

Raquel Webster
National Grid
280 Melrose Street
Providence, RI 02907

August 21, 2014

Re: Docket 4483 Settlement

Dear Raquel,

Thank you for your letter of August 12 responding to Petitioners' settlement proposal. National Grid's positions that it must have final say over the contents of the letter request (despite the fact that it does not pay the pass through interconnection tax), that the result may not have general application moving forward, that Petitioners pay the filing fee, and that the customer post a bond even if the tax is not owed are not acceptable.

Petitioners (and other interconnecting customers) pay the tax and have much more at stake in the results of this process and, therefore, must have final control over the contents of the filing. The request would be based on the context of this proceeding, principally addressing National Grid's position that IRS Notice 88-129 does not apply to distribution interconnections despite the plain language of the notice and the precedent in private letter rulings PLR 200403084 (NGrid's own requested ruling) and PLR 201122005. National Grid must agree that the resulting ruling will have general application to all similarly situated projects and the letter request must be crafted to allow National Grid and the Commission to accept such a general application.

National Grid must pay the filing fee for the letter ruling. As noted in the mediator's recommendation, "the burden of proof of the reasonableness of a rate, toll or charge is unequivocally on the utility." (Page 6) National Grid never established the reasonableness of this tax in its tariff, merely stating that the tax would be explained in the impact study provided to every customer. The Impact Study did not provide any basis for the reasonableness of the tax and was never approved by the Commission. National Grid must now meet its burden by fully funding the cost of the letter ruling.

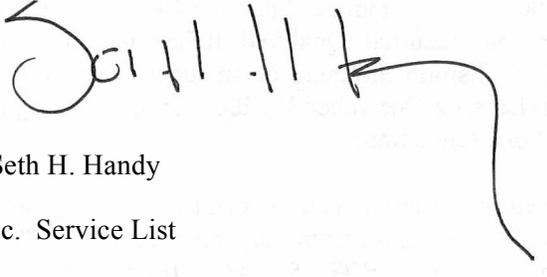
Petitioners will not agree to the payment of a bond as proposed in your settlement counterproposal.

Given National Grid's proposal to control the drafting of the letter request, Petitioners must require a definite schedule. The delay in resolving this matter to date may have cost Petitioners the capacity to recover interconnection taxes wrongfully paid for their prior projects. The letter request must be prepared and sent to Petitioners by September 20. Petitioners will have until October 1 to

complete their revisions. The request will be filed on October 2, 2014.

Please provide your response no later than August 29, 2014.

Sincerely,

A handwritten signature in black ink, appearing to read "Seth H. Handy". The signature is written in a cursive style with a large initial "S" and a long, sweeping tail that curves downwards and to the right.

Seth H. Handy

cc. Service List