

March 14, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4382 - National Grid's Proposed FY 2014 Electric Infrastructure, Safety, and Reliability Plan
Responses to Division's Pre-filed Testimony

Dear Ms. Massaro:

On behalf of National Grid¹, I have enclosed ten (10) copies of the Company's responses to the recommendations in the Prefiled Direct testimony of Gregory L. Booth, which were filed on behalf of the Division of Public Utilities and Carriers ("Division") on February 28, 2013 in this proceeding. Mr. Booth supports \$59,600,000 in budgeted capital expenditures, \$8,476,000 in Vegetation Management expenses and \$3,779,00 in Inspection and Maintenance expense, which are proposed in the FY 2014 Electric Infrastructure, Safety and Reliability ("ISR") plan. (Booth Testimony at 8) In addition, as part of his testimony, Mr. Booth also makes four recommendations relative to the Company's preparation of the FY 2015 ISR Plan.

Mr. Booth recommends that the Company be required to:

- 1) Submit to the Division by no later than August 31, 2013, a cost-benefit analysis on the Company's Vegetation Management Cycle Clearing Program and a separate cost-benefit analysis on the Enhanced Hazard Tree Management Program;
- 2) Submit to the Division by no later than August 31, 2013, detailed substation capacity expansion plans, including local projections;
- 3) Submit to the Division by no later than August 31, 2013, a cost-benefit analysis for the Company's Metal-Clad Switchgear Replacement Program, and;
- 4) Submit to the Division prior to the FY 2015 ISR the Company's final resolution of its negotiation with Verizon Communications ("Verizon") on vegetation management. (Booth Testimony at 8)

¹ The Narragansett Electric Company d/b/a National Grid (hereinafter referred to as "National Grid" or the "Company").

The Company has no issues with Mr. Booth's first three recommendations and will submit the requested information to the Division by no later than August 31, 2013. However, because final resolution of the negotiations with Verizon on vegetation management depends on both parties reaching an agreement, at this time the Company can only agree that to the extent a resolution is achieved, and subject to any confidentiality requirements imposed by Verizon, the Company will submit any final resolution of the Verizon Vegetation Management negotiations either prior to the FY 2015 ISR Plan being filed with the Division or as soon as a resolution is available.

Furthermore, Mr. Booth describes the discussions between himself, the Division and the Company on the proposed Volt/Var demonstration project. The Company is in agreement with Mr. Booth's recommendation that, before the Company invests significant additional dollars in a Volt/Var optimization program, the Company not only develop a comprehensive scope, but also use distribution system engineering modeling tools to evaluate the most appropriate initial Volt/Var program by circuit. (Booth Testimony at 16). However, the Company recommends that we do this modeling for both the traditional decentralized Volt/Var optimization (including communications) as well as the proposed centralized control Volt/Var optimization and then hold a collaborative discussion regarding the results with the Division and Mr. Booth prior to the expenditure of the majority of the \$500,000 funding included in this year's ISR. The Company's recommended approach differs slightly from Mr. Booth's recommendation to proceed with the installation of traditional decentralized Volt/Var optimization before further study on the proposed centralized control Volt/Var optimization. However, the Company's recommendation would allow Mr. Booth and the Division to review the potential benefits for customers from a centralized control approach to Volt/Var optimization prior to further investment.

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

cc: Docket 4382 Service List
Leo Wold, Esq.
Steve Scialabba, Division

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Paper copies of this filing were hand delivered to the Rhode Island Public Utilities Commission.

March 14, 2013

Joanne M. Scanlon

Date

Docket No. 4382 National Grid's FY 2014 Electric Infrastructure, Safety and Reliability Plan - Service List as of 1/29/13

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