

October 5, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4339 - 2012 Distribution Adjustment Charge ("DAC")
Responses to Division Data Requests – Set 2**

Dear Ms. Massaro:

Enclosed are National Grid's¹ responses to the Division's Second Set of Data Requests issued in the above-referenced proceeding.

Please be advised that the Company's response to Division 2-5 will be forthcoming.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7685.

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Docket 4339 Service List
Leo Wold, Esq.
Steve Scialabba
Bruce Oliver

¹ The Narragansett Electric Company d/b/a National Grid

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been electronically transmitted, sent via U.S. mail or hand-delivered to the individuals listed below.



Joanne M. Scanlon

October 5, 2012

Date

**Docket No. 4339 – National Grid –2012 Annual Distribution Adjustment
Charge Filing (“DAC”) - Service List as of 8/28/12**

Name/Address	E-mail	Phone
Thomas R. Teehan, Esq. National Grid 280 Melrose St. Providence, RI 02907	Thomas.teehan@nationalgrid	401-784-7667
	Joanne.scanlon@nationalgrid	
Mariella Smith National Grid 40 Sylvan Road Waltham, MA 02541	Mariella.smith@nationalgrid.com	781-907-5554 781-907-1836
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Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	LWold@riag.ri.gov	401-222-2424
	Sscialabba@ripuc.state.ri.us	
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Bruce Oliver Revilo Hill Associates 7103 Laketree Drive Fairfax Station, VA 22039	Boliver.rha@verizon.net	703-569-6480
David Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	Djeffron@aol.com	603-964-6526
File an original & nine (9) 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. 4339
2012 Distribution Adjustment Charge Filing
Responses to Division's Second Set of Data Requests
Issued on September 15, 2012

Division 2-1

Request:

Referring to MCS-5, Page 2, please provide documentation supporting the pension expense for the 12 months ended June 30, 2012.

Response:

Please refer to Attachment DIV 2-1.

Calculation of Pension Expense

Line No. Line Description	12 months Ended 30-Jun-2012
1 Narragansett Gas Actuary Report	\$ 3,902,098
2 Narragansett Gas Amortization	4,065,264
3 Narragansett Gas Pension Charged to Capital	<u>(3,408,225)</u>
4 Narragansett Gas Pension Charged to Expense	4,559,137
5 N Grid Service Company Allocation to Narragansett Gas	1,650,223
6 Keyspan Service Company Allocation to Narragansett Gas	1,136,863
7 Keyspan Utility Service Company Allocation to Narragansett Gas	19,635
8 Other Company Charges to Narragansett Gas	<u>167,668</u>
9 Total Expense	<u><u>\$ 7,533,526</u></u>

Line Notes:

- 2 Reflects amortization of regulatory asset established as part of the purchase accounting adjustments recorded when Narragansett Gas was acquired by National Grid. This is explained more fully in data response Division 7-6 which was submitted in the acquisition proceeding, Docket No. D-06-13 and data response DIV 1-7 which was submitted in the gas distribution rate case proceeding Docket No. 3943.
- 4 Sum L. 1 - L. 3
- 9 Sum L. 4 - L. 8

Calculation of PBOP Expense

Line No. Line Description	12 months Ended 30-Jun-2012
1 Narragansett Gas Actuary Report	\$ 1,868,220
2 Narragansett Gas Amortization	1,789,728
3 Narragansett Gas PBOP Charged to Capital	<u>(1,723,003)</u>
4 Narragansett Gas PBOP Charged to Expense	1,934,945
5 N Grid Service Company Allocation to Narragansett Gas	1,023,961
6 Keyspan Service Company Allocation to Narragansett Gas	824,999
7 Keyspan Utility Service Company Allocation to Narragansett Gas	18,159
8 Other Company Charges to Narragansett Gas	<u>255,111</u>
9 Total Expense	<u><u>\$ 4,057,175</u></u>

Line Notes:

- 2 Reflects amortization of regulatory asset established as part of the purchase accounting adjustments recorded when Narragansett Gas was acquired by National Grid. This is explained more fully in data response Division 7-6 which was submitted in the acquisition proceeding, Docket No. D-06-13 and data response DIV 1-7 which was submitted in the gas distribution rate case proceeding Docket No. 3943.
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Division 2-2

Request:

Referring to MCS-5, Page 3, please provide documentation supporting the PBOP expense for the 12 months ended June 30, 2012.

Response:

Please see Attachment DIV 2-1.

The Narragansett Electric Company
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Division 2-3

Request:

Referring to WRR-1, Page 6, please provide documentation supporting the pension Funded Amount for the 12 months ended June 30, 2012.

Response:

Please see Attachment DIV 2-3.

National Grid - RI Gas
Pension and PBOP Funding July 1, 2011 through June 20, 2012

Line	Date	Major Plan Category	Trust Short Name	Paying Company	Amount by Company	Plan Type	Contribution Type	Contribution Fiscal Year
1	07/14/2011	National Grid	NG FAPP	New England Gas	2,156,000	Pension	Regular	FY2012
2	10/14/2011	National Grid	NG FAPP	New England Gas	4,216,165	Pension	Regular	FY2012
3	12/28/2011	National Grid	NG FAPP	New England Gas	2,255,000	Pension	Regular	FY2012
4	03/30/2012	National Grid	NG FAPP	New England Gas	1,657,806	Pension	Regular	FY2012
5	04/16/2012	National Grid	NG FAPP	New England Gas	2,317,000	Pension	Regular	FY2013
6	06/29/2012	National Grid	NG FAPP	New England Gas	291,000	Pension	Regular	FY2013
7				Direct Funded	12,892,971			
8				Service Company 2012	274,525			
9				Total Funding Pension	13,167,496			
10								
11	07/28/2011	National Grid	NG 401(h)	New England Gas	11,750	OPEB	Regular	FY2012
12	07/28/2011	National Grid	NE NonUnion VEBA	New England Gas	131,000	OPEB	Regular	FY2012
13	07/28/2011	National Grid	NE Union VEBA	New England Gas	125,500	OPEB	Regular	FY2012
14	10/28/2011	National Grid	NG 401(h)	New England Gas	11,750	OPEB	Regular	FY2012
15	10/28/2011	National Grid	NE NonUnion VEBA	New England Gas	131,000	OPEB	Regular	FY2012
16	10/28/2011	National Grid	NE Union VEBA	New England Gas	125,500	OPEB	Regular	FY2012
17	12/28/2011	National Grid	NG 401(h)	New England Gas	4,000,000	OPEB	Regular	FY2012
18	12/28/2011	National Grid	NE NonUnion VEBA	New England Gas	4,160,000	OPEB	Regular	FY2012
19	01/30/2012	National Grid	NG 401(h)	New England Gas	11,750	OPEB	Regular	FY2012
20	01/30/2012	National Grid	NE NonUnion VEBA	New England Gas	131,000	OPEB	Regular	FY2012
21	01/30/2012	National Grid	NE Union VEBA	New England Gas	125,500	OPEB	Regular	FY2012
22	03/30/2012	National Grid	NE Union VEBA	New England Gas	1,175,158	OPEB	Regular	FY2012
23	04/27/2012	National Grid	NE NonUnion VEBA	New England Gas	392,750	OPEB	Regular	FY2013
24	04/27/2012	National Grid	NE Union VEBA	New England Gas	306,500	OPEB	Regular	FY2013
25	06/29/2012	National Grid	NE Union VEBA	New England Gas	534,000	OPEB	Regular	FY2013
26				Direct Funded	11,373,158			
27				Service Company 2012	481,491			
28				Other Funding	375,753			1/
29				Total Funding PBOP	12,230,402			

1/ Represents other direct fundings to healthcare administrators and prescription drug providers such as Blue Cross/Blue Shield of Mass. Inc., Caremark LLC and Delta Dental Services of Mass.

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Division 2-4

Request:

Referring to WRR-1, Page 6, please provide documentation supporting the PBOP Funded Amount for the 12 months ended June 30, 2012.

Response:

Please see Attachment DIV 2-3.