuc.state.ri.us	
	David.stearns@ripuc.state.ri.us	
David Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	Djeffron@aol.com	603-964-6526
Matthew Kahal c/o Exeter Associates 10480 Little Patuxent Pkwy, Suite 300 Columbia, MD 21044	mkahal@exeterassociates.com	410-992-7500
File original & 11 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Lmassaro@puc.state.ri.us	401-780-2107
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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	5/25/2012	Michael D. Laflamme	Att. DIV 2-1-GAS	
Division Set 2	Division 2-2-GAS	5/14/2012	5/25/2012	Michael D. Laflamme	Att. DIV 2-2-GAS	
Division Set 2	Division 2-3-GAS	5/14/2012	5/25/2012	Michael D. Laflamme		
Division Set 2	Division 2-4-GAS	5/14/2012	5/25/2012	Michael D. Laflamme	Att. DIV 2-4-GAS	
Division Set 2	Division 2-5-GAS	5/14/2012	5/25/2012	Michael D. Laflamme		
Division Set 2	Division 2-6-GAS	5/14/2012	5/25/2012	Michael D. Laflamme	Att. DIV 2-6-GAS	
Division Set 2	Division 2-7-GAS	5/14/2012	5/25/2012	Michael D. Laflamme	Att. DIV 2-7-GAS	

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	5/25/2012	Michael D. Laflamme	Att. DIV 2-8-GAS	
Division Set 2	Division 2-9-GAS	5/14/2012	5/25/2012	Michael D. Laflamme	Att. DIV 2-9-GAS	
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	5/25/2012	Michael D. Laflamme	Att. DIV 2-12-GAS	
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 2-1-GAS

Request:

Referring to Schedule MDL-3-GAS, Pages 4 and 6, please provide the financial statements from which the revenues and expenses were taken.

Response:

Please see Attachment DIV 2-1-GAS.

**Calendar Year
Regulatory Income Statement**

The Narragansett Electric Company
d/b/a National Grid
Docket No. R.I.P.U.C. 4323
Attachment DIV-2-1-GAS
Page 1 of 3

Narragansett Gas Company
For the period ended: December 31, 2011
Run Date/Time: January 13, 2012 at 03:43

	<u>Reg Account</u>	<u>Calendar Year to Date</u>	<u>Reference</u>
<u>OPERATING REVENUE</u>			
1	Sales of Electric Energy	0.00	
2	Residential-Gas	480000 261,142,397.23	
3	Commercial & Industrial-Gas	481000 91,324,676.54	
4	Sales for Resale-SUG MA Ops	483000 54,883,515.07	
5	Gas Sales	407,350,588.84	
6	<u>Other Revenues</u>		
7	Other Operating Revenue	0.00	
8	Misc Service Revenue-Gas	488000 (2,350.38)	
9	Rev-Transport of Gas of Others	489300 26,509,953.27	
10	Rent From Gas Property	493000 252,250.00	
11	Other Gas Revenue	495000 4,687,693.09	
12	Other Gas Revenue	31,447,545.98	
13	Total Other Revenues	31,447,545.98	
14	TOTAL OPERATING REVENUE	438,798,134.82	MDL-3-GAS Page 4, Line 51(a)
15			
<u>OPERATING EXPENSES</u>			
17	Natural Gas City Gate Purch	804000 237,229,462.11	
18	Other Gas Purchases	805000 (132,612.64)	
19	Gas Delivered to UG Storage-Cr	808200 18,258,907.52	
20	LNG Withdrawals for Process-DR	809100 2,735,373.20	
21	Delivery of LNG for Processing	809200 (3,715.51)	
22	Gas Used Other Utility Oper-Cr	812000 (410,797.44)	
23	Other Gas Supply Exp	813000 (481,015.40)	
24	Purchased Energy	257,195,601.84	MDL-3-GAS Page 6, Line 5(a)
25	Fuel for Generation	0.00	
26			
27	<u>O&M Expenses</u>		
28	<u>Steam Power Generation Expenses-O&M</u>		
29	Operate Steam Power Generation	0.00	
30	Maint Steam Power Generation	0.00	
31	Subtotal Steam Power Generation Expenses-O&M	0.00	
32			
33	<u>Other Power Generation Expenses-O&M</u>		
34	Operate Other Power Generation	0.00	
35	Maint Other Power Generation	0.00	
36	Other Power Supply Expenses	0.00	
37	Subtotal Other Power Generation Expenses-O&M	0.00	
38			
39	<u>Hydro Power Generation Expenses-O&M</u>		
40	Operate Hydro Power Generation	0.00	
41	Maint Hydro Power Generation	0.00	
42	Subtotal Hydro Power Generation Expenses-O&M	0.00	
43			
44	<u>Transmission Expenses-O&M</u>		
45	Oper Transmission Facilities	0.00	
46	Maint Transmission Facilities	0.00	
47	Subtotal Transmission Expenses-O&M	0.00	
48			
49	<u>Distribution Expenses-O&M</u>		
50	Operate Dist Facilities	0.00	
51	Maint Distribution Facilities	0.00	
52	Subtotal Distribution Expenses-O&M	0.00	
53			
54	<u>Gas Expenses-O&M</u>		
55	Liquefied Petroleum Gas Exp	717000 54.24	
56	Misc Production Expenses	735000 15,862.42	
57	Maint Structures&Improvements	741000 (15,814.17)	
58	Production Expenses-Gas	102.49	
59	Operation Supv & Eng	840000 917,587.11	
60	LNG Proc Terminal Labor & Exp	844200 1,105,204.00	
61	LNG Term & Process Exp-Fuel	845100 (10,418.65)	
62	LNG Term & Process Exp-Power	845200 1,876.38	
63	LNG Term & Process Exp-Rents	845300 7,605.78	
64	Gas Oper-Trans Supv & Eng	850000 166.90	
65	Gas Oper-Dist Supv & Eng	870000 1,032,800.42	
66	Gas Oper-Dist-Load Dispatching	871000 619,710.60	
67	Compressor Station Fuel&Power	873000 106,569.31	
68	Gas Oper-Dist-Mains & Services	874000 2,807,304.83	
69	Gas Oper-Station Exp-General	875000 797,332.86	
70	Gas Oper-Stat Exp-Industrial	876000 268,536.36	
71	Gas Oper-Residential Meter Exp	878000 3,706,732.12	
72	Gas Oper-Customer Installation	879000 2,890.49	

**Calendar Year
Regulatory Income Statement**

The Narragansett Electric Company
d/b/a National Grid
Docket No. R.I.P.U.C. 4323
Attachment DIV-2-1-GAS
Page 2 of 3

Narragansett Gas Company
For the period ended: December 31, 2011
Run Date/Time: January 13, 2012 at 03:43

	<u>Reg Account</u>	<u>Calendar Year to Date</u>	Reference
73	Gas Oper-Misc Expenses	880000	4,973,391.95
74	Operate Gas Facilities		<u>16,337,290.46</u>
75	Maint of LNG plant buildings	847200	45,627.71
76	Maint LNG Proc Terminal Equip	847300	89,578.66
77	Maint Measuring & Reg Equip	847500	66.44
78	LNG Term&Proc-Maint Oth Equip	847800	108,078.94
79	Maintenance of Mains	863000	14,726.71
80	Gas Maint-Supervision & Eng	885000	1,329,116.21
81	Gas Maint-Mains	887000	6,622,516.28
82	Gas Maint-Station Exp-General	889000	342,492.28
83	Gas Maint-Stat Exp-Industrial	890000	5,055.72
84	Gas Maint-Stat Exp-City Gate	891000	147,110.55
85	Gas Maint-Services	892000	6,115,775.40
86	Gas Maint-Residential MeterExp	893000	1,534,039.52
87	Maintenance of Other Equipment	894000	<u>68,580.85</u>
88	Maintain Gas Facilities		<u>16,422,765.27</u>
89	Subtotal Gas Expenses-O&M		<u>32,760,158.22</u>
90			
91	<u>Customer Expenses-O&M</u>		
92	Cust Acct-Supervision	901000	440,633.26
93	Cust Acct-Meter Reading Exp	902000	716,033.80
94	Cust Records & Collection	903000	9,081,167.53
95	Uncollectible Accounts	904000	10,734,160.03
96	Cust Acct-Misc Expenses	905000	<u>180,396.70</u>
97	Customer Accts Oper Exp-Elec		<u>21,152,391.32</u>
98			
99	Cust Service-Supervision	907000	13,822.57
100	Cust Assistance Expenses	908000	5,036,488.84
101	Info&Instruct Advertising Exp	909000	83,781.94
102	Cust Service-Misc Expenses	910000	466,597.14
103	Sales Expense-Supervision	911000	761.34
104	Demo & Selling Expenses	912000	2,618,499.04
105	Sales-Advertising Expense	913000	93,816.81
106	Sales-Misc Expenses	916000	<u>(706,100.63)</u>
107	Cust Service & Info Expenses		<u>7,607,667.05</u>
108			
109	<u>Administration Expenses-O&M</u>		
110	A&G-Salaries	920000	10,907,629.00
111	A&G-Office Supplies	921000	7,677,503.76
112	A&G Srv Co Deprec Exp PAM	921003	73,068.10
113	A&G Srv Co Amort Ltd Elec Plnt	921004	88,927.47
114	A&G Srv Co Deprec Exp LAB	921005	23,956.86
115	A&G Srv Co AFUDC Credit	921007	(228,985.20)
116	A&G-Outside Services Employed	923000	3,404,469.94
117	Property Insurance	924000	11,413.53
118	Injuries & Damages Insurance	925000	1,676,984.67
119	Employee Pensions & Benefits	926000	15,729,266.84
120	Franchise Requirements	927000	(9.20)
121	Regulatory Comm Expenses	928000	2,081,940.13
122	Duplicate Charges-Credit	929000	853.71
123	A&G-Institutional/Goodwill Adv	930110	99,511.58
124	A&G-Misc Expenses	930200	2,099,409.26
125	A&G-Research & Development	930210	7,257.33
126	A&G-Rents	931000	1,454,654.91
127	Airplane Rent Expense-Elim	931005	<u>27,928.44</u>
128	Administrative Oper Exp-Elec		<u>45,135,781.13</u>
129	A&G-Maint-General Plant-Gas	932000	0.00
130	A&G Maint-General Plant-Elec	935000	<u>94,891.68</u>
131	Administrative Maint Expenses		<u>94,891.68</u>
132	Subtotal Administration Expenses-O&M		<u>45,230,672.81</u>
133			
134	Total Operation Expenses		<u>90,233,232.45</u>
135	Total Maintenance Expenses		<u>16,517,656.95</u>
136			
137	O&M Expenses		<u>106,750,889.40</u>
138			
139	<u>Depreciation & Amortization</u>		
140	Depreciation Expense	403000	(2,128,213.62)
141	Depreciation Expense - LAB	403010	2,746,343.30
142	Depreciation Expense - PAM	403030	20,144,123.52
143	Depreciation Expense-AR Costs	403100	8,531.55
144	Depreciation		<u>20,770,784.75</u>
145	Amort of Other Plant	405000	373,979.04

MDL-3-GAS Page 6, Line 7(a) - 2,450,000 Company Share of Net Merger Synergies

**Calendar Year
Regulatory Income Statement**

The Narragansett Electric Company
d/b/a National Grid
Docket No. R.I.P.U.C. 4323
Attachment DIV-2-1-GAS
Page 3 of 3

Narragansett Gas Company
For the period ended: December 31, 2011
Run Date/Time: January 13, 2012 at 03:43

	<u>Reg Account</u>	<u>Calendar Year to Date</u>	<u>Reference</u>
146	Amort of Intangibles-Cost	405001 1,245,076.49	
147	Amortization Other Gas Plant	405010 754,143.00	
148	Amortization-Regulatory Debits	407300 1,918,364.00	
149	Amortization	<u>4,291,562.53</u>	
150	Depreciation & Amortization	<u>25,062,347.28</u>	MDL-3-GAS Page 6, Line 13(a) through Line 15(a)
151			
152	<i>Taxes Other than Income Taxes</i>		
153	Tx Oth Inc Tx-Fed Unempl Comp	408100 (229,736.92)	
154	Federal Unemployment	<u>(229,736.92)</u>	
155	Tx Oth Inc Tx-FICA Co Portion	408110 2,472,434.42	
156	Company FICA	<u>2,472,434.42</u>	
157	Tx Oth Inc Tx-St Unempl Tax	408130 152,904.70	
158	State Unemployment	<u>152,904.70</u>	
159	Tx Oth Inc Tx-Mun Op Prop	408140 11,658,208.76	
160	Municipal Property Tax	<u>11,658,208.76</u>	
161	Franchise Tax	<u>0.00</u>	
162	Tx Oth Inc Tx-St Gross Earn	408160 11,282,571.58	
163	Miscellaneous	<u>11,282,571.58</u>	
164	Taxes Other than Income Taxes	<u>25,336,382.54</u>	MDL-3-GAS Page 6, Line 16(a) through Line 17(a)
165	State Income Taxes	<u>0.00</u>	
166	Deferred State Income Tax-Debit	<u>0.00</u>	
167	Deferred State Income Tax-Credit	<u>0.00</u>	
168	Fed Inc Tx-Current Year	409150 (942,277.32)	
169	Fed Inc Tx-Utility Operations	409151 (19,276,802.33)	
170	Fed Inc Tax-Curr-Util Oper Inc	409157 147,138.45	
171	Fed Inc Tx-Prior Years	409160 1,994,615.10	
172	Federal Income Taxes	<u>(18,077,326.10)</u>	
173	Def FIT Expense-Debit	410100 45,186,017.20	
174	Def FIT Expense-Prior Year	410105 (1,778,378.00)	
175	Def Inc Tax-Utility Oper Inc	410157 (217,924.73)	
176	Deferred Federal Income Tax-Debit	<u>43,189,714.47</u>	
177	Def FIT Expense-Credit	411100 (19,619,479.67)	
178	Deferred Federal Income Tax-Credit	<u>(19,619,479.67)</u>	
179	Investment Tax Credit Adjustment	<u>0.00</u>	
180	Current Tax-Exceptional Items	<u>0.00</u>	
181	Deferred Tax-Exceptional Items	<u>0.00</u>	
182	Gain/Loss on Disposal of Utility Plant	<u>0.00</u>	
183	ARO Accretion Expense	<u>0.00</u>	
184	TOTAL OPERATING EXPENSES	<u>419,838,129.76</u>	
185			
186	NET OPERATING INCOME	<u>18,960,005.06</u>	

Division 2-2-GAS

Request:

Referring to Schedule MDL-3-GAS, Page 8, please provide workpapers supporting the normalizing adjustments in Columns (b) and (e).

Response:

Please refer to Attachment DIV 2-2-GAS.

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

1	Costs of Savings Initiatives	
2	Schedule MDL-3-GAS, Page 8 Line 45(b)	(2,832,033) Pages 2-3
3		
4	Donations	
5	Schedule MDL-3-GAS, Page 8 Line 45(c)	235,086 Page 4
6		
7	Westerly Event	
8	Schedule MDL-3-GAS, Page 8 Line 45(d)	(2,299,983) Page 5
9		
10	Expatriate Expenses	
11	Schedule MDL-3-GAS, Page 8 Line 45(e)	(91,622) Page 6
12		
13	Total Normalizing Adjustments	(4,988,552)

The Narragansett Electric Company d/b/a National Grid
Other Normalizing Adjustments - Gas Test Year Costs of Savings Initiatives

In support of Schedule MDL-3-GAS, Page 8 Column (b)

Costs to Achieve Savings (Y/N)	Y
Business Unit	48
Expense Type	(Multiple Items)
Regulatory Act	(All)

Excludes benefits (B expense types) and labor (P expense types), except Variable Pay (P30)

Sum of GL Act \$	Project	Project Descr	Total
Cost Element Group RI			
Computer Software Purchases	X05684	Keyspan Integration	\$ 0
	X06704	Transformation	\$ 44,437
	X07264	Non CTA Exceptional	\$ 17,601
	X11366	Sourcing - Email And Collabora	\$ 1,942
	X11367	Sourcing Programme	\$ 50
	X11805	Sourcing - Managed Print	\$ 983
	X12185	INVP 2560 Solution Delivery Tr	\$ 14
	X12186	INVP 2559 IS Transformation	\$ 41
	X12288	IN 2559K Transformation CNI	\$ 103
	X12290	IN 2559L Trans Strat And Archi	\$ (8,447)
Computer Software Purchases Total			\$ 56,725
Contractor Services	X05684	Keyspan Integration	\$ (1,132)
	X06704	Transformation	\$ 23,968
	X07264	Non CTA Exceptional	\$ 48,876
	X11366	Sourcing - Email And Collabora	\$ 21,075
	X11367	Sourcing Programme	\$ 195
	X11806	Sourcing - Enterprise Services	\$ 4,006
	X12186	INVP 2559 IS Transformation	\$ (658)
	X12286	IN 2559I Trans Networks Transi	\$ 1,166
	X12288	IN 2559K Transformation CNI	\$ 12,251
Contractor Services Total			\$ 109,747
Energy Efficiency O&M	X07264	Non CTA Exceptional	\$ -
Energy Efficiency O&M Total			\$ -
Labor	X05684	Keyspan Integration	\$ -
	X06704	Transformation	\$ 405,708
	X07264	Non CTA Exceptional	\$ 153,710
	X11365	Sourcing - Networks RFP	\$ (3,042)
	X11366	Sourcing - Email And Collabora	\$ 2,052
	X11367	Sourcing Programme	\$ (1,300)
	X11805	Sourcing - Managed Print	\$ 129
	X11806	Sourcing - Enterprise Services	\$ 2,243
	X12185	INVP 2560 Solution Delivery Tr	\$ (3,125)
	X12186	INVP 2559 IS Transformation	\$ (7,420)
	X12285	IN 2559H Trans Network Cont Neg	\$ (2,215)
	X12286	IN 2559I Trans Networks Transi	\$ 27,877
	X12287	IN 2559J Trans Applicat Ration	\$ (603)
	X12288	IN 2559K Transformation CNI	\$ 613
	X12289	IN 2559N Trans Relat Managemen	\$ (1,084)
	X12290	IN 2559L Trans Strat And Archi	\$ (871)
Labor Total			\$ 572,671
Lease - Non-Real Estate	X11366	Sourcing - Email And Collabora	\$ 65
Lease - Non-Real Estate Total			\$ 65
Materials & Supplies	X05684	Keyspan Integration	\$ (415)
	X06704	Transformation	\$ 46
	X07264	Non CTA Exceptional	\$ 477
Materials & Supplies Total			\$ 108
Other	X05684	Keyspan Integration	\$ 99,681
	X06704	Transformation	\$ 11,838
	X07264	Non CTA Exceptional	\$ 552,169
	X11365	Sourcing - Networks RFP	\$ 45
	X11366	Sourcing - Email And Collabora	\$ 376
	X11367	Sourcing Programme	\$ 373
	X11805	Sourcing - Managed Print	\$ 308
	X11806	Sourcing - Enterprise Services	\$ 1,501
	X12185	INVP 2560 Solution Delivery Tr	\$ 465
	X12186	INVP 2559 IS Transformation	\$ 342
	X12285	IN 2559H Trans Network Cont Neg	\$ 97
	X12286	IN 2559I Trans Networks Transi	\$ 3,465
	X12287	IN 2559J Trans Applicat Ration	\$ 17
	X12288	IN 2559K Transformation CNI	\$ (6)
	X12289	IN 2559N Trans Relat Managemen	\$ 28
	X12290	IN 2559L Trans Strat And Archi	\$ (631)
Other Total			\$ 670,066
Other Employee Related Expenses & Benefits	X05684	Keyspan Integration	\$ 60
	X06704	Transformation	\$ 2,812
	X07264	Non CTA Exceptional	\$ 7,086
	X11365	Sourcing - Networks RFP	\$ 1,845
	X11366	Sourcing - Email And Collabora	\$ 1,161
	X11367	Sourcing Programme	\$ 6,669
	X11805	Sourcing - Managed Print	\$ 10
	X11806	Sourcing - Enterprise Services	\$ 1,469
	X12185	INVP 2560 Solution Delivery Tr	\$ 1,653
	X12186	INVP 2559 IS Transformation	\$ 60
	X12286	IN 2559I Trans Networks Transi	\$ 942
	X12288	IN 2559K Transformation CNI	\$ 499
	X12289	IN 2559N Trans Relat Managemen	\$ 379
Other Employee Related Expenses & Benefits Total			\$ 24,646
Purchased Services	X06704	Transformation	\$ 471,170
	X07264	Non CTA Exceptional	\$ 240,968
	X11365	Sourcing - Networks RFP	\$ (39,414)
	X11366	Sourcing - Email And Collabora	\$ 11,817
	X11367	Sourcing Programme	\$ 179,851
	X11407	INVP N/A IS End State Vision	\$ 14,523
	X11805	Sourcing - Managed Print	\$ 11,852
	X11806	Sourcing - Enterprise Services	\$ 30,087
	X12185	INVP 2560 Solution Delivery Tr	\$ 151,431
	X12186	INVP 2559 IS Transformation	\$ 81,797
	X12285	IN 2559H Trans Network Cont Neg	\$ 72,071
	X12286	IN 2559I Trans Networks Transi	\$ 205,333
	X12287	IN 2559J Trans Applicat Ration	\$ 24,568
	X12288	IN 2559K Transformation CNI	\$ (28,583)
	X12289	IN 2559N Trans Relat Managemen	\$ (20,095)
	X12290	IN 2559L Trans Strat And Archi	\$ (9,371)
Purchased Services Total			\$ 1,398,005
Grand Total			\$ 2,832,033

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

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

	Organization Official Name	Payment Amount	Payment Date	
1	FAMILY SERVICE OF RHODE ISLAND INC	\$12,500.00	12/08/2011	
2	AMERICAN NATIONAL RED CROSS	\$5,000.00	11/03/2011	
3	UNITED WAY OF RHODE ISLAND INC	\$2,500.00	12/08/2011	
4	FAMILY SERVICE OF RHODE ISLAND INC	\$2,500.00	10/06/2011	
5	RHODE ISLAND COMMODORES	\$350.00	09/29/2011	
6	PAWTUCKET FOUNDATION	\$3,000.00	08/25/2011	
7	GREATER WESTERLY CHAMBER FOUNDATION INC	\$270.00	11/03/2011	
8	RHODE ISLAND COMMODORES	\$350.00	09/29/2011	
9	PROVIDENCE FOUNDATION	\$5,000.00	09/15/2011	
10	GRANTMAKERS COUNCIL OF RHODE ISLAND INC	\$1,270.00	12/22/2011	
11	BLACKSTONE VALLEY TOURISM COUNCIL INC	\$1,500.00	09/29/2011	
12	CENTRAL RHODE ISLAND CHAMBER OF COMMERCE INC	\$500.00	09/15/2011	
13	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	\$1,000.00	12/08/2011	
14	CHAMBER EDUCATION FOUNDATION	\$1,500.00	09/29/2011	
15	EDUCATION IN ACTION	\$1,200.00	09/29/2011	
16	CROSSROADS RHODE ISLAND	\$1,600.00	10/06/2011	
17	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	\$2,500.00	10/06/2011	
18	CROSSROADS RHODE ISLAND	\$6,000.00	10/06/2011	
19	URBAN COLLABORATIVE ACCELERATED PROGRAM	\$25,000.00	07/05/2011	
20	UNITED WAY OF RHODE ISLAND INC	\$165,000.00	10/27/2011	
21	BRYANT UNIVERSITY	\$5,000.00	02/24/2011	
22	FAMILY SERVICE OF RHODE ISLAND INC	\$12,500.00	02/24/2011	
23	UNITED WAY OF RHODE ISLAND INC	\$2,500.00	01/20/2011	
24	HISPANIC AMERICAN CHAMBER OF COMMERCE	\$1,500.00	02/24/2011	
25	NORTHERN RHODE ISLAND CHAMBER OF COMMERCE	\$7,500.00	02/24/2011	
26	RHODE ISLAND KIDS COUNT INC	\$2,500.00	02/24/2011	
27	BACK TO SCHOOL CELEBRATION	\$1,500.00	02/17/2011	
28	DAVISVILLE MIDDLE SCHOOL	\$2,700.00	02/24/2011	
29	FRIENDS OF BALLARD PARK	\$1,500.00	01/20/2011	
30	NORTH KINGSTOWN CHAMBER OF COMMERCE INC	\$625.00	03/17/2011	
31	GRANTMAKERS COUNCIL OF RHODE ISLAND INC	\$1,270.00	02/17/2011	
32	NEWPORT COUNTY CHAMBER OF COMMERCE	\$6,300.00	03/10/2011	
33	NEWPORT COUNTY CHAMBER OF COMMERCE	\$1,000.00	03/10/2011	
34	SISTERS OF MERCY CONFERENCE OF REGIONAL TREASURERS	\$5,000.00	12/27/2011	
35	SPECIAL OLYMPICS RHODE ISLAND INC	\$10,000.00	12/22/2011	
36	DIOCESE OF RHODE ISLAND	\$2,000.00	12/22/2011	
37	JUNIOR ACHIEVEMENT OF RHODE ISLAND	\$6,000.00	10/06/2011	
38	PROVIDENCE PERFORMING ARTS CENTER	\$3,500.00	08/25/2011	
39	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$1,400.00	10/06/2011	
40	RHODE ISLAND PUBLIC EXPENDITURE COUNCIL	\$2,500.00	12/22/2011	
41	LITTLE COMPTON COMMUNITY CENTER CORP	\$1,500.00	10/06/2011	
42	HERITAGE HARBOR CORPORATION	\$500.00	11/17/2011	
43	FATHER FLANAGANS BOYS HOME	\$7,500.00	10/06/2011	
44	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$1,250.00	12/22/2011	
45	THE SALVATION ARMY	\$180,000.00	11/09/2011	
46	ADOPTION RHODE ISLAND	\$25.00	07/26/2011	
47	AMERICAN CANCER SOCIETY INC	\$1,375.00	07/26/2011	
48	AMERICAN CANCER SOCIETY INC	\$145.00	07/26/2011	
49	AMERICAN DIABETES ASSOCIATION INC	\$375.00	07/26/2011	
50	BOYS AND GIRLS CLUBS OF PROVIDENCE	\$250.00	07/26/2011	
51	BROWN UNIVERSITY OF PROVIDENCE STATE OF RI AND PROV I	\$575.00	07/26/2011	
52	FAMILY SERVICE OF RHODE ISLAND INC	\$50.00	07/26/2011	
53	MARCH OF DIMES FOUNDATION	\$150.00	07/26/2011	
54	MT ST CHARLES ACADEMY INC	\$1,000.00	07/26/2011	
55	NATIONAL MULTIPLE SCLEROSIS SOCIETY	\$412.50	07/26/2011	
56	PROVIDENCE GAY MENS CHORUS	\$125.00	07/26/2011	
57	SAN MIGUEL EDUCATION CENTER	\$50.00	07/26/2011	
58	SAVE THE BAY INC	\$75.00	07/26/2011	
59	SPECIAL OLYMPICS RHODE ISLAND INC	\$25.00	07/26/2011	
60	ST FRANCIS WEYBOSSET STREET CHAPEL INC	\$100.00	07/26/2011	
61	ST RAPHAEL ACADEMY	\$100.00	07/26/2011	
62	THE AUTISM PROJECT	\$30.00	07/26/2011	
63	LEUKEMIA & LYMPHOMA SOCIETY INC	\$50.00	07/26/2011	
64	UNIVERSITY OF RHODE ISLAND FOUNDATION	\$100.00	07/26/2011	
65	MEETING STREET	\$350.00	08/25/2011	
66	GLORIA GEMMA BREAST CANCER RESOURCE FOUNDATION	\$1,825.00	10/27/2011	
67	2ND STORY THEATER	\$250.00	11/08/2011	
68	AMERICAN CANCER SOCIETY INC	\$85.00	11/08/2011	
69	AMERICAN CANCER SOCIETY INC	\$320.00	11/08/2011	
70	AMERICAN DIABETES ASSOCIATION INC	\$150.00	11/08/2011	
71	AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION	\$500.00	11/08/2011	
72	FATHER FLANAGANS BOYS HOME	\$500.00	11/08/2011	
73	STATE BALLET OF RHODE ISLAND	\$150.00	11/08/2011	
74	HABITAT FOR HUMANITY INTERNATIONAL INC	\$15,000.00	11/08/2011	
75	THE SALVATION ARMY	\$1,000.00	11/09/2011	
76	SALVE REGINA UNIVERSITY	\$5,000.00	10/06/2011	
77	UNITED WAY OF RHODE ISLAND INC	\$100,000.00	08/25/2011	
78		\$636,227.50		
79				
80		\$636,227.50		
81				
82		\$235,086	36.95%	Narragansett Gas
83				
84				
85		\$401,142	63.05%	Narragansett Electric

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

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

		(a)	
	Cost Element Group RI	FERC Account	Grand Total
1	Labor	880	(362)
2		887	(9,023)
3		892	(301,593)
4		920	(607,812)
5	Labor Total		918,790
6	Health & Hospitalization	920	(79,045)
7		926	(2,106)
8	Health & Hospitalization Total		81,151
9	401K Match	920	(6,201)
10		926	(780)
11	401K Match Total		6,982
12	Payroll Taxes	920	(42,963)
13	Payroll Taxes Total		42,963
14	OPEBs	920	(113,482)
15		926	(7,435)
16	OPEBs Total		120,918
17	Pensions	920	(114,282)
18		926	(4,837)
19	Pensions Total		119,119
20	Other	892	(754,600)
21	Other Total		754,600
22	Contractor Services	892	(184,800)
23	Contractor Services Total		184,800
24	Transportation	875	(66)
25		880	(85)
26		887	(250)
27		892	(28,520)
28	Transportation Total		28,922
29	Other Employee Related Expenses & Benefits	874	(22)
30		887	(1,959)
31		892	(14,175)
32		920	(9,523)
33		921	(14,868)
34		925	(748)
35		926	(443)
36	Other Employee Related Expenses & Benefits Total		41,738
37	Grand Total		(2,299,983)

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

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

In support of Schedule MDL-3-GAS, Page 8 Column (e)

	FERC Account	(a) Reverse Actual Test Year Expatriate Expenses	(b) Record Normalizing Expatriate Expenses	Total Adjustment
1 Contractor Services	921000	(124,177)	99,251	(24,926)
2	926000	(833)		(833)
3	928000	(2,380)		(2,380)
4	930200	8,751		8,751
5 Total Contractor Services		<u>(118,639)</u>	<u>99,251</u>	<u>(19,387)</u>
6				
7				
8 Other Employee Related Exp. & Benefits	885000	(2,040)		(2,040)
	910000	(24,378)		(24,378)
	921000	(29,611)	5,042	(24,569)
9 Total Employee Related Exp. & Benefits		<u>(56,029)</u>	<u>5,042</u>	<u>(50,987)</u>
10				
11				
12 Other	880000	(16)		(16)
13	921000	(21,178)		(21,178)
14	928000	(52)		(52)
15 Total Other		<u>(21,247)</u>	<u>0</u>	<u>(21,247)</u>
16				
17				
18 Total Normalizing Adjustment to Expatriate Expenses		(195,915)	104,294	<u>(91,621)</u>

a From company books

b The lower of actual cost or market-based cost

Division 2-3-GAS

Request:

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

Response:

Please refer to the Company's response to Division 1-3-ELEC for an explanation of how the costs of the savings initiatives were identified and segregated from normal ongoing expenses. Please also refer to Attachment DIV 2-2-GAS for documentation supporting the "Cost of Savings Initiatives" normalizing adjustment shown at Schedule MDL-3-GAS, Page 8, Column (b).

Division 2-4-GAS

Request:

Referring to Schedule MDL-3-GAS, Page 9, please provide a brief narrative description of each of the normalizing adjustments on lines 13-36.

Response:

Please refer to Attachment DIV 2-4-GAS. The normalizing adjustments summarized on Schedule MDL-3-GAS, Page 9, are listed by normalization rationale, such as "Out of Period Cost." Page 8, Column (f) of Schedule MDL-3 lists these same "Other" normalizing adjustments by cost element.

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-GAS Page 9 of 65 Line 1	\$ (13,973)	To remove from test year financial planning stipend payments made to certain employees
3 Total	Schedule MDL-3-GAS Page 8 of 65 Line 4(f)	(13,973)	Attachment DIV 2-4-GAS, Page 4 of 16
4			
5 Computer Software			
6 Remove Band A Employee Expenses and other employee expenses	3/ Schedule MDL-3-GAS Page 9 of 65 Line 17	(110)	See Line 95
7 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-GAS Page 9 of 65 Line 16	(131)	See Line 93
8 Total	Schedule MDL-3-GAS Page 8 of 65 Line 9(f)	(241)	Attachment DIV 2-4-GAS, Page 15 of 16
9			
10 Facilities			
11 Remove Weybosset St. facilities costs	Schedule MDL-3-GAS Page 9 of 65 Line 33	(85,911)	To remove test year costs associated with former gas facility sold in April 2011.
12 Remove Westborough facilities costs	Schedule MDL-3-GAS Page 9 of 65 Line 34	(18,679)	To remove test year costs associated with former corporate headquarters sold in June 2011.
13 Total	Schedule MDL-3-GAS Page 8 of 65 Line 11(f)	(104,590)	Schedule MDL-3-GAS, Page 29 Line 33
14			
15 Insurance Premiums			
16 Insurance 2007 Tax Accrual	Schedule MDL-3-GAS Page 9 of 65 Line 27	21,171	A reversal of an accrual for 2007 tax expense was reversed in March 2011. This adjustment adds that amount back to the expense for the year.
17 Total	Schedule MDL-3-GAS Page 8 of 65 Line 13(f)	21,171	Attachment DIV 1-4-ELEC Page 6
18			
19 Postage			
20 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-GAS Page 9 of 65 Line 16	(32)	See Line 93
21 Total	Schedule MDL-3-GAS Page 8 of 65 Line 15(f)	(32)	
22			
23 OPEB's			
24 Remove OPEB Deferral Amortization Collected in DAC	Schedule MDL-3-GAS Page 9 of 65 Line 8	(737,295)	
25 Total	Schedule MDL-3-GAS Page 8 of 65 Line 17(f)	(737,295)	Attachment DIV 2-4-GAS, Page 5 of 16
26			
27 Pensions			
28 Remove Pension Deferral Amortization Collected in DAC	Schedule MDL-3-GAS Page 9 of 65 Line 9	(2,163,142)	
29 Total	Schedule MDL-3-GAS Page 8 of 65 Line 18(f)	(2,163,142)	Attachment DIV 2-4-GAS, Page 6 of 16
30			
31 Advertising			
32 Branding and Promotional nonrecoverable advertising expenses	Schedule MDL-3-GAS Page 9 of 65 Line 13	(300,810)	Per review of advertising expenses, these costs were deemed to be branding and promotional in nature and in accordance with R.I.G.L Section 39-2-1.2(a) were excluded from cost of service
33 Total	Schedule MDL-3-GAS Page 8 of 65 Line 23(f)	(300,810)	Workpaper MDL-13-GAS
34			
35 Contractor services			
36 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-GAS Page 9 of 65 Line 16	(49,921)	See Line 93
37 Remove out of period costs	2/ Schedule MDL-3-GAS Page 9 of 65 Line 21	(77,266)	See Line 94
38 Total	Schedule MDL-3-GAS Page 8 of 65 Line 33(f)	(127,187)	
39			
40 Incentive Programs			
41 Remove Incentive Programs	Schedule MDL-3-GAS Page 9 of 65 Line 14	(1,212,628)	Gas marketing programs were excluded from cost of service in accordance with R.I.G.L Section 39-2-1.29(a)
42 Total	Schedule MDL-3-GAS Page 8 of 65 Line 34(f)	(1,212,628)	Attachment DIV 2-4-GAS, Page 7 of 16
43			
44 Materials and Supplies			
45 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-GAS Page 9 of 65 Line 16	(1,906)	See Line 93
46 Remove out of period costs	2/ Schedule MDL-3-GAS Page 9 of 65 Line 21	(59,406)	See Line 94
47 Remove Band A Employee Expenses and other employee expenses	3/ Schedule MDL-3-GAS Page 9 of 65 Line 17	(5,923)	See Line 95
48 Total	Schedule MDL-3-GAS Page 8 of 65 Line 35(f)	(67,235)	Attachment DIV 2-4-GAS, Page 15 of 16
49			
50 Lease Non_Real Estate			
51 Remove NYSPSC Service Company Allocation audit costs	Schedule MDL-3-GAS Page 9 of 65 Line 15	(29,221)	To remove costs associated with NYSPSC Docket No. 10-M-0451 Review of NGUSA Service Company
52 Total	Schedule MDL-3-GAS Page 8 of 65 Line 36(f)	(29,221)	Attachment DIV 2-4-GAS, Page 8 of 16
53			
54 Other Employee Benefits and Expenses			
55 Remove Band A Employee Expenses and other employee expenses	3/ Schedule MDL-3-GAS Page 9 of 65 Line 17	(30,721)	See Line 95
56 Remove Band A Employee Expenses and other employee expenses	3/ Schedule MDL-3-GAS Page 9 of 65 Line 17	(1,902)	See Line 95
57 Remove Band A Employee Expenses and other employee expenses	3/ Schedule MDL-3-GAS Page 9 of 65 Line 17	(7,196)	See Line 95
58 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-GAS Page 9 of 65 Line 16	(26,826)	See Line 93
59 Total	Schedule MDL-3-GAS Page 8 of 65 Line 40(f)	(66,645)	Attachment DIV 2-4-GAS, Page 16 of 16 Attachment DIV 2-4-GAS, Page 15 of 16 Attachment DIV 2-4-GAS, Page 14 of 16

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
60 Other			
61 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-GAS Page 9 of 65 Line 16	(1,673) See Line 93	
		Expenses for January 2011 and December 2011 not recorded in the test year. Charges added to show a full year of Digsafe charges.	Attachment DIV 2-4-GAS, Page 9 of 16
62 Digsafe Fees	Schedule MDL-3-GAS Page 9 of 65 Line 32	23,094	
		Expenses processed for lock box fees deemed to be outside test year therefore excluded from cost of service	Attachment DIV 1-4-ELEC Page 9
63 Remove Lock Box Fees	Schedule MDL-3-GAS Page 9 of 65 Line 24	(262,479)	
		Reserve established to charge off old work orders that should not be capitalized.	
64 Remove write off of old work orders	Schedule MDL-3-GAS Page 9 of 65 Line 25	(718,345)	
		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.
65 Remove E&Y Service Company Allocation Adjustment	Schedule MDL-3-GAS Page 9 of 65 Line 23	343,088	
		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
66 Remove Service Company Tax Adjustment	Schedule MDL-3-GAS Page 9 of 65 Line 26	(19,559)	
67 Total	Schedule MDL-3-GAS Page 8 of 65 Line 32(f)	(635,874)	
68			
69 Purchased Services			
70 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-GAS Page 9 of 65 Line 16	(77,891)	See Line 93
71 Total	Schedule MDL-3-GAS Page 8 of 65 Line 38(f)	(77,891)	
72			
73 Transportation			
74 Remove Non Recoverable Project expenses	1/ Schedule MDL-3-GAS Page 9 of 65 Line 16	(1,121)	See Line 93
75 Total	Schedule MDL-3-GAS Page 8 of 65 Line 39(f)	(1,121)	
76			
		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 test year revenues.	Schedule MDL-3-GAS, Page 45 Line 22(f)
77 Commodity-related Uncollectible expense	Schedule MDL-3-GAS Page 9 of 65 Line 4	5,355,163	
		To present DAC-related uncollectible expense as a separate line item in the cost of service, normalized to reflect the three-year average write-off rate times test year revenues.	Schedule MDL-3-GAS, Page 45 Line 22(g)
78 DAC-related Uncollectible expense	Schedule MDL-3-GAS Page 9 of 65 Line 5	2,809	
		To present energy efficiency-related uncollectible expense as a separate line item in the cost of service, normalized to reflect the three-year average write-off rate times test year revenues.	Schedule MDL-3-GAS, Page 45 Line 22(h)
79 Energy Efficiency-related Uncollectible expense	Schedule MDL-3-GAS Page 9 of 65 Line 6	299,896	
80 Delivery-related Uncollectible expense			
		All uncollectible expense is recorded to one account on the Company's books. Adjustments were made to the cost of service in order to present commodity, DAC, energy efficiency, and delivery-related uncollectible expense as separate line items, totaling	Schedule MDL-3-GAS, Page 45 Line 23(f) Schedule MDL-3-GAS, Page 45 Line 23(g) Schedule MDL-3-GAS, Page 45 Line 23(h)
81 Test Year Uncollectible Expenses - Commodity Revenue	Schedule MDL-3-GAS Page 9 of 65 Line 31	(5,449,212)	
82 Test Year Uncollectible Expenses - DAC Revenue	Schedule MDL-3-GAS Page 9 of 65 Line 31	(109,541)	
83 Test Year Uncollectible Expenses - Energy Efficiency Revenue	Schedule MDL-3-GAS Page 8 of 65 Line 25(f)	(195,146)	
		To normalize test year delivery-related uncollectible expense to reflect the three-year average write-off rate times test year revenues.	Schedule MDL-3-GAS, Page 45 Line 25(d)
84 Normalization Adjustment for Delivery Uncollectible Expense	Schedule MDL-3-GAS Page 9 of 65 Line 31	(1,388,585)	
85 Total	Schedule MDL-3-GAS Page 9 of 65 Line 31	(7,142,484)	
86			
87 Energy Efficiency O&M	Schedule MDL-3-GAS Page 9 of 65 Line 7	(4,526,468)	Attachment DIV 2-4-GAS, Page 10 of 16
		To normalize test year LIAP expenses to amount allowed of \$1,585,000 granted in R.I.P.U.C. Docket No. 3943.	
88 LIAP Adjustment to Rate Allowance	Schedule MDL-3-GAS Page 9 of 65 Line 35	(78,666)	
		To normalize test year LIAP expenses to amount allowed of \$200,000 granted in R.I.P.U.C. Docket No. 3943.	
89 Weatherization Adjustment to Rate Allowance	Schedule MDL-3-GAS Page 9 of 65 Line 36	(67,629)	
90			
91			
92 Grand Total Other Normalizing Adjustment		(11,674,093)	

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
93 1/ Remove Non Recoverable Project expenses	Line 7 + Line 20 + Line 36 + Line 45 + Line 58 + Line 61 + Line 70 + Line 74	(159,501) Per review of test year costs, these projects were deemed improperly charged base on jurisdiction, period and/or recoverability from customers	Attachment DIV 2-4-GAS, Page 11 of 16 and Page 12 of 16
94 2/ Remove out of period costs	Line 37 + Line 46	(136,672) Expenses processed through the accounts payable system deemed to be outside test year therefore excluded from cost of service	Attachment DIV 2-4-GAS, Page 13 of 16
95 3/ Remove Band A Employee Expenses and other employee expenses	Line 6 + Line 47 + Line 55 + Line 56 + Line 57	(45,852) 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)</u> <u>Employee Id</u>	<u>(b)</u> <u>FY 2011</u>
1	10000180	564.56
2	10000575	564.56
3	10000642	211.71
4	10000657	564.56
5	10001214	211.71
6	10001341	211.71
7	10004537	211.71
8	10005135	211.71
9	10005280	564.56
10	10006580	211.71
11	10007019	564.56
12	10007485	211.71
13	10010283	211.71
14	10010512	211.71
15	10010804	564.56
16	10016454	211.71
17	10016742	211.71
18	10017259	211.71
19	10017269	211.71
20	10018446	211.71
21	10019209	211.71
22	10019226	564.56
23	10019233	211.71
24	10019240	211.71
25	10019285	211.71
26	10019954	211.71
27	10028797	211.71
28	10033083	211.71
29	10033570	211.71
30	10046236	564.56
31	10046251	211.71
32	10048687	211.71
33	10051448	564.56
34	10052302	211.71
35	10054480	211.71
36	10054551	211.71
37	10054831	564.56
38	100711139	211.71
39	100711508	564.56
40	100711531	564.56
41	100711600	211.71
42	100711652	211.71
43	100711772	211.71
44	100711779	211.71
45	100711780	211.71
46	100711820	211.71
47	Grand Total	13,972.86

The Narragansett Electric Company d/b/a National Grid
OPEB Collected through DAC
Test Year Ended December 31, 2011

	Jrnl Id	Jrnl Descr Long	FERC Acct	Sum of Posted Jrnl \$
1	48175	April 2011 DAC	926000	70,265.00
2		August 2011 DAC	926000	19,698.00
3		February 2011 DAC	926000	109,830.00
4		January 2011 DAC	926000	108,020.00
5		July 2011 DAC	926000	20,981.00
6		June 2011 DAC	926000	25,777.00
7		March 2011 DAC	926000	94,357.00
8		May 2011 DAC	926000	38,693.00
9		November 2011 DAC	926000	71,928.00
10		October 2011 DAC	926000	22,474.00
11		September 2011 DAC	926000	20,432.00
12	48175 Total			602,455.00
13	48902	December 2011 DAC	926000	134,840.00
14	48902 Total			134,840.00
15	Grand Total			737,295.00

- 1-11 From Company Books
- 12 Sum of Line 1 through Line 11
- 13 From Company Books
- 14 Line 13
- 15 Line 12 + Line 14

The Narragansett Electric Company d/b/a National Grid
Pension Collected through DAC
Test Year Ended December 31, 2011

Jrnl Id	Jrnl Descr Long	FERC Acct	Sum of Posted Jrnl \$
1 48175	April 2011 DAC	926000	234,216.00
2	August 2011 DAC	926000	65,661.00
3	February 2011 DAC	926000	366,100.00
4	January 2011 DAC	926000	360,068.00
5	July 2011 DAC	926000	69,935.00
6	June 2011 DAC	926000	85,922.00
7	March 2011 DAC	926000	314,522.00
8	May 2011 DAC	926000	128,978.00
9	November 2011 DAC	926000	160,223.00
10	October 2011 DAC	926000	74,914.00
11	September 2011 DAC	926000	68,107.00
12	48175 Total		1,928,646.00
13 48902	December 2011 DAC	926000	234,496.00
14	48902 Total		234,496.00
15	Grand Total		2,163,142.00

- 1-11 From Company Books
- 12 Sum of Line 1 through Line 11
- 13 From Company Books
- 14 Line 13
- 15 Line 12 + Line 14

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

Sum of CY 2011			
	Cost Element Group MASS	FERC Account	Total
1	Incentive Programs	912	\$ 2,076,197
2		916	(863,635)
3		921	66
4	Incentive Programs Total		1,212,628
5	Grand Total		\$ 1,212,628

- 1-3 From Company Books
- 4 Sum of Line 1 through Line 3
- 5 Line 4

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

Activity (Multiple Item) excludes LNG related rents included in GCR
Test Year Raw Data - Exp Type 500

Line No.	Sum of Posted Jnl \$		Prd Name																
	Unit	Expense Type	Expense Type Descr	OBU Key	Project Descr	Work Order Descr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
1	00048	500	Rental/Lease Non-Real Estate	Company Direct			\$ 8,186	\$ (241)	\$ (161)			\$ 8,595	\$ 20,807				\$ 70	\$ 37,256	
2					IFRS - Reg Asset FERC P&L Offs	IFRS-Mains & services expenses								\$ 10				\$ 10	
3					NE Dexter Street	NE Gas - Dexter Street						\$ 3,179						\$ 3,179	
4					NE Gas - Cumberland	NE Gas - Cumberland				\$ 100		\$ 2,340						\$ 2,440	
5					Sourcing - Email And Collabora	Sourcing - EMail And Collabora			\$ 49	\$ (4)	\$ (0)	\$ 4						\$ 49	
6					Company Direct Total		\$ 8,186	\$ (241)	\$ (112)	\$ 96	\$ (0)	\$ 4	\$ 14,114		\$ 20,817		\$ 70	\$ 42,934	
7				KeySpan Corporate Services			\$ 18,062	\$ 19,124	\$ 41,048	\$ 21,775	\$ 21,693	\$ 21,732	\$ 21,693	\$ 8,496	\$ 21,693	\$ 23,914	\$ 23,914	\$ (4,194)	\$ 238,950
8					IFRS - Reg Asset FERC P&L Offs	IFRS-Mains & services expenses	\$ 40	\$ 40	\$ 102	\$ 45	\$ 45	\$ 50	\$ (31)					\$ (63)	\$ 227
9					Serv Co Allocation Investigati	NYSPC Allocations Audit		\$ 7,371	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 1,183	\$ 3,073	\$ 3,073	\$ 3,073	\$ (841)		\$ 29,221
10					KeySpan Corporate Services Total		\$ 18,102	\$ 19,164	\$ 48,520	\$ 24,892	\$ 24,810	\$ 24,805	\$ 24,815	\$ 9,648	\$ 24,766	\$ 26,987	\$ 26,987	\$ (5,098)	\$ 268,398
11				National Grid USA Services			\$ 2,303	\$ 2,087	\$ 2,275	\$ 1,879	\$ 1,824	\$ 3,928	\$ 2,142	\$ 2,163	\$ 856	\$ 180	\$ 79	\$ 135	\$ 19,852
12					Enterprise App Integration	Enterprise App Integration			\$ -									\$ -	
13					FAC - Leominster, MA Viscoid	FAC - Leominster, MA Viscoid	\$ 3											\$ 3	
14					FAC Intercompany Rents	Intercompany Rent - Melrose St											\$ 2,222	\$ 2,222	
15						Intercompany Rent - Northboro	\$ 32,043	\$ 32,043	\$ 32,043	\$ 27,591	\$ 27,591	\$ 27,591	\$ 27,591	\$ 27,591	\$ 27,591	\$ 27,591	\$ 27,591	\$ 27,591	\$ 344,443
16						Intercompany Rent - Westboro	\$ 4,307	\$ 4,307	\$ 4,307										\$ 12,921
17					FAC Westboro Ma 25 Research Dr	FAC Westboro Ma 25 Research	\$ 204	\$ 7	\$ 2,129	\$ 26	\$ 57	\$ 2	\$ 258	\$ 175	\$ 43		\$ 2		\$ 2,903
18					Facilities Director	Facilities Director	\$ 12	\$ 80		\$ 12									\$ 104
19					LAN Desktop Support	LAN Desktop Support	\$ 55	\$ 100	\$ 98	\$ 86	\$ 2	\$ 123	\$ 201	\$ 80	\$ 80	\$ 59	\$ 43	\$ 42	\$ 969
20					Local Area Network (Lan)	Local Area Network (Lan)	\$ -	\$ -											\$ -
21					NE Dexter Street	NE Gas - Dexter Street						\$ 180	\$ 180	\$ 540			\$ 180		\$ 1,080
22					NE Mail Services	NE Mail Services	\$ 203	\$ 389	\$ 167	\$ 129	\$ 219	\$ 123	\$ 132	\$ 81	\$ 16				\$ 1,460
23					OS-Admi Service NE-Mgmt	OS-Admi Service NE-Mgmt	\$ 9,877	\$ 10,013	\$ 5,475	\$ 4,417	\$ 2,876	\$ 14,827	\$ 1,849	\$ 851	\$ 9,097	\$ 3,137	\$ 1,924	\$ 4,872	\$ 69,215
24					Sourcing - Email And Collabora	Sourcing - EMail And Collabora	\$ 9	\$ 7	\$ (14)	\$ 4	\$ 0	\$ 4	\$ 6						\$ 16
25					National Grid USA Services Total		\$ 49,015	\$ 48,953	\$ 46,560	\$ 34,132	\$ 32,581	\$ 46,778	\$ 32,357	\$ 31,481	\$ 37,683	\$ 30,967	\$ 29,819	\$ 34,861	\$ 455,186
26				Other							\$ 8,595							\$ 8,595	
27					FAC Intercompany Rents	Intercompany Rent - Melrose St											\$ 58,087	\$ 58,087	
28						Intercompany Rent - North Ando	\$ -	\$ -										\$ -	
29						Intercompany Rent - Sutton					\$ 246,345	\$ 18,407	\$ 17,613	\$ 17,340	\$ 20,241	\$ 17,389	\$ 16,994		\$ 354,328
30					Other Total		\$ -	\$ 254,940	\$ 18,407	\$ 17,613	\$ 17,340	\$ 20,241	\$ 17,389	\$ 75,080	\$ 421,009				
31				Grand Total			\$ 75,304	\$ 67,876	\$ 94,968	\$ 59,121	\$ 57,392	\$ 326,526	\$ 89,693	\$ 58,741	\$ 100,604	\$ 78,195	\$ 74,195	\$ 104,913	\$ 1,187,527
34				Less: Reclassification adjustments	Facilities Lease	RECLASS to Facilities	\$ 36,556	\$ 36,357	\$ 38,479	\$ 27,717	\$ 27,648	\$ 274,117	\$ 51,954	\$ 45,918	\$ 44,973	\$ 47,831	\$ 45,162	\$ 104,892	\$ 781,604
35					Software Lease costs	RECLASS to Computer Software	\$ 64	\$ 107	\$ 133	\$ 86	\$ 2	\$ 131	\$ 207	\$ 80	\$ 80	\$ 59	\$ 43	\$ 42	\$ 1,033
36					Add'l facilities reclasses	from ET 500 Blank WO, RECLASS to Fa	\$ 17,974	\$ 19,156	\$ 41,141	\$ 21,728	\$ 21,738	\$ 21,693	\$ 21,743	\$ 8,461	\$ 21,693	\$ 23,914	\$ 23,914	\$ (4,257)	\$ 238,897
37					Total Reclassification adjustments		\$ 54,594	\$ 55,621	\$ 79,753	\$ 49,530	\$ 49,388	\$ 295,941	\$ 73,903	\$ 54,459	\$ 66,746	\$ 71,804	\$ 69,119	\$ 100,677	\$ 1,021,535
39					Other Non-Real Estate Lease costs : Test Year		\$ 20,710	\$ 12,256	\$ 15,215	\$ 9,590	\$ 8,004	\$ 30,585	\$ 15,790	\$ 4,282	\$ 33,859	\$ 6,390	\$ 5,076	\$ 4,236	\$ 165,993
41				Less: Normalizing adjustments	NYSPC Allocations Audit	EXCLUDE-s/b allocated to all NY Reg C	\$ -	\$ -	\$ 7,371	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 1,183	\$ 3,073	\$ 3,073	\$ 3,073	\$ (841)	\$ 29,221
42					Costs to Achieve Savings Initiati	EXCLUDE	\$ 9	\$ 7	\$ 35	\$ -	\$ -	\$ 7	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65
43					Total Normalization adjustments		\$ 9	\$ 7	\$ 7,405	\$ 3,073	\$ 3,073	\$ 3,080	\$ 3,079	\$ 1,183	\$ 3,073	\$ 3,073	\$ 3,073	\$ (841)	\$ 29,286
44					Other Non-Real Estate Lease costs : Adjusted Test Year		\$ 20,701	\$ 12,248	\$ 7,810	\$ 6,518	\$ 4,931	\$ 27,505	\$ 12,711	\$ 3,099	\$ 30,786	\$ 3,318	\$ 2,003	\$ 5,077	\$ 136,707
47				Other Non-Real Estate Lease costs by Activity															
48					Copier Equipment	per above (OSI-Admin) + Blank WO	\$ 9,991	\$ 10,013	\$ 5,475	\$ 4,417	\$ 2,876	\$ 14,856	\$ 1,849	\$ 851	\$ 21,338	\$ 3,166	\$ 1,924	\$ 4,943	\$ 81,698
49					Two Way Radios	per Blank WO	\$ 8,186	\$ -	\$ -	\$ -	\$ -	\$ 8,595	\$ 8,595	\$ -	\$ 8,595	\$ -	\$ -	\$ -	\$ 33,971
50					Fiber Optics	per Blank WO	\$ 1,723	\$ 1,723	\$ 1,796	\$ 1,488	\$ 1,488	\$ 1,491	\$ 1,488	\$ 1,488	\$ 1,489	\$ -	\$ -	\$ -	\$ 14,175
51					Data Center Services	per Blank WO	\$ 307	\$ 307	\$ 307	\$ 241	\$ 241	\$ 2,255	\$ 442	\$ 428	\$ (731)	\$ -	\$ -	\$ -	\$ 3,798
52					Other		\$ 493	\$ 205	\$ 232	\$ 371	\$ 326	\$ 308	\$ 337	\$ 332	\$ 95	\$ 151	\$ 79	\$ 135	\$ 3,064
53					TOTAL		\$ 20,701	\$ 12,248	\$ 7,810	\$ 6,518	\$ 4,931	\$ 27,505	\$ 12,711	\$ 3,099	\$ 30,786	\$ 3,318	\$ 2,003	\$ 5,077	\$ 136,707

Line Notes:

- 1 - 53 Per Company books
- 41 Equals Line 9; Agrees to Schedule MDL-3-GAS, Page 9 Line 15
- 53 Agrees to Schedule MDL-3-GAS, Page 8, Line 36

The Narragansett Electric Company d/b/a National Grid
Digsafe Fees Recorded in 2011
Test Year Ended December 31, 2011

	(a) <u>Invoice #</u>	(b) <u>Period Covered</u>	(c) <u>Amount</u>	<u>Reference</u>
1	March Activity	43693 February 2011	433.85	Company Books
2		43794 February 2011	8,209.76	Company Books
3		43819 February 2011	2,903.45	Company Books
4		43856 March 2011	433.85	Company Books
5		43957 March 2011	8,209.76	Company Books
6		43982 March 2011	2,903.45	Company Books
7	Total Paid in March		<u>23,094.12</u>	Sum of Line 1 through Line 6
8				
9	June Activity	44018 April 2011	433.85	Company Books
10		44119 April 2011	8,209.76	Company Books
11		44144 April 2011	2,903.45	Company Books
12		44180 May 2011	433.85	Company Books
13		44281 May 2011	8,209.76	Company Books
14		44306 May 2011	2,903.45	Company Books
15		44342 June 2011	433.85	Company Books
16		44444 June 2011	8,209.76	Company Books
17		44469 June 2011	2,903.45	Company Books
18	Total Paid in June		<u>34,641.18</u>	Sum of Line 9 through Line 17
19				
20	July Activity	44505 July 2011	433.85	Company Books
21		44606 July 2011	8,209.76	Company Books
22		44631 July 2011	2,903.45	Company Books
23	Total Paid in July		<u>11,547.06</u>	Sum of Line 20 through Line 22
24				
25	August Activity	44668 August 2011	433.85	Company Books
26		44769 August 2011	8,209.76	Company Books
27		44793 August 2011	2,903.45	Company Books
28	Total Paid in August		<u>11,547.06</u>	Sum of Line 25 through Line 27
29				
30	September Activity	44832 September 2011	433.85	Company Books
31		44935 September 2011	8,209.76	Company Books
32		44959 September 2011	2,903.45	Company Books
33	Total Paid in September		<u>11,547.06</u>	Sum of Line 30 through Line 32
34				
35	November Activity	44997 October 2011	433.85	Company Books
36		45100 October 2011	8,209.76	Company Books
37		45124 October 2011	2,903.45	Company Books
38	Total Paid in November		<u>11,547.06</u>	Sum of Line 35 through Line 37
39				
40	December Activity	45161 November 2011	433.85	Company Books
41		45264 November 2011	8,209.76	Company Books
42		25288 November 2011	2,903.45	Company Books
43	Total Paid in December		<u>11,547.06</u>	Sum of Line 40 through Line 42
44				
45	Total Amount Paid in 2011		<u><u>115,470.60</u></u>	Line 7 + Line 18 + Line 23 + Line 28 + Line 33+ Line 38 + Line 43
46				
47	Number of Months Paid in 2011		10	
48				
49	Cost per month		<u>11,547.06</u>	Line 45 divided by Line 47
50	Annual Cost		<u><u>138,564.72</u></u>	Line 49 times 12
51				
52	Amount to Add to Cost of Service		<u><u>23,094.12</u></u>	Line 50 minus Line 45

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

Sum of CY 2011		
Cost Element Group RI	FERC Account	Total
1 Energy Efficiency O&M	908	\$ 4,450,588
2	909	75,880
3 Energy Efficiency O&M Total		4,526,468
4 Grand Total		\$ 4,526,468

- 1-2 From Company Books
- 3 Line 1 + Line 2
- 4 Line 3

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

Cost Element Group RI	Project	Project Descr	FERC Account	Total
Computer Software Purchases	X13565	IN 2763 Upst Mnfrm Serv Upgr	921	17
	X14085	INVP 2587 - RI Gas Migration t	910	109
	X14305	USFP Non Project SME Labor	921	4
Computer Software Purchases Total				\$ 131
Contractor Services	X00106	FAC - Brockton MA 161 Mulberry	921	4
	X00111	FAC Hanover MA 19 Philips Land	921	5
	X00123	FAC - Monson, MA, Palmer St	921	8
	X00135	FAC Weymouth, MA, 186 Main St	921	0
	X07644	Finance Integration	921	-
	X10005	Smart Metering	885	(56)
	X11505	Reservior Woods Gym Membership	921	(646)
	X12705	EDOG Transformation Wave 2	874	-
	X13805	Serv Co Allocation Investigati	921	24,538
	X14305	USFP Non Project SME Labor	921	9,685
	X14485	Procurement SAP / Buying Exper	921	13,200
	X14885	INVP 2858 NERC CIP EF Barrett	921	9
	X14886	INVP 2859 NERC CIP Port Jeffer	921	9
	X15585	Procurement USFP Costs Proj	921	3,165
Contractor Services Total				49,921
Materials & Supplies	X00136	FAC Worcester MA Southbridge	925	485
	X08025	Consumer Advocate Expenses	903	87
	X13805	Serv Co Allocation Investigati	921	1,095
	X14485	Procurement SAP / Buying Exper	921	6
Materials & Supplies Total				1,674
Other	X00078	Misc Project Support	928	535
	X00116	FAC - Leominster, MA Viscoloid	921	0
	X07644	Finance Integration	920	(4)
			921	4
	X08025	Consumer Advocate Expenses	903	7
	X09085	Millenium Pipeline Project	921	(3)
	X10005	Smart Metering	885	2
	X11505	Reservior Woods Gym Membership	921	(0)
	X12291	IN 2559M Trans Security & Risk	921	21
	X12305	Trans Delivery System	920	(0)
	X12705	EDOG Transformation Wave 2	920	(1)
	X13565	IN 2763 Upst Mnfrm Serv Upgr	921	1
	X13805	Serv Co Allocation Investigati	921	209
	X14085	INVP 2587 - RI Gas Migration t	910	8
	X14305	USFP Non Project SME Labor	908	(369)
			920	(145)
			921	22
	X14485	Procurement SAP / Buying Exper	920	(43)
			921	0
	X15265	Dig Sec Transformation costs	920	(20)
	X15305	USFP Partner Resources	920	(0)
	X15785	ICE Bundled Services	921	1,681
Other Total				1,906

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

Cost Element Group RI	Project	Project Descr	FERC Account	Total	
48 Other Employee Related Expenses & Benefits	X00006	Appliance Management Program	925	98	
49			926	843	
50	X00008	Energy Wise	925	67	
51			926	272	
52	X00078	Misc Project Support	925	92	
53			926	329	
54	X00081	Res Mkt Research & Evaluation	925	7	
55			926	34	
56	X00082	C&I Mkt Research & Evaluation	925	1	
57			926	3	
58	X02982	FAC Nantucket, MA - 2 Fairgrou	920	4	
59			925	0	
60			926	0	
61	X07644	Finance Integration	925	19	
62			926	74	
63	X08025	Consumer Advocate Expenses	903	360	
64			925	7	
65			926	19	
66	X10005	Smart Metering	925	1	
67			926	2	
68	X12305	Trans Delivery System	925	1	
69			926	3	
70	X12705	EDOG Transformation Wave 2	925	12	
71			926	50	
72	X13805	Serv Co Allocation Investigati	920	7,195	
73			921	7	
74	X14085	INVP 2587 - RI Gas Migration t	880	12	
75			903	48	
76			910	15,034	
77			925	617	
78			926	318	
79	X14305	USFP Non Project SME Labor	920	164	
80			925	266	
81			926	710	
82	X14485	Procurement SAP / Buying Exper	925	19	
83			926	96	
84	X15265	Dig Sec Transformation costs	925	7	
85			926	24	
86	X15305	USFP Partner Resources	925	3	
87			926	8	
88	Other Employee Related Expenses & Benefits Total			26,825	
89	Postage	X13805	Serv Co Allocation Investigati	921	32
90	Postage Total			32	
91	Purchased Services	X13805	Serv Co Allocation Investigati	921	21,173
92		X13987	LIPA MSA Analysis	923	3,619
93		X14306	IN 2506 USFP - Administration	923	2,375
94		X14485	Procurement SAP / Buying Exper	923	45,854
95		X15305	USFP Partner Resources	923	4,870
96		X15645	USFP Training	923	0
97	Purchased Services Total			77,891	
98	Transportation	X00006	Appliance Management Program	874	298
99			875	95	
100			887	411	
101		X00008	Energy Wise	874	190
102		X00010	Energy Star New Construction	887	51
103		X00084	Low Income Energy Wise	874	13
104		X13405	IN 2652 Mass Gas Rate Case CRI	874	62
105	Transportation Total			1,121	

106	Grand Total	\$ 159,501
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The Narragansett Electric Company d/b/a National Grid
Accounts Payable Out of Period Adjustments
Test Year Ended December 31, 2011

Sum of Total Payables \$					
Cost Element Group RI	Vendor	Invoice No	FERC Account	Comments	Total
1 Contractor Services	CITY OF PROVIDENCE	15908	887	November 2010 charges	30,401
2	DOCUMENT TECHNOLOGIES INC	113010 03	903	November 2010 charge	15,926
3	ENERGY MACHINERY INC	89606	847	Prior period charges	7,764
4	MSR UTILITY MAINTENANCE CORPORATION	MH549	874	February 2010 charge	15,604
5		MH715	887	April 2010 charges	3,831
6	TOWN OF JOHNSTON	10-264-DV	887	November 2010 charges	3,741
7 Contractor Services Total					77,266
8 Materials & Supplies	DOCUMENT TECHNOLOGIES INC	113010 02	903	November 2010 charge	47,519
9	NEW ENGLAND MOBILE SYSTEMS INC	03103737	880	November 2010 charges	4,887
10	SCHMIDT EQUIPMENT INC	981730	887	November/December 210 charges	7,000
11 Materials & Supplies Total					59,406
12 Grand Total					\$ 136,671

- 1-6 From Company Books
- 7 Sum of Line 1 through Line 6
- 8-10 From Company Books
- 11 Sum of Line 8 through Line 10
- 12 Line 7 + Line 11

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	Regulatory Acct	Total
1 Other Employee Benefits & Expenses	AUTORNT	rental from 9/17/10 to 12/12/10	874000	3,058.00
2	BRKFAST	Breakfest	908000	4.64
3		Christmas Breakfast for Cumberland PT Clerks	880000	60.00
4		Zito and Steere 25 Year Anniversary	735000	29.38
5	BUSMTG	Business Meeting with staff at the Chateau, Norwood, MA	921000	216.54
6		Business prep meeting with Mike Smith and Tom Mulkeen on Cit	870000	29.57
7	DINNER	Appreciation Dinner	880000	101.39
8		Diner at Queen Italian Resteraunt	908000	75.00
9		Dinner	880000	80.72
10		Dinner for 2 during Storm	880000	138.79
11		Dinner for 2 during Storm hold over	880000	70.17
12		Dinner for 4 during Storm	880000	116.33
13	HOTEL	Hotel Stay 07/17 & 07/18	880000	246.34
14		Hotel storm	880000	339.00
15		Overnight stay at Marriott Brooklyn	908000	231.85
16		Stay in Warwick, Rhode Island for ReDig week of 9/26/11	921000	581.95
17	LUNCH	City of Boston Meeting - Business Meeting lunch	874000	76.47
18		Farewell lunch for Kelly Chadwick	880000	84.88
19		Holiday Admin Lunch - Higgins, Dones, Fenton	874000	84.05
20		Lunch for 4 during storm	880000	38.09
21		Lunch for Storm	880000	84.05
22		Storm Lunch with Dan McNamara while working in EOC in Nort	870000	37.57
23	MILEAGE	15 Miles to Prov -- Work on emails from vacation	893000	7.65
24		Drove from Providence to Syracuse	880000	195.92
25		Drove from Syracuse to Providence	908000	195.92
26		Meeting with NSTAR in Middleboro, then NGA meeting in Sturb	908000	94.35
27		Mileage on off day for Storm	880000	64.38
28		Mileage on off day for Storm coverage	880000	64.38
29		Mileage to and from Cumberland	880000	28.56
30		Mileage to and from Worcester	880000	85.68
31		Travel to/from Amtrack Station	908000	6.66
32		Travel to/from Munroe Electric in Raynham,MA	908000	24.48
33	OTHER	Cake and papergoods for departing employees provided at the req	908000	55.16
34		Gratuity for room	880000	60.00
35		Room gratuity	880000	20.00
36		Travel Leaders expense	921000	15.00
37		Travel leaders Service Charge for Hotel and Train	908000	38.00
38	PARKING	Meeting with Boston City Hall	887000	24.00
39		Parking	880000	36.00
40		Parking - Women Unlimited Graduation - Tatiana Roc (Umass Cl	874000	34.00
41		Parking at Amtrak station	908000	17.50
42		Parking Fee	880000	5.00
43		Parking for City of Boston meeting in Boston, MA.	870000	35.00
44	TOLLS	MA Turnpike/NY Thruway	880000	8.35
45		NY Thruway /MAPike	908000	8.35
46		Travel for city paving mtg in MA.	870000	2.50
47	TRANSP	amtrak Travel to/from New York \$110(7/18/11) + \$126 (7/19/11)	908000	236.00
48		Bus Prov to Boston	874000	38.00
49		NYC Subway	908000	10.70
50	Other Employee Benefits & Expenses Total			7,196.32
51	Grand Total			7,196.32

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 (Gas Division)

<u>Line #</u>	<u>PCH Empl Id</u>	(a)	(b) <u>Total</u>
1	100019477		\$ 110
2			1,902
3			<u>5,923</u>
4			
5	Grand Total		<u><u>\$ 7,935</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-Gas Division

Sum of 00048 (The Narragansett Electric Company-Gas Division)

Line #	(a) Exp Empl Id	(b) Total
1	100000180	367
2	100000575	1,044
3	100000657	394
4	100001214	660
5	100005280	223
6	100007019	-
7	100010804	1,684
8	100019226	1,648
9	100046236	799
10	100051448	2,175
11	100054831	1,015
12	100063302	1,099
13	100711508	374
14	100711531	5,985
1	00693	1,226
2	05228	3,317
3	07179	2,550
4	18207	1,711
5	20232	2,693
6	24762	1,102
7	72988	655
15		
16	Grand Total	<u><u>30,721</u></u>

Division 2-5-GAS

Request:

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

Response:

Please see Attachment DIV 2-4-GAS.

Division 2-6-GAS

Request:

Referring to Schedule MDL-3-GAS, Page 17, please provide the management and bargaining headcount by month for each month from December 2008 until the most recent month available.

Response:

Please see Attachment DIV 2-6-GAS for management and bargaining employee headcount by month from December 2008 to present. Please note that the management headcount reflects all active employees, including those employees in non-enduring positions, and employees who will be taking positions with the buyer of National Grid's New Hampshire electric and gas distribution businesses.

The Narragansett Electric Company (Gas Division)
d/b/a National Grid
Headcount by month
December 2008 - Current

<u>Line #</u>	(a) <u>Month</u>	(b) <u>Management</u>	(c) <u>Local 310</u>	(d) <u>Local 310C</u>	(e) <u>Local 12431-01</u>
1	Dec-08	80	53	0	262
2	Jan-09	79	53	0	262
3	Feb-09	78	53	0	260
4	Mar-09	78	53	0	260
5	Apr-09	77	53	0	255
6	May-09	77	53	0	254
7	Jun-09	71	52	0	254
8	Jul-09	72	52	0	263
9	Aug-09	71	54	2	273
10	Sep-09	68	55	2	270
11	Oct-09	66	55	0	264
12	Nov-09	67	55	0	265
13	Dec-09	66	55	0	267
14	Jan-10	62	55	0	267
15	Feb-10	62	55	0	264
16	Mar-10	61	53	0	264
17	Apr-10	60	53	0	262
18	May-10	61	49	0	259
19	Jun-10	63	50	0	258
20	Jul-10	62	51	0	261
21	Aug-10	53	52	0	258
22	Sep-10	52	52	0	258
23	Oct-10	51	52	0	259
24	Nov-10	51	52	0	259
25	Dec-10	51	52	0	252
26	Jan-11	44	58	0	248
27	Feb-11	44	58	0	248
28	Mar-11	44	57	0	247
29	Apr-11	42	57	0	248
30	May-11	38	53	3	237
31	Jun-11	37	54	3	240
32	Jul-11	32	54	3	238
33	Aug-11	32	54	3	241
34	Sep-11	30	54	3	239
35	Oct-11	27	54	3	239
36	Nov-11	26	54	3	239
37	Dec-11	26	54	3	238
38	Jan-12	25	53	3	238
39	Feb-12	21	53	3	238
40	Mar-12	21	53	3	238
41	Apr-12	21	53	6	236

KeySpan Corporate Services, LLC
d/b/a National Grid
Headcount by month
December 2008 - Current

<u>Line #</u>	<u>(a) Month</u>	<u>(b) Management</u>	<u>(c) Local 3</u>	<u>(d) Local 12012-04</u>	<u>(e) Local 1049</u>	<u>(f) Local 101</u>	<u>(g) Local 318</u>	<u>(h) Local 1381</u>	<u>(i) Local 13057</u>	<u>(j) Local 12003</u>
1	Dec-08	1,735	7	16	163	505	3	681	2	237
2	Jan-09	1,731	7	16	163	513	3	681	2	231
3	Feb-09	1,736	7	15	163	504	3	693	2	232
4	Mar-09	1,722	7	15	163	516	3	715	2	230
5	Apr-09	1,693	6	15	156	502	3	720	2	228
6	May-09	1,707	6	15	154	486	3	716	2	231
7	Jun-09	1,731	6	15	156	482	3	716	2	226
8	Jul-09	1,728	6	15	156	479	3	722	2	239
9	Aug-09	1,715	6	15	155	474	3	722	2	231
10	Sep-09	1,724	6	15	154	471	3	717	2	224
11	Oct-09	1,727	6	15	160	471	3	716	2	203
12	Nov-09	1,730	6	15	158	473	3	708	2	205
13	Dec-09	1,729	7	15	167	470	3	709	2	204
14	Jan-10	1,726	7	15	169	463	3	702	2	203
15	Feb-10	1,734	7	15	167	455	3	694	2	210
16	Mar-10	1,737	7	15	169	452	3	695	2	209
17	Apr-10	1,736	5	15	169	444	3	701	2	206
18	May-10	1,751	6	15	169	439	3	692	2	204
19	Jun-10	1,802	6	15	169	436	3	694	2	201
20	Jul-10	1,789	5	15	171	434	3	679	2	201
21	Aug-10	1,763	6	15	170	427	3	666	2	199
22	Sep-10	1,747	6	15	169	425	3	657	2	198
23	Oct-10	1,727	6	16	168	420	3	655	2	197
24	Nov-10	1,734	6	16	168	417	3	657	2	206
25	Dec-10	1,726	6	16	168	415	3	664	2	205
26	Jan-11	1,715	6	16	166	409	3	667	2	204
27	Feb-11	1,703	6	16	347	383	3	492	2	201
28	Mar-11	1,680	6	16	341	381	3	491	2	198
29	Apr-11	1,653	6	16	329	367	3	495	2	196
30	May-11	1,635	7	16	334	354	3	488	2	195
31	Jun-11	1,617	7	16	346	351	3	471	2	194
32	Jul-11	1,560	7	16	345	347	3	468	2	193
33	Aug-11	1,455	7	16	337	344	3	465	2	190
34	Sep-11	1,412	7	15	343	340	3	463	2	191
35	Oct-11	1,392	7	15	352	338	3	461	2	190
36	Nov-11	1,383	7	15	350	346	3	460	2	203
37	Dec-11	1,397	7	15	344	348	3	475	2	203
38	Jan-12	1,403	7	15	343	348	3	479	2	212
39	Feb-12	1,398	7	16	333	341	3	475	2	210
40	Mar-12	1,403	7	16	339	338	3	480	2	209
41	Apr-12	1,408	7	16	335	341	3	476	2	204

KeySpan Utility Services, LLC
d/b/a National Grid
Headcount by month
December 2008 - Current

<u>Line #</u>	<u>(a) Month</u>	<u>(b) Management</u>	<u>(c) Local 1049</u>	<u>(d) Local 101</u>	<u>(e) Local 1381</u>
1	Dec-08	108	5	23	2
2	Jan-09	104	5	23	2
3	Feb-09	104	5	23	2
4	Mar-09	105	5	23	2
5	Apr-09	120	11	36	2
6	May-09	116	11	36	2
7	Jun-09	116	11	36	2
8	Jul-09	115	11	36	2
9	Aug-09	114	11	36	2
10	Sep-09	113	11	36	2
11	Oct-09	114	11	36	4
12	Nov-09	113	11	36	4
13	Dec-09	114	11	36	4
14	Jan-10	114	10	36	3
15	Feb-10	113	10	36	3
16	Mar-10	113	10	36	3
17	Apr-10	112	10	37	3
18	May-10	117	10	37	3
19	Jun-10	115	10	37	3
20	Jul-10	113	10	36	3
21	Aug-10	113	10	34	3
22	Sep-10	111	10	33	3
23	Oct-10	111	10	33	3
24	Nov-10	110	10	33	3
25	Dec-10	110	10	33	3
26	Jan-11	108	5	32	3
27	Feb-11	107	5	32	3
28	Mar-11	107	5	32	3
29	Apr-11	105	5	26	3
30	May-11	102	5	23	3
31	Jun-11	100	5	23	3
32	Jul-11	95	5	23	3
33	Aug-11	74	5	23	3
34	Sep-11	73	5	23	3
35	Oct-11	71	5	23	3
36	Nov-11	73	5	23	3
37	Dec-11	66	5	23	2
38	Jan-12	63	5	23	2
39	Feb-12	59	5	23	2
40	Mar-12	62	5	23	3
41	Apr-12	62	5	23	3

National Grid USA Service Company
d/b/a National Grid
Headcount by month
December 2008 - Current

Line #	(a) Month	(b) Management	(c) Local 310, 329, 330	(d) Local 486, 326	(e) Local 12431-01	(f) Local 369
1	Dec-08	1,924	51	195	0	182
2	Jan-09	2,011	51	210	0	187
3	Feb-09	2,015	52	211	0	186
4	Mar-09	2,005	52	212	0	186
5	Apr-09	2,134	74	221	0	187
6	May-09	2,163	77	221	0	212
7	Jun-09	2,230	76	221	0	211
8	Jul-09	2,258	75	219	0	216
9	Aug-09	2,277	76	213	0	206
10	Sep-09	2,284	76	214	12	204
11	Oct-09	2,298	78	231	12	203
12	Nov-09	2,313	75	228	12	222
13	Dec-09	2,319	75	227	10	224
14	Jan-10	2,343	75	226	12	242
15	Feb-10	2,362	74	224	12	240
16	Mar-10	2,370	69	223	11	238
17	Apr-10	2,378	68	225	11	238
18	May-10	2,411	64	213	13	247
19	Jun-10	2,456	64	212	12	251
20	Jul-10	2,447	62	211	12	245
21	Aug-10	2,505	62	212	12	245
22	Sep-10	2,471	62	212	12	245
23	Oct-10	2,467	62	210	12	234
24	Nov-10	2,469	62	209	12	239
25	Dec-10	2,465	62	209	12	234
26	Jan-11	2,461	60	208	12	222
27	Feb-11	2,453	60	208	12	226
28	Mar-11	2,446	59	209	12	220
29	Apr-11	2,397	59	209	12	216
30	May-11	2,371	59	208	24	211
31	Jun-11	2,346	60	210	24	211
32	Jul-11	2,196	60	210	33	211
33	Aug-11	2,124	60	210	33	206
34	Sep-11	2,082	60	210	32	204
35	Oct-11	2,068	60	209	32	198
36	Nov-11	2,020	53	205	32	195
37	Dec-11	2,040	53	205	32	195
38	Jan-12	2,014	53	204	32	194
39	Feb-12	2,018	60	204	32	204
40	Mar-12	2,027	59	204	32	197
41	Apr-12	2,031	59	201	33	203

Division 2-7-GAS

Request:

Referring to Schedule MDL-3-GAS, 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-GAS, Page 21. 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. The correct calculation is set forth on Attachment DIV 2-7-GAS. These formula corrections result in a decrease to the Variable Pay adjustment in the amount of \$175,503 as shown Attachment DIV 2-7-GAS, Page 1. The total cost of service impact of these corrections for Narragansett Gas is approximately \$176,000, 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)	(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	\$ 181,891	\$ 15,112,734	\$ 770,429	\$ 20,569,830		\$36,634,884
2	Target Annual Variable Pay - Vacancies	-	326,875	-	458,739		
3	Total Target Annual Variable Pay	\$ 181,891	\$ 15,439,610	\$ 770,429	\$ 21,028,569		
4							
5	Percentage of Annual Wages Charged to Company	100.00%	3.52%	0.64%	4.19%		
6	Percentage of Management Wages Charged to O & M	62.82%	92.35%	100.00%	72.33%		
7	Percentage of Management O & M Wages Charged to DSM	-0.38%	3.37%	0.00%	6.97%		
8							
9	Target Variable Pay Charged to O&M	\$ 114,264	\$ 501,898	\$ 4,931	\$ 637,297	\$ 5,360	\$ 1,263,750
10	Less: DSM Variable Pay in Rate Year	\$ 434	\$ (16,914)	\$ -	\$ (44,420)		\$ (60,900)
11							
12	Total Adjusted Rate Year Variable Pay charged to O & M	\$ 114,698	\$ 484,984	\$ 4,931	\$ 592,877	\$ 5,360	\$ 1,202,850
13							
14	Test Year Variable Pay charged to O&M	\$ 61,701	\$ 1,303,820	\$ 6,429	\$ 1,017,194	\$ 5,360	\$ 2,394,504
15							
16	Variable Pay Adjustments-Corrected	\$ 52,997	\$ (818,836)	\$ (1,498)	\$ (424,317)	\$ -	\$ (1,191,654)
	Variable Pay Adjustments-As Filed	52,329	(757,983)	(1,498)	(308,999)	-	(1,016,151)
	Change in Variable Pay Adjustment	668	(60,853)	-	(115,318)	-	(175,503)

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 65, Line 59
- 6 From Page 12 of 65, Line 72
- 7 From Page 12 of 65, Line 42 / Page 12 of 65, Line 51
- 9 Line 3 x Line 5 x Line 6
- 10 Line 3 x Line 5 x Line 6 x Line 7 x -1
- 12 Line 9 + Line 10
- 14 From Page 12 of 65, Line 43
- 16 Line 12 - Line 14

Division 2-8-GAS

Request:

Please provide the actual variable pay as a percentage of target variable pay for Direct union and non-union employees for the years 2009 and 2010.

Response:

Please see Attachment DIV 2-8-GAS for the requested information.

Non-Union Non-Financial Actual Variable Pay
As a Percentage of Target

Line #	(a) Company No.	(b) Direct (048)	(c) KeySpan Corp Services (CSV)	(d) KeySpan Utility Services (USV)	(e) National Grid Service Co (099)
1	Fiscal Year 2009	149.8%	149.8%	142.7%	150.9%
2	Fiscal Year 2010	145.0%	153.1%	145.5%	155.4%

Union Non-Financial Actual Variable Pay
As a Percentage of Target

Line #	(a)	(b)	(c)	(d)	(e)
	Company No.	Direct	KeySpan Corp Services	KeySpan Utility Services	National Grid Service Co
	(048)	(CSV)	(USV)	(099)	
1	Fiscal Year 2009	98.1%	149.3%	149.4%	98.1%
2	Fiscal Year 2010	103.8%	162.2%	161.3%	103.8%

Division 2-9-GAS

Request:

Referring to Schedule MDL-3-GAS, Page 23, please provide the actual healthcare costs for Company Direct employees by month in 2012 to date and for the corresponding months in 2011.

Response:

Please refer to Attachment DIV 2-9-GAS. This attachment provides the healthcare costs recorded as O&M expense on the Company's general ledger for all employee categories. The Company does not record healthcare costs by individual categories of employees.

The Narragansett Electric Company d/b/a National Grid
Healthcare Expenses

Healthcare expenses for the 4 months ended April 30, 2011

Company	Jan 2011	Feb 2011	Mar 2011	Apr 2011	Grand Total
Narragansett Gas Company	\$ 273,526	\$ (61,936)	\$ 785,633	\$ 221,113	\$ 1,218,336
KeySpan Service Co.	44,040	83,668	91,759	33,568	253,035
Keyspan Utility	854	1,792	3,765	585	6,995
National Grid USA Service Co.	104,109	83,184	77,397	85,015	349,705
Other	9,476	11,173	31,475	10,524	62,648
Grand Total	\$ 432,005	\$ 117,881	\$ 990,028	\$ 350,804	\$ 1,890,718

Healthcare expenses for the 4 months ended April 30, 2012

Company	Jan 2012	Feb 2012	Mar 2012	Apr 2012	Grand Total
Narragansett Gas Company	\$ 354,135	\$ (206,265)	\$ 322,339	\$ 255,489	\$ 725,698
KeySpan Service Co.	75,715	67,399	46,691	18,675	208,481
Keyspan Utility	475	678	771	450	2,374
National Grid USA Service Co.	248,927	109,067	174,529	116,618	649,141
Other	8,837	4,510	8,772	6,447	28,566
Grand Total	\$ 688,089	\$ (24,611)	\$ 553,103	\$ 397,679	\$ 1,614,260

Division 2-12-GAS

Request:

Please provide the amortization of the costs of Docket No. 3943 recorded in 2011.

Response:

Amortization of the costs of Docket No. 3943 recorded in 2011 totaled \$374,568. This amount was removed from the test year cost of service through a normalizing adjustment as shown at Schedule MDL-3-GAS, Page 52, Line 18. Please refer to Attachment DIV 2-12-GAS for supporting documentation.

The Narragansett Electric Company - Gas (Co. 48)

Amortization of NEG & KeySpan Merger Costs to Achieve (CTA) and Docket No. 3943 Rate Case Expense
CY 2011

Line No.	Sum of Posted Jnl \$				Prd Name												Grand Total
	Business Unit	Regulatory Acct	Jrnl Id	Jrnl Line Descr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1	00048	407300	48123	TO RECORD AMORTIZATION	\$128,649	\$128,649	\$128,650	\$128,650	\$128,650	\$128,650	\$128,650	\$128,650	\$128,650	\$128,650			\$1,286,498
2			48123A	TO RECORD AMORTIZATION											\$128,649	\$128,649	\$257,298
3			48124	true-up amortization	\$37,456	\$37,457	\$37,457	\$37,457	\$37,457	\$37,457	\$37,457	\$37,457	\$37,457	\$37,456			\$374,568
4	00048 Total				\$166,105	\$166,106	\$166,107	\$166,106	\$128,649	\$128,649	\$1,918,364						
5																	
6	Summary																
7		FERC 407.3		Amortization of Merger CTA	\$128,649	\$128,649	\$128,650	\$128,650	\$128,650	\$128,650	\$128,650	\$128,650	\$128,650	\$128,650	\$128,649	\$128,649	\$1,543,796
8		FERC 407.3		Amortization of Rate Case Exp	\$37,456	\$37,457	\$37,457	\$37,457	\$37,457	\$37,457	\$37,457	\$37,457	\$37,457	\$37,456	\$0	\$0	\$374,568
9				TOTAL	\$166,105	\$166,106	\$166,107	\$166,107	\$166,107	\$166,107	\$166,107	\$166,107	\$166,107	\$166,106	\$128,649	\$128,649	\$1,918,364

Line Notes:

- 1-3 Per Company books
- 7 Line 1 + Line 2. Agrees to annual CTA Amortization per Docket No. 3943.
- 8 Equals Line 3. Agrees to 10/12ths of annual rate case amortization per Docket No. 3943. The related Regulatory Asset (Account 182369) was fully amortized as of Sept 30, 2011.