

May 19, 2006

**VIA HAND DELIVERY & ELECTRONIC MAIL**

Luly E. Massaro, Division Clerk  
RI Division of Public Utilities & Carriers  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Docket D-06-13 - Joint Petition of The Narragansett Electric Company and Southern Union Company for Approval of Purchase and Sale of Assets  
Responses to Attorney General Data Requests  
1-5, 1-6, 1-8 through 1-15; Supplemental Responses 1-3 and 1-4**

Dear Ms. Massaro:

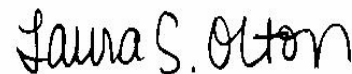
Enclosed please find five (5) copies of provisional responses from The Narragansett Electric Company, d/b/a National Grid ("National Grid" or the "Company"), to data requests 1-5, 1-6, and 1-8 through 1-15 issued by the Attorney General on May 12, 2006, as well as supplemental responses to data requests 1-3 and 1-4.

With regard to the above-mentioned data requests, National Grid has numerous objections relating to scope and relevancy, as well as concerns about confidentiality. However, the Company has agreed to a process with the Attorney General for review of documents. It is our understanding that the Attorney General agrees that this process is sufficient for tolling the Division's procedural requirements for the filing of responses and objections within five business days of receipt of the data requests.

If the Attorney General becomes dissatisfied with the arrangements made, the Attorney General can file a motion to compel with the Hearing Officer at any time, to which the Company would respond. In any event, it is the Company's hope that the document review process will satisfy the Attorney General and there will be no need of requesting any intervention by the Hearing Officer on this discovery matter.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket D-06-13 Service List

The Narragansett Electric Company, d/b/a National Grid  
D-06-13  
Responses to Attorney General's Data Requests – Set 1  
Issued May 12, 2006

Attorney General Data Request 1-5

Request:

Provide all documents provided to the Board(s) of Directors of National Grid that discuss, reflect or relate to the purchase of Southern Union Rhode Island assets by National Grid.

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction, including relevant and non-privileged portions of one that is responsive to this request.

The Narragansett Electric Company, d/b/a National Grid  
D-06-13  
Responses to Attorney General's Data Requests – Set 1  
Issued May 12, 2006

Attorney General Data Request 1-6

Request:

Provide all minutes of the Board(s) of Directors of National Grid that discuss, reflect or relate to the purchase of Southern Union's Rhode Island assets by National Grid.

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction, including relevant and non-privileged portions of one that is responsive to this request.

Attorney General Data Request 1-8

Request:

Provide all documents that discuss, reflect or relate to consolidated anticipated cost savings (or estimates thereof) for the following items:

- a) consolidation of National Grid and Southern Union accounting and CIS systems;
- b) retraining National Grid customer service representatives to address natural gas customer service, termination and billing issues; and
- c) conversion of a mainframe and Itron Meter Reading System to effect single reading of gas and electric meters.

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction. In addition, the Company states the following in response to the request:

- a) The Company will consolidate National Grid and New England Gas Company ("NEGAS") accounting functions upon the integration of Narragansett and NEGAS. However, the Company does not at this time intend to use any accounting "system" hardware of the current NEGAS. In addition, there are no plans to consolidate the NEGAS customer service and billing functions with National Grid's New England CIS system. The Company is in the process of developing a new CSS system that ultimately would be used for all National Grid electric and gas distribution companies, including Rhode Island. See the Company's response to Division Data Request 2-1.
- b) The integration team is currently in the process of developing training plans.
- c) The Company is currently evaluating the functionality of the existing NEGAS and National Grid Automated Meter Reading systems. See the Company's response to Division Data Request 2-5.

Attorney General Data Request 1-9

Request:

Provide all documents that reflect or relate to National Grid's estimate that "potential gross savings in the gas business in Rhode Island" will be within the "range of \$1million to \$3 million annually (pretax)."

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction.

The Narragansett Electric Company, d/b/a National Grid  
D-06-13  
Responses to Attorney General's Data Requests – Set 1  
Issued May 12, 2006

Attorney General Data Request 1-10

Request:

Provide all documents that reflect or relate to the conclusion that “on a National Grid system-wide basis,” the “preliminary gross savings” is estimated to be between \$12 million to \$16 million.

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction.

The Narragansett Electric Company, d/b/a National Grid  
D-06-13  
Responses to Attorney General's Data Requests – Set 1  
Issued May 12, 2006

Attorney General Data Request 1-11

Request:

Provide all documents that reflect or relate to cost to achieve all savings expected to be obtained in connection with National Grid's purchase of Southern Union's Rhode Island gas assets.

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction. In addition, the Company states the following in response to the request:

The Company has not completed its analysis of the costs to achieve the savings.

Attorney General Data Request 1-12

Request:

In response to DPUC Data Request 2-14, National Grid states that it is the Company's "intention to make reductions in overlapping departments and functions by of voluntary termination programs. While the company does not rule out involuntary reductions if needed . . . and would endeavor to do so again. Provide all documents that reflect or relate to National Grid's plan to make reductions: (a) by way of voluntary termination programs, and (b) by way of involuntary reductions.

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction. In addition, the Company states the following in response to the request:

The Company has not yet developed the details of any voluntary termination programs or established any process for involuntary reductions, if any.

Attorney General Data Request 1-13

Request:

Provide all documents relating to any and all National Grid plans to consolidate billing, customer service or other functions of Southern Union with a National Grid facility located in Westborough, Massachusetts, and with respect to such plan identify the number and nature of all jobs that would be transferred from Rhode Island to Massachusetts.

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction. In addition, the Company states the following in response to the request:

The Company has no plans to consolidate billing or customer service functions with a National Grid facility located in Westborough, Massachusetts. However, the consolidation of some functions may occur within National Grid facilities in other locations. With respect to other functions, such as finance, rates, or accounting, plans have not been finalized.

Attorney General Data Request 1-14

Request:

Provide all documents that reflect or relate to any and all National Grid plans to, after the asset purchase has closed, outsource the Dig Safe marking function that is currently undertaken by Southern Union employees.

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction. In addition, the Company states the following in response to the request:

Upon the integration of Narragansett and New England Gas Company, the Dig Safe marking function will continue, initially, to be performed by gas company employees. The Company will evaluate all areas of operations to determine the most efficient allocation of resources at a later date.

Attorney General Data Request 1-15

Request:

Provide all documents that reflect or relate to any and all National Grid's plans to sell, consolidate, donate or otherwise dispose of Southern Union facilities located at the following locations after the asset purchase has closed:

- a. Weybosett Street in Providence;
- b. Tidewater Street in Pawtucket;
- c. Dexter Street in Providence;
- d. Mendon Rd. in Cumberland; and
- e. Westerly.

Response:

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction. In addition, the Company states the following in response to the request:

The Company is in the process of determining how these facilities will be consolidated and has not finalized its plans.

Attorney General Data Request 1-3 – Supplemental Response

Request:

Provide all documents presented to any and all committee(s) that discuss, reflect or relate to the purchase of Southern Union's Rhode Island assets by National Grid.

Response:

No US Committees discussed the purchase of Southern Union's Rhode Island assets by National Grid.

There was one Committee in the UK that briefly discussed the purchase.

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction, including relevant and non-privileged portions of one that is responsive to this request.

Attorney General Data Request 1-4 – Supplemental Response

Request:

Provide the minutes of any and all committees that discuss, reflect or relate to the purchase of Southern Union's Rhode Island assets by National Grid.

Response:

No US Committees discussed the purchase of Southern Union's Rhode Island assets by National Grid.

There was one Committee in the UK that briefly discussed the purchase.

In response to this data request, the Company has made arrangements with the Attorney General to establish a data room for the Attorney General to review certain documents related to the transaction, including relevant and non-privileged portions of one that is responsive to this request.

## **Certificate of Service**

I hereby certify that a copy of the cover letter and materials accompanying this certificate were mailed or hand-delivered to the parties listed below.



Joanne M. Scanlon

Date: May 19, 2006

### **National Grid & Southern Union - Docket D-06-13 Updated Service List as of 5/15/06**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone/FAX</b>
Laura S. Olton, General Counsel Narragansett Electric Co. d/b/a National Grid 280 Melrose Street Providence, RI 02907	<a href="mailto:laura.olton@us.ngrid.com">laura.olton@us.ngrid.com</a>	401-784-7667 401-784-4321
	<a href="mailto:Joanne.scanlon@us.ngrid.com">Joanne.scanlon@us.ngrid.com</a>	
Thomas G. Robinson, Esq. Narragansett Electric Co. d/b/a National Grid 25 Research Drive Westborough, MA 01582	<a href="mailto:Thomas.robinson@us.ngrid.com">Thomas.robinson@us.ngrid.com</a>	508-389-2877
	<a href="mailto:Ronald.Gerwatowski@us.ngrid.com">Ronald.Gerwatowski@us.ngrid.com</a>	
For New England Gas Co.: Cheryl Kimball, Esq. Keegan Werlin LLP 265 Franklin St. Boston, MA 02110	<a href="mailto:ckimball@keeganwerlin.com">ckimball@keeganwerlin.com</a>	617-951-1400 617-951-1354
	<a href="mailto:Rkeegan@keeganwerlin.com">Rkeegan@keeganwerlin.com</a>	
Kevin Penders, Esq. Manager, Regulatory Relations New England Gas Co. 100 Weybosset St. Providence, RI 02903	<a href="mailto:Kevin.Penders@negasco.com">Kevin.Penders@negasco.com</a>	401-272-5040 401-751-0698
For New England Gas Co.: Gerald J. Petros, Esq. Hinckley, Allen & Snyder LLP 1500 Fleet Center Providence, RI 02903	<a href="mailto:gpetros@haslaw.com">gpetros@haslaw.com</a>	401-274-2000 ext. 5666 401-277-9600
For the Division of Public Utilities Advocacy: Leo Wold, Esq. 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 401-222-3016
	<a href="mailto:RDIMeglio@riag.ri.gov">RDIMeglio@riag.ri.gov</a>	
	<a href="mailto:sscialabba@ripuc.state.ri.us">sscialabba@ripuc.state.ri.us</a>	

For the Dept. of Attorney General: William Lueker, Esq. Dept. of Attorney General 150 South Main Street Providence, RI 02903	<a href="mailto:Wlueker@riag.ri.gov">Wlueker@riag.ri.gov</a>	401-222-2424 401-222-3016
	<a href="mailto:Proberti@riag.ri.gov">Proberti@riag.ri.gov</a>	
Brian A. Wagner, Deputy Chief Legal Counsel RI Dept. of Environmental Management Office of Legal Services 235 Promenade St., 4th Flr. Providence, RI 02908	<a href="mailto:Brian.wagner@dem.ri.gov">Brian.wagner@dem.ri.gov</a>	401-222-6607 401 222-3378
For the Town of Tiverton: Andrew M. Teitz, Esq. Ursillo, Teitz and Rich, Ltd. 2 Williams St. Providence, RI 02903-2918	<a href="mailto:zoning@utrlaw.com">zoning@utrlaw.com</a>	401-331-2222 401-751-5257
	<a href="mailto:jeannescott@utrlaw.com">jeannescott@utrlaw.com</a>	
For the George Wiley Center: B. Jean Rosiello, Esq. 340 Olney St. Providence, RI 02906	<a href="mailto:jeanrosiello@cox.net">jeanrosiello@cox.net</a>	401-751-5090 401-751-5096
Adrienne G. Southgate, Deputy City Solicitor Law Department City of Providence 275 Westminster Street, Suite 200 Providence RI 02903	<a href="mailto:asouthgate@providenceri.com">asouthgate@providenceri.com</a>	401- 421-7740 Ext. 333
John Spirito, Esq. Division of Public Utilities & Carriers 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:jspirito@ripuc.state.ri.us">jspirito@ripuc.state.ri.us</a>	401-780-2152 401-941-9207
For Division of Public Utilities Advocacy: Bruce Oliver Revilo Hill Associates 7103 Laketree Drive Fairfax Station VA 22039	<a href="mailto:Boliver@cox.net">Boliver@cox.net</a>	
For Division of Public Utilities Advocacy: David J. Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	<a href="mailto:Djeffron@aol.com">Djeffron@aol.com</a>	
<b>File an original &amp; four (4) copies w/:</b> Luly E. Massaro, Division Clerk Division of Public Utilities & Carriers 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2107 401-941-1691