

June 7, 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 39-3-11  
Responses to Commission Data Requests - Set 1 - ELEC/GAS**

Dear Ms. Massaro:

Enclosed is an original and ten (10) copies of National Grid's<sup>1</sup> responses to the Commission's First Set of Data Requests in the above-captioned proceeding.

The responses included with this filing complete the Commission's First Set, as indicated on 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

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<sup>1</sup> 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

June 7, 2012  
Date

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

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone</b>
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Thomas R. Teehan, Esq. National Grid 280 Melrose St. Providence, RI 02907	<a href="mailto:Thomas.teehan@us.ngrid.com">Thomas.teehan@us.ngrid.com</a>	401-784-7667
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Cheryl M. Kimball, Esq. (for NGrid) Keegan Werlin LLP 265 Franklin Street Boston, MA 02110	<a href="mailto:ckimball@keeganwerlin.com">ckimball@keeganwerlin.com</a>	617-951-1400
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Leo Wold, Esq. (for Division) Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:Lwold@riag.ri.gov">Lwold@riag.ri.gov</a>	401-222-2424
	<a href="mailto:dmacrae@riag.ri.gov">dmacrae@riag.ri.gov</a>	
	<a href="mailto:Steve.scialabba@ripuc.state.ri.us">Steve.scialabba@ripuc.state.ri.us</a>	
	<a href="mailto:David.stearns@ripuc.state.ri.us">David.stearns@ripuc.state.ri.us</a>	
David Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	<a href="mailto:Djeffron@aol.com">Djeffron@aol.com</a>	603-964-6526
Matthew Kahal c/o/ Exeter Associates 10480 Little Patuxent Pkwy, Suite 300 Columbia, MD 21044	<a href="mailto:mkahal@exeterassociates.com">mkahal@exeterassociates.com</a>	410-992-7500
<b>File original &amp; 11 copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2107
	<a href="mailto:Anault@puc.state.ri.us">Anault@puc.state.ri.us</a>	
	<a href="mailto:Adalessandro@puc.state.ri.us">Adalessandro@puc.state.ri.us</a>	
	<a href="mailto:Nucci@puc.state.ri.us">Nucci@puc.state.ri.us</a>	
	<a href="mailto:Dshah@puc.state.ri.us">Dshah@puc.state.ri.us</a>	
	<a href="mailto:Sccamara@puc.state.ri.us">Sccamara@puc.state.ri.us</a>	

DATA SET	DATA REQUEST	DATE ISSUED	DATE FILED	WITNESS	ATTACHMENT	CONFIDENTIAL ATTACHMENT
<b>DIVISION SET 1</b>						
Division Set 1	Division 1-1-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-1-ELEC	
Division Set 1	Division 1-2-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-2-ELEC	
Division Set 1	Division 1-3-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-3-ELEC	
Division Set 1	Division 1-4-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-4-ELEC	
Division Set 1	Division 1-5-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-6-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-6-ELEC	
Division Set 1	Division 1-7-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-8-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme	Att. DIV 1-8-ELEC	
Division Set 1	Division 1-9-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-9-ELEC	
Division Set 1	Division 1-10-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-11-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-11-ELEC	
Division Set 1	Division 1-12-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-13-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-13-ELEC	
Division Set 1	Division 1-14-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-15-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-16-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-17-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-18-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-19-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-20-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-21-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-21-ELEC	
Division Set 1	Division 1-22-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-23-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-23-ELEC	
Division Set 1	Division 1-24-ELEC	05/09/2012	<b>05/25/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-25-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-26-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		
Division Set 1	Division 1-27-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme	Att. DIV 1-27-ELEC	
Division Set 1	Division 1-28-ELEC	05/09/2012	<b>05/23/2012</b>	Michael D. Laflamme		

DATA SET	DATA REQUEST	DATE ISSUED	DATE FILED	WITNESS	ATTACHMENT	CONFIDENTIAL ATTACHMENT
Division Set 1	Division 1-29-ELEC	05/09/2012	05/23/2012	Michael D. Laflamme	Att. DIV 1-29-ELEC	
Division Set 1	Division 1-30-ELEC	05/09/2012	05/23/2012	Michael D. Laflamme		
Division Set 1	Division 1-31-ELEC	05/09/2012	05/23/2012	Michael D. Laflamme		
<b>DIVISION SET 2</b>						
Division Set 2	Division 2-1-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-1-GAS	
Division Set 2	Division 2-2-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-2-GAS	
Division Set 2	Division 2-3-GAS	05/14/2012	05/25/2012	Michael D. Laflamme		
Division Set 2	Division 2-4-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-4-GAS	
Division Set 2	Division 2-5-GAS	05/14/2012	05/25/2012	Michael D. Laflamme		
Division Set 2	Division 2-6-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-6-GAS	
Division Set 2	Division 2-7-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-7-GAS	
Division Set 2	Division 2-8-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-8-GAS	
Division Set 2	Division 2-9-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-9-GAS	
Division Set 2	Division 2-10-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-11-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-12-GAS	05/14/2012	05/25/2012	Michael D. Laflamme	Att. DIV 2-12-GAS	
Division Set 2	Division 2-13-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-14-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-15-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-16-GAS	05/14/2012	05/29/2012	Michael D. Laflamme	Att. DIV 2-16-1-GAS Att. DIV 2-16-2-GAS Att. DIV 2-16-3-GAS	
Division Set 2	Division 2-17-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-18-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-19-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-20-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-21-GAS	05/14/2012	05/29/2012	Michael D. Laflamme	Att. DIV 2-21-GAS	
Division Set 2	Division 2-22-GAS	05/14/2012	05/29/2012	Michael D. Laflamme	Att. DIV 2-22-GAS	
Division Set 2	Division 2-23-GAS	05/14/2012	05/29/2012	Michael D. Laflamme	Att. DIV 2-23-GAS	
Division Set 2	Division 2-24-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		
Division Set 2	Division 2-25-GAS	05/14/2012	05/29/2012	Michael D. Laflamme		

DATA SET	DATA REQUEST	DATE ISSUED	DATE FILED	WITNESS	ATTACHMENT	CONFIDENTIAL ATTACHMENT
<b>DIVISION SET 3</b>						
Division Set 3	Division 3-1-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-2-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-3-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-4-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-5-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-6-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-7-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-8-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-9-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-10-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-11-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-12-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-13-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-14-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-15-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-16-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-17-ELEC/GAS	05/30/2012	<i>Pending</i>	Michael D. Laflamme		
Division Set 3	Division 3-18-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-19-ELEC	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-20-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-21-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-22-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-23-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-24-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-25-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-26-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		
Division Set 3	Division 3-27-ELEC/GAS	05/30/2012	<i>Pending</i>	Robert B. Hevert		

DATA SET	DATA REQUEST	DATE ISSUED	DATE FILED	WITNESS	ATTACHMENT	CONFIDENTIAL ATTACHMENT
<b>COMMISSION SET 1</b>						
Commission Set 1	Commission 1-1-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-2-ELEC/GAS	05/24/2012	<b>06/07/2012</b>	Maureen P. Heaphy		
Commission Set 1	Commission 1-3-ELEC/GAS	05/24/2012	<b>06/07/2012</b>	Michael D. Laflamme	Att. COMM 1-3-1-ELEC/GAS Att. COMM 1-3-2-ELEC/GAS	
Commission Set 1	Commission 1-4-ELEC/GAS	05/24/2012	<b>06/07/2012</b>	Timothy D. Horan		
Commission Set 1	Commission 1-5-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Maureen P. Heaphy		
Commission Set 1	Commission 1-6-ELEC	05/24/2012	<b>06/07/2012</b>	Stephen F. Doucette and Maureen P. Heaphy		
Commission Set 1	Commission 1-7-ELEC	05/24/2012	<b>06/07/2012</b>	Stephen F. Doucette and Maureen P. Heaphy		
Commission Set 1	Commission 1-8-ELEC	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-9-ELEC	05/24/2012	<b>06/07/2012</b>	Stephen F. Doucette and Maureen P. Heaphy		
Commission Set 1	Commission 1-10-ELEC	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-11-ELEC	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-12-ELEC	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-13-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-14-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-15-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-16-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye and Michael D. Laflamme		
Commission Set 1	Commission 1-17-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-18-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye		
Commission Set 1	Commission 1-19-ELEC/GAS	05/24/2012	<b>06/04/2012</b>	Evelyn M. Kaye	Att. COMM 1-19-ELEC/GAS	
Commission Set 1	Commission 1-20-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin	Att. COMM 1-20-1-ELEC Att. COMM 1-20-2-ELEC	
Commission Set 1	Commission 1-21-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin	Att. COMM 1-21-ELEC	
Commission Set 1	Commission 1-22-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin	Att. COMM 1-22-ELEC	
Commission Set 1	Commission 1-23-ELEC	05/24/2012	<b>06/07/2012</b>	Michael R. Hrycin		
Commission Set 1	Commission 1-24-ELEC	05/24/2012	<b>06/07/2012</b>	Michael R. Hrycin		
Commission Set 1	Commission 1-25-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin		
Commission Set 1	Commission 1-26-ELEC	05/24/2012	<b>06/06/2012</b>	Michael R. Hrycin		
Commission Set 1	Commission 1-27-GAS	05/24/2012	<b>06/06/2012</b>	Jeffrey P. Martin		
Commission Set 1	Commission 1-28-GAS	05/24/2012	<b>06/06/2012</b>	Jeffrey P. Martin		

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<b>COMMISSION SET 1</b>						
Commission Set 1	Commission 1-29-ELEC	05/24/2012	<b>06/04/2012</b>	Alfred P. Morrissey		
Commission Set 1	Commission 1-30-ELEC	05/24/2012	<b>06/04/2012</b>	Alfred P. Morrissey		
Commission Set 1	Commission 1-31-ELEC	05/24/2012	<b>06/04/2012</b>	Alfred P. Morrissey		
Commission Set 1	Commission 1-32-ELEC	05/24/2012	<b>06/04/2012</b>	Alfred P. Morrissey		
Commission Set 1	Commission 1-33-ELEC	05/24/2012	<b>06/07/2012</b>	Alfred P. Morrissey		
Commission Set 1	Commission 1-34-ELEC	05/24/2012	<b>06/07/2012</b>	Alfred P. Morrissey		
Commission Set 1	Commission 1-35-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-36-ELEC/GAS	05/24/2012	<b>06/07/2012</b>	Michael D. Laflamme	Att. COMM 1-36-ELEC/GAS	
Commission Set 1	Commission 1-37-GAS	05/24/2012	<b>06/07/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-38-ELEC	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-39-ELEC/GAS	05/24/2012	<b>06/07/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-40-ELEC/GAS	05/24/2012	<b>06/07/2012</b>	Ann E. Leary & Jeanne Lloyd	Att. COMM 1-40-ELEC/GAS	
Commission Set 1	Commission 1-41-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Robert B. Hevert		
Commission Set 1	Commission 1-42-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-43-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Michael D. Laflamme		
Commission Set 1	Commission 1-44-ELEC/GAS	05/24/2012	<b>06/07/2012</b>	Maureen P. Heaphy	Att. COMM 1-44-ELEC/GAS	
Commission Set 1	Commission 1-45-ELEC/GAS	05/24/2012	<b>06/06/2012</b>	Stephen F. Doucette		
Commission Set 1	Commission 1-46-GAS	05/24/2012	<b>06/07/2012</b>	Ann E. Leary		

Commission 1-2-ELEC/GAS

Request:

Referring to Timothy Horan's Testimony, p. 15, lines 12-13, are the 4 program managers new employees?

- a. If yes, when were they hired?
- b. Were they hired internally?
- c. What are the total operating costs associated with these new hires?

Response:

No, the four program managers are not new employees. The service time with National Grid for these four employees ranges from 7 to 24 years of service. The employees were selected for these positions as a result of the U.S. Restructuring that took place in 2011.

- a. Not applicable.
- b. Yes, they were hired internally.
- c. The total costs associated with these positions, including compensation and benefits, are \$776,858.



Commission 1-3-ELEC/GAS

Request:

Referring to Horan's Testimony, p. 20, lines 3-12 (Restoration efforts after Tropical Storm Irene). How many independent contractors did the Company hire to restore service after Tropical Storm Irene, and how much did it cost the Company to hire these contractors?

- a. How many of the independent contractors hired were from Rhode Island?

Response:

Please see Attachment COMM 1-3-1-ELEC/GAS for detail regarding resources utilized in connection with the Rhode Island Tropical Storm Irene restoration effort by date. This attachment was originally provided to the Rhode Island Public Utilities Commission ("RIPUC") as Attachment 11 to the Company's November 22, 2011 "Report on Tropical Storm Irene Preparedness, Damage Assessment and Service Restoration Efforts", filed in RIPUC Docket No. 2509.

Please see Attachment COMM 1-3-2-ELEC/GAS for a listing of independent contractors hired to restore service after Tropical Storm Irene and their associated costs. The reflected costs are preliminary through April 2012 and include both operations and maintenance and capital costs, excluding transmission-related costs which are not charged to the storm fund.

- a. Column (c) of Attachment COMM 1-3-2-ELEC/GAS reflects the "home base" of each contractor hired to perform restoration service following Tropical Storm Irene, with one contractor having a home base of Rhode Island. Home base information has been provided as the Company is not able to provide "resident status" information regarding individual work crews and personnel utilized by the nationally based independent contractors engaged to perform restoration service after Tropical Storm Irene.

## Hurricane Irene - Rhode Island Resources

	Date      Time			
	2011 08 29			
Data	600	1200	1800	2400
Number of Company Line Crews		61	57	56
Number of Company Tree Crews		-	-	-
Number of Company Wire Down Personnel		83	116	59
Number of Company Damage Appraiser Personnel		65	65	15
Number of Company Substation/Transmission Personnel		51	51	-
<b>Total Company</b>	<b>-</b>	<b>260</b>	<b>289</b>	<b>130</b>
Number of Contractor Line Crews		80	48	-
Number of Contractor Tree Crews		143	143	-
Number of Contractor Wire Down Personnel		-	15	15
Number of Contractor Damage Appraiser Personnel		-	-	-
Number of Contractor Substation/Transmission Personnel		141	141	-
<b>Total Contractor</b>	<b>-</b>	<b>364</b>	<b>347</b>	<b>15</b>
Number of In-State Mutual Aid Line Crews		-	-	-
Number of In-State Mutual Aid Tree Crews		-	-	-
Number of In-State Mutual Aid Wire Down Personnel		-	-	-
Number of In-State Mutual Aid Damage Appraiser Personnel		-	-	-
In-State Mutual Aid Substation/Transmission Personnel		-	-	-
<b>Total In-State Mutual Aid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Number of Out-of-State Mutual Aid Line Crews		-	-	-
Number of Out-of-State Mutual Aid Tree Crews		-	-	-
Number of Out-of-State Mutual Aid Wire Down Personnel		-	-	-
Number of Out-of-State Mutual Aid Damage Appraiser Personnel		-	-	-
Out-of- State Mutual Aid Substation/Transmission Personnel		-	-	-
<b>Total Out-of-State Mutual Aid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total # of Crews and Personnel Working</b>		<b>624</b>	<b>636</b>	<b>145</b>
Sum of Number of Company Support Personnel Used		95	118	54

## Hurricane Irene - Rhode Island Resources

Date    Time				
2011 08 30				
Data	600	1200	1800	2400
Number of Company Line Crews	65	71	64	19
Number of Company Tree Crews	-	-	-	-
Number of Company Wire Down Personnel	113	157	162	78
Number of Company Damage Appraiser Personnel	114	97	48	25
Number of Company Substation/Transmission Personnel	51	99	99	-
<b>Total Company</b>	<b>343</b>	<b>424</b>	<b>373</b>	<b>122</b>
Number of Contractor Line Crews	83	81	81	-
Number of Contractor Tree Crews	143	160	177	7
Number of Contractor Wire Down Personnel	15	13	26	10
Number of Contractor Damage Appraiser Personnel	-	-	49	-
Number of Contractor Substation/Transmission Personnel	141	219	219	-
<b>Total Contractor</b>	<b>382</b>	<b>473</b>	<b>552</b>	<b>17</b>
Number of In-State Mutual Aid Line Crews	-	-	-	-
Number of In-State Mutual Aid Tree Crews	-	-	-	-
Number of In-State Mutual Aid Wire Down Personnel	-	-	-	-
Number of In-State Mutual Aid Damage Appraiser Personnel	-	-	-	-
In-State Mutual Aid Substation/Transmission Personnel	-	-	-	-
<b>Total In-State Mutual Aid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Number of Out-of-State Mutual Aid Line Crews	-	-	-	-
Number of Out-of-State Mutual Aid Tree Crews	-	-	-	-
Number of Out-of-State Mutual Aid Wire Down Personnel	-	-	-	-
Number of Out-of-State Mutual Aid Damage Appraiser Personnel	-	-	-	-
Out-of- State Mutual Aid Substation/Transmission Personnel	-	-	-	-
<b>Total Out-of-State Mutual Aid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total # of Crews and Personnel Working</b>	<b>725</b>	<b>897</b>	<b>925</b>	<b>139</b>
Sum of Number of Company Support Personnel Used	118	124	126	60

## Hurricane Irene - Rhode Island Resources

Date    Time					
2011 08 31					
Data	600	900	1200	1800	2400
Number of Company Line Crews	61	61	62	73	21
Number of Company Tree Crews	-	-	-	-	-
Number of Company Wire Down Personnel	142	145	160	298	160
Number of Company Damage Appraiser Personnel	48	46	47	52	25
Number of Company Substation/Transmission Personnel	99	95	95	95	-
<b>Total Company</b>	<b>350</b>	<b>347</b>	<b>364</b>	<b>518</b>	<b>206</b>
Number of Contractor Line Crews	81	76	149	149	-
Number of Contractor Tree Crews	177	176	176	175	-
Number of Contractor Wire Down Personnel	26	26	34	34	36
Number of Contractor Damage Appraiser Personnel	49	75	75	45	-
Number of Contractor Substation/Transmission Personnel	219	204	204	213	-
<b>Total Contractor</b>	<b>552</b>	<b>557</b>	<b>638</b>	<b>616</b>	<b>36</b>
Number of In-State Mutual Aid Line Crews	-	-	-	-	-
Number of In-State Mutual Aid Tree Crews	-	-	-	-	-
Number of In-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of In-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
In-State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total In-State Mutual Aid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Number of Out-of-State Mutual Aid Line Crews	-	7	7	7	-
Number of Out-of-State Mutual Aid Tree Crews	-	-	-	-	-
Number of Out-of-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of Out-of-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
Out-of- State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total Out-of-State Mutual Aid</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>-</b>
<b>Total # of Crews and Personnel Working</b>	<b>902</b>	<b>911</b>	<b>1,009</b>	<b>1,141</b>	<b>242</b>
Sum of Number of Company Support Personnel Used	126	129	127	132	60

## Hurricane Irene - Rhode Island Resources

Date Time					
2011 09 01					
Data	600	900	1200	1800	2400
Number of Company Line Crews	75	77	75	83	21
Number of Company Tree Crews	-	-	-	-	-
Number of Company Wire Down Personnel	217	217	352	352	171
Number of Company Damage Appraiser Personnel	51	52	54	66	25
Number of Company Substation/Transmission Personnel	55	55	55	68	-
<b>Total Company</b>	<b>398</b>	<b>401</b>	<b>536</b>	<b>569</b>	<b>217</b>
Number of Contractor Line Crews	182	200	182	174	-
Number of Contractor Tree Crews	175	182	182	173	-
Number of Contractor Wire Down Personnel	62	62	86	86	36
Number of Contractor Damage Appraiser Personnel	34	34	20	8	-
Number of Contractor Substation/Transmission Personnel	228	38	38	40	-
<b>Total Contractor</b>	<b>681</b>	<b>516</b>	<b>508</b>	<b>481</b>	<b>36</b>
Number of In-State Mutual Aid Line Crews	-	-	-	-	-
Number of In-State Mutual Aid Tree Crews	-	-	-	-	-
Number of In-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of In-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
In-State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total In-State Mutual Aid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Number of Out-of-State Mutual Aid Line Crews	18	18	18	18	-
Number of Out-of-State Mutual Aid Tree Crews	-	-	-	-	-
Number of Out-of-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of Out-of-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
Out-of- State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total Out-of-State Mutual Aid</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>-</b>
<b>Total # of Crews and Personnel Working</b>	<b>1,097</b>	<b>935</b>	<b>1,062</b>	<b>1,068</b>	<b>253</b>
Sum of Number of Company Support Personnel Used	132	132	145	146	60

## Hurricane Irene - Rhode Island Resources

Date    Time					
2011 09 02					
Data	600	900	1200	1800	2400
Number of Company Line Crews	88	88	89	79	21
Number of Company Tree Crews	-	-	-	-	-
Number of Company Wire Down Personnel	294	299	299	312	98
Number of Company Damage Appraiser Personnel	66	66	65	65	7
Number of Company Substation/Transmission Personnel	68	68	68	68	-
<b>Total Company</b>	<b>516</b>	<b>521</b>	<b>521</b>	<b>524</b>	<b>126</b>
Number of Contractor Line Crews	174	174	175	175	-
Number of Contractor Tree Crews	173	173	173	173	-
Number of Contractor Wire Down Personnel	86	86	86	86	-
Number of Contractor Damage Appraiser Personnel	8	8	8	8	-
Number of Contractor Substation/Transmission Personnel	40	40	40	40	-
<b>Total Contractor</b>	<b>481</b>	<b>481</b>	<b>482</b>	<b>482</b>	<b>-</b>
Number of In-State Mutual Aid Line Crews	-	-	-	-	-
Number of In-State Mutual Aid Tree Crews	-	-	-	-	-
Number of In-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of In-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
In-State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total In-State Mutual Aid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Number of Out-of-State Mutual Aid Line Crews	18	18	18	18	-
Number of Out-of-State Mutual Aid Tree Crews	-	-	-	-	-
Number of Out-of-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of Out-of-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
Out-of- State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total Out-of-State Mutual Aid</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>-</b>
<b>Total # of Crews and Personnel Working</b>	<b>1,015</b>	<b>1,020</b>	<b>1,021</b>	<b>1,024</b>	<b>126</b>
Sum of Number of Company Support Personnel Used	146	150	150	150	60

## Hurricane Irene - Rhode Island Resources

Date    Time					
2011 09 03					
Data	600	900	1200	1800	2400
Number of Company Line Crews	81	81	92	92	21
Number of Company Tree Crews	-	-	-	-	-
Number of Company Wire Down Personnel	155	111	111	111	-
Number of Company Damage Appraiser Personnel	50	50	53	53	7
Number of Company Substation/Transmission Personnel	68	68	68	68	-
<b>Total Company</b>	<b>354</b>	<b>310</b>	<b>324</b>	<b>324</b>	<b>28</b>
Number of Contractor Line Crews	230	186	201	152	-
Number of Contractor Tree Crews	173	81	81	69	-
Number of Contractor Wire Down Personnel	24	24	24	24	-
Number of Contractor Damage Appraiser Personnel	-	-	-	-	-
Number of Contractor Substation/Transmission Personnel	40	-	-	-	-
<b>Total Contractor</b>	<b>467</b>	<b>291</b>	<b>306</b>	<b>245</b>	<b>-</b>
Number of In-State Mutual Aid Line Crews	-	-	-	-	-
Number of In-State Mutual Aid Tree Crews	-	-	-	-	-
Number of In-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of In-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
In-State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total In-State Mutual Aid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Number of Out-of-State Mutual Aid Line Crews	18	62	95	95	-
Number of Out-of-State Mutual Aid Tree Crews	-	-	-	-	-
Number of Out-of-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of Out-of-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
Out-of- State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total Out-of-State Mutual Aid</b>	<b>18</b>	<b>62</b>	<b>95</b>	<b>95</b>	<b>-</b>
<b>Total # of Crews and Personnel Working</b>	<b>839</b>	<b>663</b>	<b>725</b>	<b>664</b>	<b>28</b>
Sum of Number of Company Support Personnel Used	138	137	122	121	41

## Hurricane Irene - Rhode Island Resources

Date    Time					
2011 09 04					
Data	600	900	1200	1800	2400
Number of Company Line Crews	92	90	98	18	18
Number of Company Tree Crews	-	-	-	-	-
Number of Company Wire Down Personnel	50	-	-	-	-
Number of Company Damage Appraiser Personnel	53	-	-	-	-
Number of Company Substation/Transmission Personnel	-	-	-	-	-
<b>Total Company</b>	<b>195</b>	<b>90</b>	<b>98</b>	<b>18</b>	<b>18</b>
Number of Contractor Line Crews	152	242	242	20	-
Number of Contractor Tree Crews	69	37	37	-	-
Number of Contractor Wire Down Personnel	-	-	-	-	-
Number of Contractor Damage Appraiser Personnel	-	-	-	-	-
Number of Contractor Substation/Transmission Personnel	-	-	-	-	-
<b>Total Contractor</b>	<b>221</b>	<b>279</b>	<b>279</b>	<b>20</b>	<b>-</b>
Number of In-State Mutual Aid Line Crews	-	-	-	-	-
Number of In-State Mutual Aid Tree Crews	-	-	-	-	-
Number of In-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of In-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
In-State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total In-State Mutual Aid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Number of Out-of-State Mutual Aid Line Crews	95	95	95	-	-
Number of Out-of-State Mutual Aid Tree Crews	-	-	-	-	-
Number of Out-of-State Mutual Aid Wire Down Personnel	-	-	-	-	-
Number of Out-of-State Mutual Aid Damage Appraiser Personnel	-	-	-	-	-
Out-of- State Mutual Aid Substation/Transmission Personnel	-	-	-	-	-
<b>Total Out-of-State Mutual Aid</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>-</b>	<b>-</b>
<b>Total # of Crews and Personnel Working</b>	<b>511</b>	<b>464</b>	<b>472</b>	<b>38</b>	<b>18</b>
Sum of Number of Company Support Personnel Used	69	61	53	10	4



*Information is preliminary and subject to change*

**Tropical Storm Irene Restoration Efforts in Rhode Island  
Vendor Listing and Associated Cost Information  
As of April 30, 2012**

<b>Line</b>	<b>Vendor</b>	<b>Total \$ As of April 30, 2012</b>	<b>Home Base</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
1	ABC PROFESSIONAL TREE SERVICE INC	\$ 303,453	TX
2	ALLIANCE POWER GROUP LLC	\$ 755,498	MA
3	AMEREN (Mututal Aid)	\$ 649,767	IL
4	ASPLUNDH TREE EXPERT CO	\$ 2,124,247	PA
5	BEMIS	\$ 51,260	VT
6	D&D POWER INC	\$ 86,569	NY
7	DAVEY RESOURCE GROUP	\$ 51,643	OH
8	EMERA UTILITY SERVICES INC	\$ 866,446	Canada
9	ENVIRONMENTAL CONSULTANTS INC	\$ 39,388	PA
10	GRATTAN LINE CONSTRUCTION CORPORATION	\$ 17,899	MA
11	GRAYS POWER SUPPLY	\$ 3,566,032	MS
12	HENKELS & MCCOY INC	\$ 38,601	IL
13	HYDRO-QUEBEC (Mutual Aid)	\$ 875,206	Canada
14	I B ABEL INC	\$ 686,374	PA
15	JOHN BROWN & SONS	\$ 3,497	NH
16	LEWIS TREE SERVICE INC	\$ 10,518	NY
17	M J ELECTRIC LLC	\$ 1,226,556	WI
18	MTV SOLUTIONS INC	\$ 629,031	MA
19	N G GILBERT CORPORATION	\$ 962,947	IN
20	NELSON TREE SERVICE INC	\$ 1,287,625	OH
21	NEW HAMPSHIRE ELECTRIC COOP (Mututal Aid)	\$ 62,792	NH
22	NORTHEAST LINE CONSTRUCTION CORP	\$ 478,290	MA
23	O'DONNELL LINE & ELECTRICAL LTD	\$ 84,312	Canada
24	ORLANDO UTILITIES COMMISSION (Mutual Aid)	\$ 249,100	FL
25	PCG	\$ 147,425	OK
26	PIKE ELECTRIC INC	\$ 258,272	TN
27	PREMIER UTILITY SERVICES LLC	\$ 151,997	NY
28	SOUTHERN CROSS CORPORATION	\$ 60,220	GA
29	SPE UTILITY CONTRACTORS LLC	\$ 1,367,596	MI
30	STANLEY TREE SERVICE INC	\$ 307,983	RI
31	STATE ELECTRIC CORPORATION	\$ 1,892,121	MA
32	SUMTER UTILITIES INC	\$ 1,011,083	SC
33	THE DAVEY TREE EXPERT COMPANY	\$ 632,985	OH
34	THE ENERGY GROUP INC	\$ 164,266	MI
35	THIRAU LLC	\$ 1,198,709	CT
36	THREE PHASE LINE CONSTRUCTION INC	\$ 266,538	GA
37	VEGETATION CONTROL SERVICE INC	\$ 24,060	MA
38	<b>Grand Total</b>	<b>\$ 22,590,305</b>	

Commission 1-4-ELEC/GAS

Request:

(Timothy Horan, p. 21, lines 20-21) Mr. Horan refers to contributions to education projects, stating that the Company works with CCRI and the US Dept. of Energy to develop an energy utility technology certificate program. Please quantify to the extent possible the Company's work on this project in terms of number of employees devoted to this task and number of months and/or years the Company has been involved in this endeavor.

- a. What is the status of the development of the energy utility technology certificate program, i.e. is there an estimated date on which said certificate will be offered to students?
- b. What has been the cost of these programs?
- c. What has been the source of funds used to support these programs?

Response:

- a. The Community College of Rhode Island ("CCRI"), Engineering and Technology Department developed the Energy Utility Technology Certificate program (EUTC) to address the growing employment opportunities in the energy sector. Supporting this effort is an external Advisory Council and the Company, which is the state's largest public utility. To support the development of this program, the Department of Energy awarded CCRI a \$760,000 grant.

The EUTC certificate was developed to meet the region's growing need for trained technicians with new knowledge and skill sets to replace an aging workforce and emerging energy technology. A 2005 *Craft Skill Gap Survey* conducted by the Utility Workforce Planning Network indicates that electric and natural gas utility companies across the country are struggling to fill skilled technical and craft positions. The report identifies four major areas where utilities face the greatest hiring needs through 2010 and beyond. These areas include:

- Maintenance and repair workers;
- Electrical power line installers and repairers;
- First-line supervisors and managers; and
- Power plant operators.

Commission 1-4-ELEC/GAS, page 2

The EUTC certificate is a 27 credit, one year, full time program that commenced in the fall 2011 semester. The program includes a 64 hour industry training practicum that is provided by National Grid. The EUTC curriculum has been designed to prepare students for job placement in the Electrical Utility Technology field and/or graduates may choose to continue their education in Engineering Systems Technology (EST), an associate degree program that fully integrates all EST certificate credits. The EST is a 63 credit Associate in Science Degree program with classes offered both during the day and evening to serve full time and part time attendance.

To date, certificates have been awarded to nine CCRI students in calendar year 2012 for completing the EUTC program.

- b and c. The EUTC program is unique in that it is inclusive of an industry practicum and capstone 64 hour training course to be held at the National Grid Training Facility in nearby Millbury, Massachusetts. In spring 2010, the U. S. Department of Energy, National Energy Technology Laboratory funded a \$760,000 grant to CCRI to support the development of the Energy Utility Technology Certificate. These monies were requested for purchase of laboratory equipment, curriculum development, and faculty professional development. In addition, National Grid has provided support to the EUTC program through faculty training, student training, curriculum development and marketing. National Grid has also pledged an annual \$10,000 scholarship fund to the EUTC program.

Commission 1-6-ELEC

Request:

Referring to Stephen Doucette's Testimony, p. 12, line 14, as of today's date, how many employees are scheduled to receive the defined benefit upon retirement, and how many are scheduled to receive the cash balance plan upon retirement?

Response:

As of May 25, 2012, the pension participation is as follows:

<b>Narragansett Electric</b>	<b>Mgmt</b>	<b>Union</b>	<b>Total</b>
Defined Benefit Plan (Traditional)	32	366	398
Defined Benefit Plan (Cash Balance)	1	0	1
Defined Contribution Plan	0	0	0
Total	33	366	399

<b>National Grid USA Service Company</b>	<b>Mgmt</b>	<b>Union</b>	<b>Total</b>
Defined Benefit Plan (Traditional)	1,007	507	1,514
Defined Benefit Plan (Cash Balance)	944	18	962
Defined Contribution Plan	120	0	120
Total	2,071	525	2,596

<b>National Grid Corporate Services</b>	<b>Mgmt</b>	<b>Union</b>	<b>Total</b>
Defined Benefit Plan (Traditional)	701	1,132	1,833
Defined Benefit Plan (Cash Balance)	647	118	665
Defined Contribution Plan	88	146	234
Total	1,436	1,396	2,732

<b>National Grid Utility Services</b>	<b>Mgmt</b>	<b>Union</b>	<b>Total</b>
Defined Benefit Plan (Traditional)	47	31	78
Defined Benefit Plan (Cash Balance)	14	0	14
Defined Contribution Plan	3	0	3
Total	64	31	95

Commission 1-7-ELEC

Request:

Referring to Stephen Doucette, p. 12, lines 18-19, what specifically is the Company doing to transition to the defined contribution plan?

- a. Is there a date certain that the Company hopes to have all new union employees on a defined contribution plan?

Response:

The terms and conditions of employment for all union employees are subject to collective bargaining negotiations between National Grid and the union. Accordingly, any changes to existing terms and conditions can only be considered at the time of negotiations. Currently, all union employees are provided the traditional defined benefit pension retirement benefit (please see the Company's response to Commission 1-10-ELEC for a description of this type of pension benefit plan).

Commission 1-9-ELEC

Request:

Stephen Doucette, p. 11, lines 14-15. How many Narragansett Electric employees are vested in the defined benefit plan?

Response:

As of May 25, 2012, there are 33 non-union employees in Narragansett Electric. All 33 employees participate in a defined benefit pension plan and all are fully vested in their benefits.

As of May 25, 2012, there are 366 union employees in Narragansett Electric. All 366 employees participate in a defined benefit pension plan and 317 of them are fully vested in their benefits.

Commission 1-23-ELEC

Request:

Michael Hrycin. What is the average cost of hiring a union employee versus a non-union employee for the same position? Please include salary and benefits in your analysis.

Response:

Union employees and non-union employees are not interchangeable in terms of a given position within the Company, and therefore, the requested comparison cannot be made. National Grid is a unionized workplace. Therefore, certain positions are covered by a collective bargaining agreement and those positions must be filled by a represented union employee. For example, the Direct Testimony of Company Witness Hrycin (at page 5) indicates that the cost of hiring a new electrical worker who will need to be trained by the Company over a period of years is approximately \$95,000 annually. Thus, the cost of that position is \$95,000 and the new employee will be a union member in that position. There is no alternative cost for a non-union employee in that position.

Commission 1-24-ELEC

Request:

Michael Hrycin. How do collective bargaining agreements serve to mitigate Narragansett Electric's costs in hiring trained staff?

Response:

National Grid is a unionized workplace. Therefore, National Grid must negotiate and enter into collective bargaining agreements with represented employees. Through negotiation of the collective bargaining agreements, the Company is able to implement measures to mitigate labor costs. For example, the negotiated agreements allow the Company to hire and retain entry-level employees, who will receive significant training over a period of time and who will gain a level of expertise that is needed to conduct operations in a safe and reliable manner. The bargaining agreements establish a compensation structure that tracks the progression of the employee's work skills and experience. This process ensures that the Company is paying for the correct skill set needed throughout its operation – from entry-level to the highest skill level. The rates of pay that correspond to these job levels are market-based and are re-negotiated in conjunction with each successor collective bargaining agreement. In addition, the collective bargaining agreements allow the Company to review and modify other terms and conditions of employment during negotiations to explore cost savings initiatives associated with other employee benefits across a broad employee base on a fair and non-discriminatory basis.



Commission 1-33-ELEC

Request:

Referring to APM-6 page 1, please reconcile the total energy efficiency savings and EE percent of GWh sales listed for 2012, 2013 and 2014 (876.936, 969.609 and 1085.705 GWhs; 11.3%, 12.3% and 13.7%) with the energy savings targets approved in Dockets 4202 and 4284.

Response:

The total energy efficiency (EE) savings listed for 2012, 2013 and 2014 (876.936, 969.609 and 1,085.705 gWh, respectively) are the total EE savings Narragansett Electric expects to be on-line and realized in those years. These values are the sum of two streams of savings. The first savings stream is the total annual savings from all of Narragansett Electric's EE programs offered through 2011, historic, which are still producing savings in 2012, 2013 and 2014. The second savings stream is the incremental or new savings attributable to the energy savings targets approved by the Commission in Dockets 4202 and 4284. For the incremental savings, it is assumed that 50 percent of the first year annual savings target in any given year is achieved in the target year and the full amount of the savings target is realized in each subsequent year through the remaining lifetime of the energy savings. This is because, in any given target year, customers participate in Narragansett Electric's EE programs over the entire target year and are not all on-line as of January 1 of the target year. Therefore, 50 percent of the savings target is assumed as an approximation of the savings in the target year.

The EE percent of gWh sales listed for 2012, 2013 and 2014 (11.3 percent, 12.3 percent and 13.7 percent, respectively) are calculated by dividing the total EE gWh savings for those years (876.936, 969.609 and 1,085.705, respectively) by the total gWh sales for those years (7,775.060, 7,853.901 and 7,938.253, respectively).

Commission 1-34-ELEC

Request:

Referring to APM-6 page 1, please reconcile the total energy efficiency savings percent of GWh sales listed for 2012, 2013 and 2014 (11.3%, 12.3% and 13.7%) with the energy savings targets approved in Dockets 4202 and 4284.

Response:

Please see the response to Commission 1-33-ELEC.

Commission 1-36-ELEC/GAS

Request:

Page 22 of Timothy Horan's direct states that various programs (STEM, City Year, Education in Action) benefit from financial contributions and employee volunteer time.

- a. Please provide the amount of financial contributions for each of the last 3 years by program.
- b. Please identify the source of the contributions and whether the contributions are part of the company's revenue requirement.
- c. Are employees compensated for their volunteer time by the company?

Response:

- a. Please see Attachment COMM 1-36-ELEC/GAS, pages 1 through 3 for the years 2009 and 2010. Please see Workpaper MDL-6 for the year 2011.
- b. The contributions to organizations set forth on Workpaper MDL-6 are part of the Company's revenue requirement.
- c. Employees are compensated by the Company if the volunteering occurs during standard business hours.

**Calendar Year 2009**

**Donations**

	Organization Official Name	Payment Amount	Payment Date
1	ACADEMIC DECATHLON OF RHODE ISLAND	\$1,500.00	03/19/2009
2	AMERICAN CANCER SOCIETY INC	\$1,375.00	10/26/2009
3	AMERICAN DIABETES ASSOCIATION	\$1,025.00	10/26/2009
4	American Heart Association	\$5,000.00	03/19/2009
5	American Heart Association	\$40.00	07/30/2009
6	American Heart Association	\$100.00	10/26/2009
7	American Heart Association	\$2,500.00	11/25/2009
8	American Red Cross Rhode Island Chapter	\$5,000.00	11/19/2009
9	AMERICAN RED CROSS RI CHAPTER	\$5,000.00	01/20/2009
10	Boys & Girls Clubs of Providence	\$2,500.00	07/02/2009
11	Boys Town New England, Inc.	\$7,500.00	08/27/2009
12	Bryant University	\$2,500.00	02/03/2009
13	Crossroads Rhode Island	\$5,000.00	09/03/2009
14	CVS CHARITY CLASSIC INC	\$3,500.00	03/12/2009
15	Day One	\$5,000.00	12/10/2009
16	Dorcas Place Adult and Family Learning Center	\$10,000.00	03/19/2009
17	East Greenwich Chamber of Commerce	\$560.00	03/19/2009
18	EDUCATION IN ACTION	\$600.00	05/26/2009
19	Elmwood Little League	\$500.00	02/17/2009
20	EPISCOPAL CHARITIES FUND OF RHODE ISLAND	\$3,000.00	10/01/2009
21	Family Service of Rhode Island	\$1,500.00	09/03/2009
22	Friends of Ballard Park	\$1,000.00	02/17/2009
23	GRANTMAKERS COUNCIL OF RHODE ISLAND INC	\$1,270.00	09/24/2009
24	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$750.00	02/26/2009
25	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$750.00	05/21/2009
26	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$1,200.00	06/04/2009
27	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$1,400.00	09/03/2009
28	Greater Providence Young Mens Christian Association	\$250.00	07/30/2009
29	GROW SMART RHODE ISLAND	\$5,000.00	07/02/2009
30	HARMONY HILL SCHOOL INC	\$1,500.00	09/17/2009
31	INTERNATIONAL INSTITUTE RHODE ISLAND	\$1,200.00	06/18/2009
32	J ARTHUR TRUDEAU MEMORIAL CENTER	\$1,200.00	03/19/2009
33	JUNIOR ACHIEVEMENT OF RHODE ISLAND, Inc.	\$4,500.00	07/23/2009
34	JUNIOR ACHIEVEMENT OF RHODE ISLAND, Inc.	\$500.00	09/03/2009
35	KENT CENTER FOR HUMAN & ORGANIZATIONAL DEVELOPMENT INC	\$5,000.00	03/19/2009
36	LITTLE COMPTON COMMUNITY CENTER CORP	\$1,500.00	06/25/2009
37	MARCH OF DIMES	\$5,500.00	10/26/2009
38	MCAULEY CORPORATION	\$4,000.00	03/26/2009
39	NATIONAL MULTIPLE SCLEROSIS SOCIETY	\$95.00	10/26/2009
40	North Kingstown Chamber of Commerce	\$3,000.00	03/19/2009
41	North Kingstown School Department/Child Opportunity Zone	\$1,500.00	10/22/2009
42	Northern RI Chamber of Commerce	\$10,000.00	03/19/2009
43	OFFICE OF COMMUNITY SERVICE AND ADVOCACY	\$15,000.00	09/24/2009
44	PROVIDENCE COLLEGE	\$100.00	10/26/2009
45	Providence Performing Arts Center	\$10,000.00	03/05/2009
46	Providence Performing Arts Center	\$3,000.00	09/03/2009
47	Rhode Island Commodores	\$1,000.00	12/30/2009
48	Rhode Island Community Food Bank	\$75.00	07/30/2009
49	Rhode Island Economic Development Corporation	\$3,000.00	08/27/2009
50	RHODE ISLAND FOR COMMUNITY AND JUSTICE	\$1,000.00	10/22/2009
51	RHODE ISLAND FREE CLINIC INC	\$1,500.00	06/11/2009
52	RHODE ISLAND PUBLIC EXPENDITURE COUNCIL	\$5,000.00	09/24/2009
53	SALVE REGINA UNIVERSITY	\$10,000.00	06/11/2009
54	SALVE REGINA UNIVERSITY	\$5,000.00	12/30/2009
55	SISTERS OF MERCY OF THE AMERICAS NORTHEAST COMMUNITY INC	\$1,000.00	06/11/2009
56	ST. JOSEPH HEALTH SERVICES OF RI	\$2,250.00	03/19/2009
57	The Leukemia & Lymphoma Society	\$375.00	10/26/2009
58	The Nature Conservancy	\$1,000.00	12/30/2009
59	THE PROVIDENCE FOUNDATION	\$5,000.00	09/17/2009
60	The Ross Elkhay Foundation	\$2,500.00	08/27/2009
61	The Salvation Army	\$200,000.00	10/19/2009
62	The STATE BALLET OF RHODE ISLAND	\$200.00	10/26/2009
63	The Women's Fund of RI	\$1,000.00	10/22/2009
64	TRINITY REPERTORY COMPANY	\$5,000.00	08/20/2009
65	TRINITY RESTORATION INC	\$500.00	12/30/2009
66	UNIVERSITY OF RHODE ISLAND FOUNDATION	\$31,250.00	10/01/2009
67			
68	<b>Total 2009</b>	<b>\$419,565.00</b>	

**Calendar Year 2010**

**Donations**

	Organization Official Name	Payment Amount	Payment Date
1	4-H CLUBS & AFFILIATED 4-H ORGANIZATIONS	\$25.00	01/21/2010
2	ADOPTION RHODE ISLAND	\$1,000.00	06/10/2010
3	AMERICAN CANCER SOCIETY INC	\$33,762.00	08/12/2010
4	AMERICAN CANCER SOCIETY INC	\$3,935.00	10/18/2010
5	AMERICAN CANCER SOCIETY INC	\$1,565.00	07/22/2010
6	AMERICAN CANCER SOCIETY INC	\$70.00	07/22/2010
7	AMERICAN CANCER SOCIETY INC	\$150.00	04/22/2010
8	AMERICAN CANCER SOCIETY INC	\$300.00	03/22/2010
9	AMERICAN CANCER SOCIETY INC	\$25.00	03/22/2010
10	AMERICAN CANCER SOCIETY INC	\$950.00	01/21/2010
11	AMERICAN CANCER SOCIETY INC	\$14,881.00	01/21/2010
12	AMERICAN DIABETES ASSOCIATION	\$300.00	07/22/2010
13	American Heart Association	\$65.00	10/18/2010
14	American Heart Association	\$50.00	04/22/2010
15	American Red Cross Rhode Island Chapter	\$5,000.00	07/22/2010
16	American Red Cross Rhode Island Chapter	\$3,000.00	12/23/2010
17	American Red Cross Rhode Island Chapter	\$7,365.00	07/22/2010
18	AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION	\$50.00	10/18/2010
19	AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION	\$500.00	03/22/2010
20	AUDUBON SOCIETY OF RHODE ISLAND	\$50.00	10/27/2010
21	BACK TO SCHOOL CELEBRATION OF RI	\$1,000.00	03/11/2010
22	BACK TO SCHOOL CELEBRATION OF RI	\$100.00	03/22/2010
23	BIG BROTHERS OF RHODE ISLAND INC	\$600.00	10/27/2010
24	Boys & Girls Clubs of Providence	\$2,500.00	07/15/2010
25	BOYS AND GIRLS CLUBS OF PROVIDENCE	\$500.00	03/22/2010
26	Boys Town New England, Inc.	\$7,500.00	09/30/2010
27	Boys Town New England, Inc.	\$500.00	04/22/2010
28	CATHOLIC CHARITY FUND	\$175.00	10/07/2010
29	CELEBRATE RHODE ISLAND	\$2,500.00	01/07/2010
30	COMMUNITY COLLEGE OF RHODE ISLAND FOUNDATION	\$1,200.00	10/21/2010
31	Day One	\$5,000.00	09/30/2010
32	Dorcas Place Adult and Family Learning Center	\$10,000.00	07/06/2010
33	EAST GREENWICH FREE LIBRARY ASSOCIATION	\$100.00	11/11/2010
34	EDUCATION IN ACTION	\$600.00	07/01/2010
35	Elmwood Little League	\$500.00	02/18/2010
36	Family Service of Rhode Island	\$5,000.00	06/10/2010
37	Friends of Ballard Park	\$1,500.00	01/21/2010
38	FRIENDS OF TIVERTON LIBRARIES INC	\$1,000.00	10/07/2010
39	Fund for UCAP	\$25,000.00	08/05/2010
40	GLORIA GEMMA BREAST CANCER RESOURCE FOUNDATION	\$500.00	10/18/2010
41	GLORIA GEMMA BREAST CANCER RESOURCE FOUNDATION	\$500.00	01/21/2010
42	GRANTMAKERS COUNCIL OF RHODE ISLAND INC	\$1,270.00	10/21/2010
43	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$750.00	01/21/2010
44	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$750.00	05/06/2010
45	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$1,200.00	05/06/2010
46	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$1,400.00	09/30/2010
47	GREATER PROVIDENCE CHAMBER OF COMMERCE	\$15,000.00	02/18/2010
48	GROW SMART RHODE ISLAND	\$2,500.00	03/25/2010
49	HERITAGE HARBOR CORP	\$500.00	02/18/2010
50	HERITAGE HARBOR CORP	\$500.00	12/23/2010
51	HISPANIC AMERICAN CHAMBER OF COMMERCE	\$1,500.00	03/18/2010
52	INSTITUTE ON THE STUDY AND PRACTICE OF NONVIOLENCE	\$50.00	02/11/2010
53	J ARTHUR TRUDEAU MEMORIAL CENTER	\$1,200.00	09/30/2010
54	J ARTHUR TRUDEAU MEMORIAL CENTER	\$130.00	03/22/2010
55	Jamestown Education Foundation, Inc.	\$1,500.00	07/01/2010
56	JUNIOR ACHIEVEMENT OF RHODE ISLAND, Inc.	\$5,000.00	07/15/2010
57	JUVENILE DIABETES RESEARCH FOUNDATION INTERNATIONAL	\$170.00	10/07/2010
58	LITTLE COMPTON COMMUNITY CENTER CORP	\$1,500.00	06/10/2010
59	MCAULEY CORPORATION	\$10,000.00	09/30/2010
60	NATIONAL MULTIPLE SCLEROSIS SOCIETY	\$25.00	10/18/2010
61	NATIONAL MULTIPLE SCLEROSIS SOCIETY	\$50.00	07/22/2010
62	PAWTUCKET FOUNDATION	\$3,000.00	10/21/2010
63	PRESERVATION SOCIETY OF NEWPORT COUNTY	\$1,000.00	02/11/2010
64	PROVIDENCE ANIMAL RESCUE LEAGUE	\$100.00	10/27/2010
65	Providence Children's Museum	\$1,250.00	07/29/2010

**Calendar Year 2010**

**Donations**

	Organization Official Name	Payment Amount	Payment Date
67	PROVIDENCE COLLEGE	\$100.00	03/22/2010
68	Providence College	\$300.00	03/22/2010
69	PROVIDENCE COLLEGE	\$50.00	01/21/2010
70	Providence Performing Arts Center	\$3,500.00	01/28/2010
71	Providence Performing Arts Center	\$3,000.00	10/21/2010
72	Rebuilding Together Greater Newport	\$500.00	03/11/2010
73	Rebuilding Together Providence	\$2,500.00	03/18/2010
74	Rebuilding Together Providence	\$100.00	03/22/2010
75	RHODE ISLAND COALITION FOR THE HOMELESS	\$1,000.00	03/11/2010
76	RHODE ISLAND COLLEGE ALUMNI ASSOCIATION	\$125.00	07/22/2010
77	RHODE ISLAND COLLEGE FOUNDATION	\$100.00	10/18/2010
78	Rhode Island Community Food Bank	\$250.00	02/04/2010
79	Rhode Island Community Food Bank	\$5,000.00	01/21/2010
80	Rhode Island Community Food Bank	\$100.00	10/18/2010
81	RHODE ISLAND COMMUNITY FOOD BANK ASSOCIATION	\$50.00	03/22/2010
82	RHODE ISLAND FOSTER PARENTS ASSOCIATION	\$100.00	12/16/2010
83	RHODE ISLAND KIDS COUNT	\$2,500.00	03/18/2010
84	RHODE ISLAND MANUFACTURERS ASSOCIATION	\$650.00	02/18/2010
85	Rhode Island Mentoring Partnership	\$1,500.00	06/10/2010
86	Rhode Island Philharmonic Orchestra & Music School	\$100.00	10/27/2010
87	RHODE ISLAND PUBLIC EXPENDITURE COUNCIL	\$14,965.00	02/18/2010
88	RHODE ISLAND PUBLIC EXPENDITURE COUNCIL	\$5,000.00	10/07/2010
89	ROCKY HILL SCHOOL	\$25.00	11/11/2010
90	RONALD MCDONALD HOUSE OF PROVIDENCE INC	\$100.00	11/11/2010
91	ROTARY CHARITIES FOUNDATION OF ROTARY CLUB OF PROVIDENCE	\$1,500.00	10/21/2010
92	SALVE REGINA UNIVERSITY	\$5,000.00	10/21/2010
93	SALVE REGINA UNIVERSITY	\$200.00	10/18/2010
94	SAVE THE BAY INC	\$85.00	07/22/2010
95	SAVE THE BAY INC	\$50.00	03/22/2010
96	SAVE THE BAY INC	\$35.00	01/21/2010
97	SAVE THE BAY INC	\$5,000.00	09/30/2010
98	SISTERS OF MERCY OF THE AMERICAS NORTHEAST COMMUNITY INC	\$5,000.00	02/18/2010
99	Special Olympics Rhode Island	\$10,000.00	01/07/2010
100	ST JOSEPH HEALTH SERVICES FOUNDATION	\$3,500.00	10/21/2010
101	ST MARYS HOME FOR CHILDREN	\$500.00	11/11/2010
102	ST. JOSEPH HEALTH SERVICES OF RI	\$2,250.00	05/06/2010
103	St. Michael's Providence, Rhode Island	\$1,000.00	02/18/2010
104	The Fund for Community Progress	\$1,000.00	10/14/2010
105	The Leukemia & Lymphoma Society	\$40.00	10/18/2010
106	The Leukemia & Lymphoma Society	\$20.00	07/22/2010
107	The Leukemia & Lymphoma Society	\$25.00	01/21/2010
108	The Nature Conservancy	\$50.00	01/21/2010
109	THE PROVIDENCE FOUNDATION	\$5,000.00	10/21/2010
110	The Ross Elkhay Foundation	\$1,000.00	07/01/2010
111	The Salvation Army	\$60.00	01/21/2010
112	The Salvation Army	\$200,000.00	12/02/2010
113	The STATE BALLET OF RHODE ISLAND	\$500.00	07/22/2010
114	TRINITY REPERTORY COMPANY	\$3,000.00	06/10/2010
115	United Way of Rhode Island, Inc	\$20,000.00	07/22/2010
116	United Way of Rhode Island, Inc	\$25,000.00	12/09/2010
117	United Way of Rhode Island, Inc	\$50,000.00	11/04/2010
118	UNIVERSITY OF RHODE ISLAND FOUNDATION	\$50.00	07/22/2010
119	UNIVERSITY OF RHODE ISLAND FOUNDATION	\$225.00	01/21/2010
120	UNIVERSITY OF RHODE ISLAND FOUNDATION	\$31,250.00	09/07/2010
121	UNIVERSITY OF RHODE ISLAND FOUNDATION	\$5,000.00	06/10/2010
122	WESTERLY ADULT DAY SERVICES INC	\$150.00	01/21/2010
123	WHEELER SCHOOL	\$250.00	11/11/2010
124	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	\$1,000.00	03/11/2010
125	YMCA of Cranston	\$1,000.00	03/04/2010
126	YOUNG VOICES	\$120.00	10/18/2010
127	YOUNG VOICES	\$100.00	01/21/2010
128			
129	<b>Total 2010</b>	<b>\$612,238.00</b>	

Commission 1-37-GAS

Request:

Page 22 of Timothy Horan's direct states the company has converted to the CSS system and has stopped using Advantage/Banner and LDCM. Are there any unamortized costs related to Advantage/Banner and LDCM on the books. If yes, how will these costs be removed?

Response:

As of December 31, 2011, there was \$3,940,152 of unamortized costs related to the Advantage/Banner System. The LDCM system is fully depreciated as of December 31, 2011. On page 11 of his testimony, Company Witness Jeffrey P. Martin explains that the Advantage/Banner system will remain active in a read "only mode" and, therefore, will likely be in use over its remaining life. This remaining value is being amortized through August 2017, which represents the remaining amortization period of the Advantage/Banner System from the original 18-year life that was ordered in R.I.P.U.C. Docket No. 2581.

Commission 1-39-ELEC/GAS

Request:

Page 29 of Timothy Horan's direct states in part: "The Company's tax expenses increase annually not only from the rate rising in communities, but also each time that we invest in new infrastructure." Is this a new type of expense that the Company is facing, or have tax expenses historically increased as a result of rising tax rates? Has the Company historically faced increased taxes as a result of infrastructure investment, or is this a new phenomenon?

Response:

This is not a new type of expense. Historically, property taxes have increased as tax rates have risen and as the Company has invested in its infrastructure. The recent phenomenon, however, is the magnitude of the increase in property tax expense. As shown at Workpaper MDL-24, over the past three years, the annual increase in both electric and gas property tax expense has out-paced inflation, demonstrating a consistent trend of increasing and unpredictable municipal property tax expense (please refer to pages 115 - 120 of the Direct Testimony of Company Witness Michael D. Laflamme). Although the Company has control over the magnitude of its infrastructure investment, it has no control over the rise in property tax rates.

Property tax rates are set independently each year by each municipality, or special district (fire/water), in a three-part process driven by a number of forces beyond the Company's control. First, the municipality develops its budget for the fiscal year taking into account a myriad of factors, such as changes in health care and retirement costs, increases in operating expenses, and salary increases set in labor contracts. Next, the municipality determines the magnitude of the portion of its budget that it needs to fund through property tax revenues, referred to as the tax levy. The tax levy is subject to many factors, including applicable statutory requirements (including R.I.G.L. Section 44-5-2<sup>1</sup>), the availability of other municipality-generated revenues, and the availability of state and federal aid, which has diminished in recent years. Lastly, the tax levy is divided by the assessed value of all taxable property situated within the municipality to arrive at the property tax rate.

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<sup>1</sup> Although R.I.G.L. Section 44-5-2 limits the increase in the tax levy to 4.25 percent for 2012, with higher amounts allowed in prior years, it does not cap the amount of property taxes paid by individual taxpayers. Additionally, there are many exceptions to this "cap". For example, if a municipality experiences or anticipates increases in costs for health insurance, retirement contributions, or expenses that are more than three times the allowable cap, the municipality can override the tax cap. Another exception is new growth, which results when a municipality experiences substantial growth in its tax base because of major new construction that necessitates spending increases for significant infrastructure, such as schools, or increased demand for municipal services, as certified by the Department of Administration. The statute does not cap the valuation that a municipality can place on the individual taxpayer's property.



Commission 1-39-ELEC/GAS, page 2

The primary methodology that is used for assessing real estate (e.g., land, homes, and buildings) value for property tax purposes is based on market sale data for similar properties, which has been quite unstable over the last five years. As municipalities' costs have risen and real property values have fallen, municipal property tax rates have increased at a faster rate than in the recent past.

The Company's actual property tax expense is affected by changes in both the property tax rate and property tax assessments. The Company's annual property tax bill is calculated by applying the applicable property tax rate to the assessed value of the Company's taxable property. In Rhode Island, utility equipment is classified as tangible property. The value of the Company's utility tangible property is calculated according to statute and, in part, is a function of infrastructure additions made each year in order to provide safe and reliable energy delivery service to its customers.

The portion of the increase in the Company's property tax expense caused by investment in its infrastructure has varied from year to year in correlation with its capital investment. Over the past four years, however, capital investment has been the source of 47.5 percent of the increase in property tax expense on average, while changes in tax rates make up the remaining 52.5 percent.

Commission 1-40-ELEC/GAS

Request:

Please provide a list of all US utilities that have a fully reconciling mechanism for commodity related bad debt.

Response:

The Company has researched other natural gas and electric service companies in the New England region and has identified the following companies that have fully reconciling commodity-related bad debt mechanisms:

**Massachusetts:**

NSTAR Electric  
Western Massachusetts Electric  
FG&E/Unitil  
New England Gas Company  
Columbia Gas Company  
Berkshire Gas Company

National Grid Companies:

Boston Gas Company  
Colonial Gas Company  
Massachusetts Electric Company/Nantucket Electric Company

**New Hampshire:**

Unitil Energy Services, Inc.  
Northern Utilities

National Grid Companies:

EnergyNorth Natural Gas, Inc.  
Granite State Electric Company

**Maine:**

65-407 CMR (Public Utility Commission) Chapter 301, Standard Offer Service Rule, allows for the recovery of uncollectible expenses related to providing standard offer service.  
Northern Utilities

Commission 1-40-ELEC/GAS, page 2

**Connecticut:**

The American Gas Association (AGA) has indicated that Connecticut Natural Gas, Southern Connecticut Gas, and Yankee Gas Services all have innovative bad debt recovery mechanisms.

However, the Company could not verify through their Purchased Gas Adjustment Filings if bad debt was included.

The Company has also reached out to various industry organizations, including AGA, Edison Electric Institute (EEI), and Regulatory Research Associates (RRA), to identify U.S. utilities that have fully reconciling commodity-related bad debt mechanisms. Although these various organizations have reported those utilities that have commodity-related bad debt mechanisms, none of these reports specify whether these mechanisms are fully reconciling. In addition, AGA has provided a list of gas utilities with innovative bad debt mechanisms but does not specify whether these are commodity or base rate-related mechanisms. Please see Attachment COMM 1-40-ELEC/GAS detailing those U.S. gas utilities with innovative bad-debt mechanisms.

In addition, RRA has reported that the following utilities have some sort of commodity-related bad debt mechanism. (Please note that this report may not be complete since this report does not include National Grid companies' commodity-related bad debt mechanisms.)

**Illinois:**

As permitted by state statutes, Ameren Illinois, ComEd, Northern Illinois Gas, Peoples Gas Light & Coke and North Shore Gas utilize riders to facilitate recovery of variations in bad-debt costs. Ameren Illinois utilizes a transmission service rider.

**Kansas:**

Black Hills Kansas Gas Utility recovers 100 percent of the gas cost component of bad debt expense through the company's purchased gas adjustment clause filings.

**Nevada:**

In 2009, the PUC adopted a natural gas-related bad-debt tracking mechanism for Southwest Gas designed to allow the company to recover from, or refund to, customers the difference between actual bad debt expenses and the level reflected in base rates.

Commission 1-40-ELEC/GAS, page 3

**District of Columbia:**

*Other*--For Washington Gas (WG), beginning in 2011, costs associated with the District of Columbia Public Service Commission (PSC)-mandated replacement and encapsulation of certain couplings may be recovered through a surcharge on distribution rates. In the context of a rate case decided in 2007, the PSC approved implementation of a gas administrative charge as part of WG's purchased gas charge for recovery of uncollectible expenses related to gas commodity charges, rather than recovering those expenses in base rates.

**Michigan:**

Uncollectible expense true-up mechanisms are in place for MCG (MichCon Gas Company) and Michigan Gas Utilities.

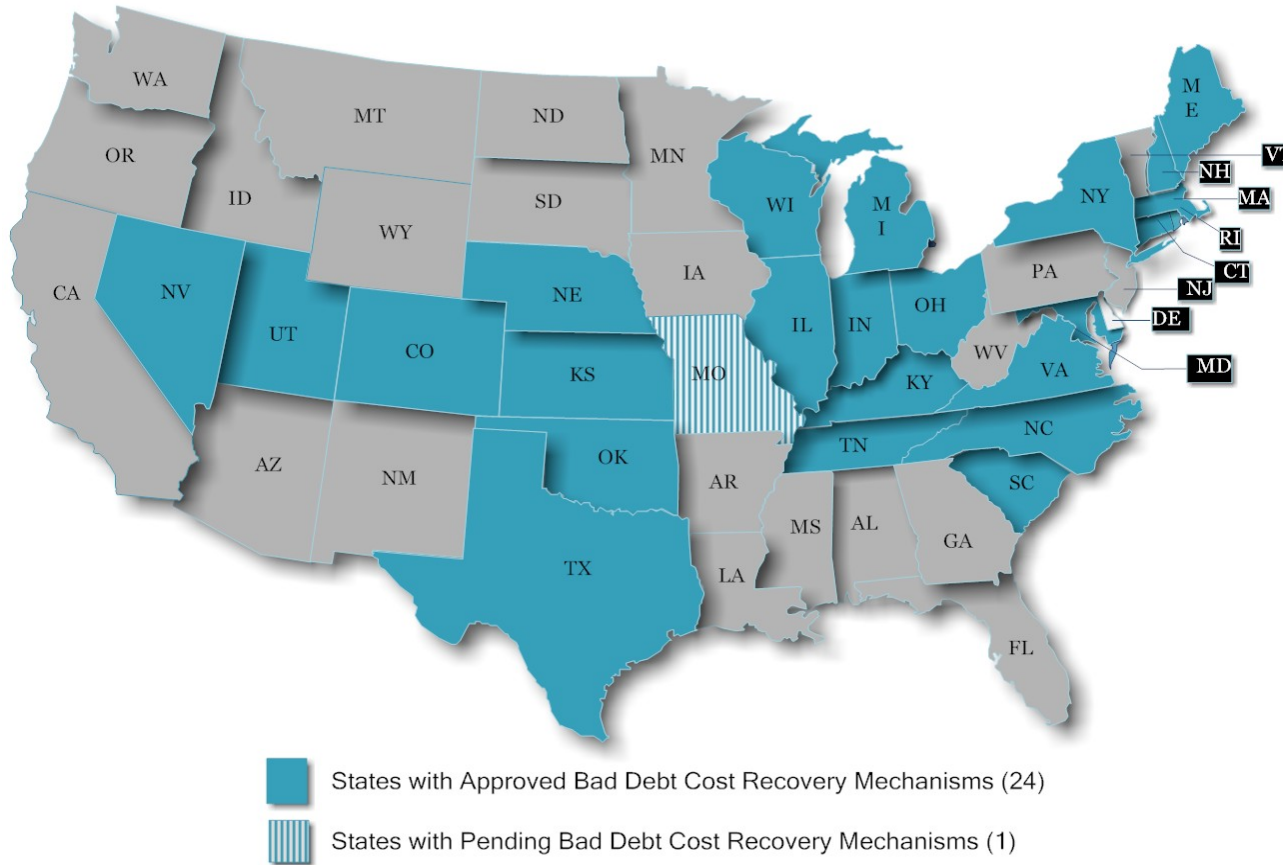
**Texas RRC (Railroad Commission):**

*Fuel Costs*--Purchased gas cost adjustment clauses may be implemented under certain circumstances. Specifically, the Texas Railroad Commission must consider: (1) the ability of the pipeline or LDC to control prices for gas purchased, in light of competition and relative competitive advantage; (2) the probability of frequent price changes; and (3) the availability of alternative gas supply resources. In the context of a 2004 rate decision for Atmos Energy, the RRC approved the implementation of a gas cost recovery factor (GCRF) to reflect gas commodity cost changes that occur between rate cases; gas-commodity-related uncollectibles are also recovered through Atmos' GCRF. A similar mechanism is in place for Texas Gas Service.

**Virginia:**

*Other*--As permitted by state law, APCO (Appalachian Power Company) and VEPCO (Virginia Electric and Power Company) each have rider mechanisms in place to reflect changes in transmission charges incurred as a result of their participation on the PJM Interconnection Regional Transmission Organization and approved by the FERC. WGL (Washington Gas Light Company) and CGV (Columbia Gas of Virginia, Inc.) are also permitted to recover carrying charges on storage gas balances and over/under-collected gas costs, hexane costs, and commodity-related uncollectible expense.

## States With Innovative Bad Debt Cost Recovery Mechanisms as of March 2012



# Utilities with Innovative Bad Debt Cost Recovery Mechanisms as of March 2012

**Approved - 61 Companies, 24 States, 25 Million Res. Customers**

- |                                      |                                          |
|--------------------------------------|------------------------------------------|
| 1. CO – Atmos Energy                 | 31. NH – National Grid EnergyNorth       |
| 2. CT – Connecticut Natural Gas      | 32. NH – Northern Utilities              |
| 3. CT - Southern Connecticut Gas     | 33. NV – Southwest Gas                   |
| 4. CT – Yankee Gas Services          | 34. NY – Central Hudson Gas and Electric |
| 5. DC – Washington Gas               | 35. NY - Consolidated Edison             |
| 6. IL – Ameren Illinois              | 36. NY – National Grid New York City     |
| 7. IL – Integrys Peoples Gas         | 37. NY – National Grid Long Island       |
| 8. IL – Integrys North Shore Gas     | 38. NY - National Fuel Gas Distribution  |
| 9. IL – Nicor Gas                    | 39. NY – National Grid Niagara Mohawk    |
| 10. IN – NIPSCO                      | 40. NY – New York State Electric and Gas |
| 11. IN – Vectren North Indiana Gas   | 41. NY - Orange & Rockland Utilities     |
| 12. IN – Vectren South SIGECO        | 42. OH – Columbia Ohio                   |
| 13. KS - Atmos Energy                | 43. OH – Dominion East Ohio              |
| 14. KS – Black Hills                 | 44. OH – Eastern Natural Gas             |
| 15. KS – Kansas Gas Service          | 45. OH – Pike Natural Gas                |
| 16. KY – Atmos Energy                | 46. OH – Vectren Ohio                    |
| 17. KY – Columbia Kentucky           | 47. OK – Oklahoma Natural Gas            |
| 18. KY – Delta Natural Gas           | 48. ON – Union Gas                       |
| 19. KY – Duke Energy                 | 49. RI - National Grid Narragansett Gas  |
| 20. MA – Columbia Massachusetts      | 50. SC - Piedmont Natural Gas            |
| 21. MA – National Grid Massachusetts | 51. TN – Atmos Energy                    |
| 22. MA – NSTAR Gas                   | 52. TN - Chattanooga Gas                 |
| 23. MD – Baltimore Gas and Electric  | 53. TN - Piedmont Natural Gas            |
| 24. MD – Washington Gas              | 54. TX - Atmos Energy                    |
| 25. ME – Northern Utilities          | 55. TX - Texas Gas Service               |
| 26. MI – Michigan Consolidated Gas   | 56. UT – Questar Gas                     |
| 27. MI – Michigan Gas Utilities      | 57. VA - Atmos Energy                    |
| 28. NC – Piedmont Natural Gas        | 58. VA – Washington Gas                  |
| 29. NE – Black Hills                 | 59. WI - Wisconsin Electric – Gas        |
| 30. NE – SourceGas                   | 60. VA – Columbia Virginia               |
|                                      | 61. VA – Virginia Natural Gas            |

## **Pending – 1 Million Res. Custs.**

1. MO – Atmos Energy

2. MO– Laclede Gas

Commission 1-44-ELEC/GAS

Request:

Page 22 Ms. Heaphy's direct states that the proposed management salary increases are supported by market studies and in line with raises granted over the last 10 years. Please provide the justification of using the last 10 years as a measure of reasonability given the significant changes to the economy over the last 10 years.

Response:

Although the Company's testimony explains that the proposed salary increases are in line with the average wage increases provided over the last 10 years, the relevant benchmarks for determining salary increases are the economic and compensation marketplace conditions that exist at the time that such increases are determined.

The purpose for the reference to the 10-year average in the Company's testimony was to indicate that there is nothing unusual about the rate of proposed salary increases in this proceeding as compared to recent past history. Although economic indicators have fluctuated over the past 10 years, average merit increases in the market have remained relatively constant as demonstrated by the historical market data provided in Attachment COMM 1-44-ELEC/GAS. Please note that the merit increase data provided in the attachment is an expanded version of the information provided in Schedule MPH-5. As a matter of practice, National Grid sets its annual salary budget each year by taking into account the marketplace trend and internal cost management factors. As demonstrated on Schedule MPH-6, salary increases granted by National Grid over the past 10 years have been relatively consistent with the marketplace albeit the economic indicators have experienced more volatility.

## Historical Market Merit Budget Increases

### U.S. Merit Budget Increases<sup>1</sup>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 <sup>P</sup>	2012 <sup>F</sup>
<b>Exempt (including Management)</b>	3.5%	3.3%	3.3%	3.4%	3.5%	3.6%	3.5%	2.8%	2.8%	3.0%	3.0%

### Economic Indicators<sup>2</sup>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 <sup>F</sup>
<b>Consumer Price Index (CPI)</b>	1.6%	2.2%	2.3%	3.5%	3.5%	2.6%	3.9%	-0.7%	2.2%	3.2%	--
<b>Unemployment</b>	5.2%	5.8%	5.9%	5.4%	4.9%	4.6%	4.8%	6.9%	9.7%	9.3%	--

#### Notes:

P = Projected; F = Forecast

(1) Data represents median merit increases. Includes participants providing no merit increases.

Data 2008-2012 Source: Towers Watson Data Services. Data 2002-2007 Source: WorldatWork.

(2) CPI as reported by U.S. Bureau of Labor Statistics (BLS) for all urban consumers for 12 months ending April 2011 <[www.bls.gov](http://www.bls.gov)>.

Average U.S. unemployment rate as reported by BLS for labor force 16 years and over for 12 months ending April 2011 <[www.bls.gov](http://www.bls.gov)>.

Source: 2011-2012 World at Work Salary Budget Survey.



Commission 1-46-GAS

Request:

Gas Tariff. Section 1. Schedule A. Paragraph 7.0. Billing and Reading of Meters. This section of the tariff states in part, "A late payment charge shall accrue on non-residential bills ... in accordance with regulations of the RIPUC and RIDPUC." Please cite which RIPUC or RIDPUC regulations authorize the assessment of late charges.

Response:

The tariff referenced provides as follows: "A late payment charge shall accrue on non-residential bills after 25 days in accordance with regulations of the RIPUC and RIDPUC."

The Company believes that the practices governing the accrual of late charges appear to have been first developed years ago by New England Gas Company. The language in the Gas Tariff, Section 1 Schedule A, Paragraph 7.0 specifically authorizes and requires the accrual of a late charge on non-residential accounts in a manner that complies with any regulations of the RIPUC and RIDPUC. The Company is unaware of any regulations of the RIPUC or the RIDPUC that directly refer to, restrict, or limit the accrual of non-residential account late charges, other than provisions in the Division Regulations that set out rules relative to how the bill is to be dated and postmarked (Section C(5)(e)) and when a bill payment becomes overdue (Section C(8)(b)(i)). The Company will continue to accrue late payment charges on non-residential bills in accordance with its Tariff, however, to remove any confusion, the Company will delete the reference to RIPUC or RIDPUC regulations authorizing the assessment of late charges in future Tariff updates.