

October 16, 2007

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 3859 – Distribution Adjustment Clause 2007  
Responses to Division’s Data Requests – Set 2**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid’s responses to the Division’s second set of data requests issued in the above-captioned proceeding on October 2, 2007.

This filing includes responses to Division Data Requests 2-1 through 2-6, 2-9, 2-10, and 2-13. The remaining four responses (2-7, 2-8, 2-11, and 2-12) will be forthcoming.

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

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3859 Service List

Division Data Request 2-1

Request:

Please provide all workpapers, including electronic spreadsheets with all formulas intact, upon which New England Gas has relied to develop each page of Attachments PCC-1 through PCC-9.

Response:

Electronic spreadsheets relied on for Attachments PCC-1 through PCC-8 were sent to Mr. Oliver on October 11<sup>th</sup>.

Division Data Request 2-2

Request:

Regarding Attachment PCC-2 filed August 1, 2007 and Updated Attachment PCC-2 filed September 4, 2007, please:

- a. Document and explain the basis for all changes in the underlying data and assumptions between the two versions of this Attachment;
- b. Document the basis for the increase in “inventory costs” reflected in Updated Attachment PCC-2 that is observed in comparison to the August 1, 2007 version of the same exhibit and explain why “inventory costs” increase despite a sharp decline in commodity withdraw costs. It appears that a large portion of the increase in “inventory costs” may be the result of carrying greater projected LNG inventories through the months of April through October. Please include in the response to this request an explanation of why it would not be more economic to plan for maintaining inventory levels during those months that are more comparable to the levels assumed in the August 1, 2007 version of Attachment PCC-2.

Response:

- a. The August 1, 2007 filing was estimated based on actual winter 2006/2007 results including LNG use under economic dispatch conditions where LNG is substituted for more expensive supplies. The September 4, filing was prepared using the forecasted load for the 2007/2008 winter and specifically excluding economic dispatch so that the pressure support estimate would be consistent with past assumptions.
- b. By excluding economic LNG dispatch but including the LNG fill and supply management designed to enable the maximum utilization of LNG to reduce supply costs, the resulting inventory levels are higher than would be expected at the end of a normal winter. Last winter, during a relatively warm winter, 113,000 dekatherms were specifically dispatched on an economic basis resulting in supply savings of over \$400,000. Also, because inventories were higher than normal early in the winter, there were savings available from supply management strategies which are not tracked because the actual decisions around the set up of supply for the next day involve many variables, not just LNG supply inventories, sometimes making identification of the savings attributable to LNG management difficult to identify separately.

Response Division Data Request 2-2 (continued):

Also note that the inventory cost is reconciled to actual results as part of the DAC reconciliation component. Hence, if the estimate of inventory carrying cost is high as a result of excluding economic LNG use, it will not increase costs to customers.

Division Data Request 2-3

Request:

Regarding the Direct Testimony of Peter C. Czekanski, Attachment PCC-4, page 3 of 3, and the Company's August 1, 2007 Annual Environmental Report, please provide detailed documentation of each amount expended during the twelve months ended June 30, 2007 for:

- a. Project 171; and
- b. The Thames & Wellington Inv. project.

Also, explain why information for the Thames & Wellington project is not presented with an associated project number.

Response:

- a., b. A summary of expenses incurred under Project 171 and the Thames & Wellington project is attached.

The Thames & Wellington project is not presented with an associated project number because it is a new site and National Grid does not utilize project numbers. The project numbers assigned to the other sites were associated with the old accounting system from New England Gas and were included in the report for the purpose of reporting continuity.

<u>Site Name</u>	<u>Expenditure Description</u>	<u>PO ID</u>	<u>Invoice Number</u>	<u>Expense Type</u>	<u>Amount</u>	<u>Notes</u>
<u>Mercury Regulators</u>						
	<i>CONECO ENGINEERS &amp; SCIENTISTS INC</i>					
		1964	113615	100	\$667.00	Invoice
		1964	113614	100	\$360.00	Invoice
		1964	113616	100	\$1,602.50	Invoice
		1964	113892	100	\$455.24	Invoice
		1964	113893	100	\$1,670.63	Invoice
		1964	112997	M10	\$835.00	Materials Outside Vendor
		1964	112998	M10	\$1,775.00	Materials Outside Vendor
	<i>CLEAN HARBORS ENVIRONMENTAL SERVICES INC</i>					
		1632	RI0743449	110	\$585.88	Invoice
		1632	RI0743364	110	\$886.28	Invoice
		1632	RI0741010	110	\$838.04	Invoice
		1632	RI0741009	110	\$838.04	Invoice
		1632	RI0740990	110	\$813.17	Invoice
		1632	RI0739919	110	\$813.17	Invoice
		1632	RI0738216	110	\$920.10	Invoice
		1632	RI0732621	110	\$813.17	Invoice
		1632	RI0743385	110	\$885.78	Invoice
		1632	RI0765807	110	\$861.91	Invoice
		1632	RI0764058	110	\$952.43	Invoice
		1632	RI0764501	110	\$884.79	Invoice
		1632	RI0765798	110	\$884.79	Invoice
		1632	RI0765800	110	\$649.54	Invoice
		1632	RI0765804	110	\$649.54	Invoice
		1632	RI0765806	110	\$873.85	Invoice
		1632	RI0765808	110	\$884.79	Invoice
		1632	RI0765805	110	\$884.79	Invoice
		1632	RI0763587	110	\$884.79	Invoice
		1632	RI0768615	110	\$873.85	Invoice
		1632	RI0760641	110	\$799.75	Invoice
		1632	RI0755308	110	\$639.60	Invoice
		1632	RI0755307	110	\$884.79	Invoice
		1632	RI0755306	110	\$884.79	Invoice

<u>Site Name</u>	<u>Expenditure Description</u>	<u>PO ID</u>	<u>Invoice Number</u>	<u>Expense Type</u>	<u>Amount</u>	<u>Notes</u>
		1632	RI0755305	110	\$717.18	Invoice
		1632	RI0755303	110	\$910.66	Invoice
		1632	RI0753471	110	\$966.36	Invoice
		1632	RI0753470	110	\$867.88	Invoice
		1632	RI0763511	110	\$884.79	Invoice
		1632	RI0752438	110	\$896.73	Invoice
		1632	RI0777184	110	\$756.23	Invoice
		1632	RI0771271	110	\$1,457.99	Invoice
		1632	RI0780005	110	\$813.17	Invoice
		1632	RI0784232	110	\$813.17	Invoice
		1632	RI0784245	110	\$538.14	Invoice
		1632	RI0784366	110	\$6,731.70	Invoice
		1632	RI0698241	110	\$2,413.26	Invoice
		1632	RI0602792	110	\$914.30	Invoice
		1632	RI0618649	110	\$983.53	Invoice
		1632	RI0632480R	110	\$11,242.59	Invoice
		1632	RI0638331	110	\$1,072.29	Invoice
		1632	RI0638328	110	\$444.14	Invoice
		1632	RI0634303R	110	\$3,388.34	Invoice
		1632	RI0634300	110	\$1,113.96	Invoice
		1632	RI0634298R	110	\$1,241.89	Invoice
		1632	RI0638332	110	\$137.27	Invoice
		1632	RI0638334	110	\$373.02	Invoice
		1632	RI0645265R	110	\$960.70	Invoice
		1632	RI0638334	110	\$7.61	Invoice
		1632	RI0664234	110	\$968.34	Invoice
		1632	RI0661453	110	\$1,091.68	Invoice
		1632	RI0638332	110	\$2.80	Invoice
		1632	RI0658090R	110	\$6,544.52	Invoice
		1632	RI0645179	110	\$894.47	Invoice
		1632	RI0638328	110	\$9.06	Invoice
		1632	RI0634298R	110	\$25.34	Invoice
		1632	RI0629917	110	\$1,594.57	Invoice
		1632	RI0644731	110	\$850.06	Invoice
		1632	RI0638331	110	\$21.88	Invoice
		1632	RI0670194	110	\$964.76	Invoice
		1632	RI0674456	110	\$960.70	Invoice
		1632	RI0672368	110	\$819.61	Invoice
		1632	RI0672367	110	\$929.23	Invoice

<u>Site Name</u>	<u>Expenditure Description</u>	<u>PO ID</u>	<u>Invoice Number</u>	<u>Expense Type</u>	<u>Amount</u>	<u>Notes</u>
		1632	RI0672366	110	\$1,011.45	Invoice
		1632	RI0672363	110	\$1,214.45	Invoice
		1632	RI0670947R	110	\$1,033.78	Invoice
		1632	RI0670945	110	\$1,188.06	Invoice
		1632	RI0670944	110	\$1,072.35	Invoice
		1632	RI0670943	110	\$1,089.09	Invoice
		1632	RI0668701	110	\$1,044.93	Invoice
		1632	RI0664236R	110	\$1,387.25	Invoice
		1632	RI0661463R	110	\$1,443.00	Invoice
		1632	RI0670191	110	\$674.98	Invoice
		1632	RI0794091	110	\$1,100.26	Invoice
		1632	RI0703982	110	\$816.15	Invoice
		1632	RI0700664	110	\$890.75	Invoice
		1632	RI0799574	110	\$900.70	Invoice
		1632	RI0799568	110	\$1,407.75	Invoice
		1632	RI0704160	110	\$880.48	Invoice
		1632	RI0670195	110	\$1,064.23	Invoice
		1632	RI0794090	110	\$509.53	Invoice
		1632	RI0670948	110	\$1,049.00	Invoice
		1632	R10794096	110	\$1,015.07	Invoice
		1632	RI0796426	110	\$997.24	Invoice
		1632	RI0792539	110	\$900.70	Invoice
		1632	RI0724136	110	\$641.59	Invoice
		1632	RI0732624	110	\$975.31	Invoice
		1632	RI0720502	110	\$813.17	Invoice
		1632	RI0706856	110	\$549.12	Invoice
		1632	RI0732627	110	\$861.91	Invoice
		1632	RI0732620	110	\$886.28	Invoice
		1632	RI0732619	110	\$886.28	Invoice
		1632	RI0725496	110	\$813.17	Invoice
		1632	RI0724141	110	\$1,081.74	Invoice
		1632	RI0723931	110	\$813.17	Invoice
		1632	RI0717264	110	\$597.82	Invoice
		1632	RI0713885R	110	\$833.07	Invoice
		1632	RI0709931R	110	\$884.79	Invoice
		1632	RI0709933R	110	\$833.07	Invoice
		1632	RI0709932R	110	\$884.79	Invoice
	<i>LABOR CHARGES</i>					
				P15	\$788.70	Regular Pay Monthly



<u>Site Name</u>	<u>Expenditure Description</u>	<u>PO ID</u>	<u>Invoice Number</u>	<u>Expense Type</u>	<u>Amount</u>	<u>Notes</u>
				P30	\$52.32	Bonus & Miscellaneous Pay
				P50	\$127.89	Time Not Worked
				A65	\$12.76	
				T10	\$100.68	Transportation
					\$85.53	Reclass of labor charge
				<b>Site Total:</b>	<b>\$119,791.28</b>	
<u>Newport (Thames &amp; Wellington)</u>						
	<i>J DEMARCO LANDSCAPING COMPANY INC</i>					
		51859	NEWPORT (THAMES) LANDSCAPING	100	\$325.00	Invoice
	<i>STATE OF RHODE ISLAND</i>					
		SRI	39191	100	\$3,873.94	Invoice
		SRI	23-19.14,6	100	\$1,007.57	Invoice
	<i>VANASSE HANGEN BRUSTLIN INC</i>					
		43130	62142	100	\$11,907.15	Invoice
		43130	65180	100	\$47,529.69	Invoice
		43130	63861	100	\$20,427.44	Invoice
		43130	53601	100	\$1,827.71	Invoice
		43130	52592	100	\$6,585.74	Invoice
		43130	53641	100	\$11,480.32	Invoice
		43130	54754	100	\$7,302.35	Invoice
		43130	58292	100	\$11,427.77	Invoice
		43130	61079	100	\$10,302.03	Invoice
		43130	59815	100	\$29,497.70	Invoice
	<i>CLEAN HARBORS ENVIRONMENTAL SERVICES INC</i>					
		1632	RI1346623	110	\$909.45	Invoice
		1632	RI0739987	110	\$3,935.03	Invoice
		1632	RI0753472	110	\$9,678.68	Invoice
		1632	RI0760665R	110	\$3,821.14	Invoice
		1632	RI0763576	110	\$2,908.50	Invoice
		1632	RI0621451R	110	\$8,016.49	Invoice
		1632	RI0632489	110	\$1,365.72	Invoice
		1632	RI0672369	110	\$3,336.22	Invoice

<u>Site Name</u>	<u>Expenditure Description</u>	<u>PO ID</u>	<u>Invoice Number</u>	<u>Expense Type</u>	<u>Amount</u>	<u>Notes</u>
		1632	RI0672362	110	\$927.56	Invoice
		1632	RI0788306	110	\$1,344.98	Invoice
	<i>ENVIRONMENTAL SOIL MANAGEMENT INC</i>					
		42940	100349	110	\$594.69	Invoice
		42940	1003922	110	\$9,412.79	Invoice
		42940	1003949	110	\$594.69	Invoice
	<i>T FORD COMPANY INC</i>					
		34804	871	110	\$4,948.12	Invoice
	<i>WELLINGTON CONDOMINIUM ASSOCIATION</i>					
		Wellington	39170	400	\$1,180.17	Invoice
	<i>LABOR CHARGES</i>					
				P15	\$10,008.72	Regular Pay Monthly
				P30	\$673.97	Bonus & Miscellaneous Pay
				P50	\$1,611.05	Time Not Worked
				A65	\$175.10	Service Company labor adder
				T10	\$240.16	Transportation
					\$1,017.49	Reclass of labor charge
	<i>EXPENSE CHARGES</i>					
				200	\$126.10	Employee Expense
				<b>Site Total:</b>	<b>\$230,321.23</b>	

Division Data Request 2-4

Request:

For project 171, Contaminated Regulators, please detail the expenditures incurred during the twelve months ended June 30, 2007:

- i. For removal of mercury seal regulators (MSRs),
  - ii. For independent real-time vapor screening, and
  - iii. For follow-up analytical testing at an independent laboratory.
- a. Document and explain in detail why the Company was able to replace over 9,000 MSRs prior to June 30, 2006 at a cost of \$1,540,573 (an average of less than \$171 per regulator replaced) but required \$119,791 to remove and replace 95 MSRs during the 12 months ended June 30, 2007 (i.e., at an average cost of over \$1,260 per MSR);
  - b. Identify and document the portion of the costs of removal of MSRs removed during the 12 months ended June 30, 2007 that is offset by costs of removal included in the Company's depreciation reserve for mercury regulators; and
  - c. Identify the year of initial installation for each of the 95 MSRs removed during the 12 months ended June 30, 2007.

Response:

- i, ii, iii Expenses incurred and tracked under project 171 are those costs associated with Company labor and outside services performed by Clean Harbors for the removal of the regulators. Under the Company's procedures for the removal and handling of mercury regulators, Clean Harbors performs the activities listed above under i, ii and iii. A Clean Harbors technician is on-site to perform real-time vapor screening prior to, during, and after the removal. The Clean Harbors technician transports the removed regulator to their Braintree, MA facility for recycling and they also leave an air monitoring dosimeter "badge" at the site. Clean Harbors retrieves the badge at least 24 hours later and sends it to an independent laboratory to confirm real-time vapor screening results. A summary of Clean Harbors invoices and Company labor costs are provided in response to Division Data Request 2-3. In addition, Coneco Engineers provides services related to the remediation of mercury releases identified during the regulator removal activities (see the response to (a) below).

Response Division 2-4 (continued):

- a. The reason that the expenditures for the 12 months ended June 30, 2007 were high relative to the sum of all previous years is primarily related to changes in the removal and disposal practices at the time. At the start of the mercury regulator replacement program, regulators were removed in large quantities with a single crew progressing through neighborhoods removing all accessible regulators. At that time, the procedures did not require Clean Harbors involvement at each site. In the more recent years, removals have been performed on a case-by-case basis including Clean Harbors as described above. In the most recent year, the Company also incurred expenditures for three customer site remediations related to mercury releases. The invoices from Coneco Engineers & Scientists, Inc. totaling \$7,365 and the Clean Harbors Environmental Services, Inc. invoices R10632480R, R10634303R and R10658090R totaling \$21,175 (see the attached account summary details for project 171) were related to these remediation activities. Coneco Engineers provides engineering oversight of the remediation activities and prepares the Release Response Reports. Clean Harbors performs the remediation activities.
- b. The Company does not have a separate depreciation reserve for mercury regulators. Any cost of removal built into the last depreciation study would not include the cost the Company currently incurs under its existing policies.
- c. The Company does not have the year of initial installation for the 95 MSRs removed during the 12 months ended June 30, 2007.

Division Data Request 2-5

Request:

Regarding the Attachment PCC-4, page 3 of 3, please provide supporting documentation for the “Eviron Insur Settlement” activity for FY 2007 and indicate the projects and time periods to which the referenced \$1,225,824 of settlement funds received are related.

Response:

The “Environmental Insurance Settlement” activity for FY 2007 referenced in attachment PCC-4 relates to monies received by the Company from the liquidation of the Stone & Webster escrow fund. The fund held monies allocated to Stone & Webster’s liability for the BVG&E environmental sites. The total amount received by the Company was \$6,129,118.84, and the money was allocated 80% to Narragansett Electric Company (NEC), as successor to Blackstone Valley Electric Company, and 20% to New England Gas (NEG), as successor to Valley Gas. The split was allocated based on a legal assessment of the respective equitable shares between the two companies.

Division Data Request 2-6

Request:

Regarding Attachment PCC-5, page 3 of 3, please provide documentation on an account-by-account basis for the derivation of the identified aggregate changes in Non-Firm Dth and revenue for FY 2006.

Response:

The identified aggregate changes in Non-Firm Dth and revenue for FY2006 are based on comparing aggregate general ledger account data with a summary of account-by-account customer bills. Therefore, we are not able to provide documentation of changes on an account-by-account basis.

Division Data Request 2-9

Request:

Regarding Attachment PCC-5, please provide document the Company's assessment of the costs of for each applicable alternate fuel for non-firm customers by month for each month of FY 2006 and FY 2007. If the Company adjusted its assessment of the alternate fuel costs for any customer or type of alternate fuel within a month, please document any and all such changes in alternate fuel costs.

Response:

The attached chart provides the Company's assessment of the costs for each applicable alternate fuel for non-firm customers by month for each month of FY 2006 and FY 2007. For #6 and #2 oil, these prices are based on average of the high/low posted prices from the "Journal of Commerce" six days prior to the commencement of a month. The price for #4 oil is based upon 55% of the posted #6 oil price, and 45% of the posted #2 oil price.

The company did not adjust its assessment of the alternate fuel costs for any customer or type of alternate fuel within a month.

<b>Non-Firm Alternate Fuel Costs</b>			
	<b>AVERAGE COST</b>	<b>AVERAGE COST</b>	<b>AVERAGE COST</b>
	<b>#6 OIL</b>	<b>#2 OIL</b>	<b>#4 OIL</b>
Jul-2005	\$ 47.5000	\$ 70.8960	\$ 58.0282
Aug-2005	\$ 51.4250	\$ 67.1265	\$ 58.4907
Sep-2005	\$ 56.8750	\$ 78.2040	\$ 66.4731
Oct-2005	\$ 61.4000	\$ 87.5280	\$ 73.1576
Nov-2005	\$ 62.3750	\$ 80.1570	\$ 70.3769
Dec-2005	\$ 61.2750	\$ 73.2375	\$ 66.6581
Jan-2006	\$ 63.6500	\$ 77.1792	\$ 69.7381
Feb-2006	\$ 62.0250	\$ 78.6891	\$ 69.5238
Mar-2006	\$ 61.2250	\$ 71.9502	\$ 66.0513
Apr-2006	\$ 61.2250	\$ 78.7815	\$ 69.1254
May-2006	\$ 64.0250	\$ 90.0564	\$ 75.7391
Jun-2006	\$ 63.4750	\$ 83.8635	\$ 72.6498
Jul-2006	\$ 63.2730	\$ 83.1264	\$ 72.2070
Aug-2006	\$ 63.2750	\$ 83.9580	\$ 72.5824
Sep-2006	\$ 64.8732	\$ 88.5696	\$ 75.5366
Oct-2006	\$ 60.1230	\$ 72.7146	\$ 65.7892
Nov-2006	\$ 61.7250	\$ 73.2585	\$ 66.9151
Dec-2006	\$ 61.2750	\$ 70.3353	\$ 65.3521
Jan-2007	\$ 61.8750	\$ 73.8759	\$ 67.2754
Feb-2007	\$ 65.4500	\$ 68.9367	\$ 67.0190
Mar-2007	\$ 65.4500	\$ 75.1506	\$ 69.8153
Apr-2007	\$ 65.4486	\$ 77.7126	\$ 70.9674
May-2007	\$ 65.4500	\$ 81.3456	\$ 72.6030
Jun-2007	\$ 65.4500	\$ 83.9328	\$ 73.7673

Prices stated on a per barrel basis



Division Data Request 2-10

Request:

Please identify all instances during FY 2006 and FY 2007 in which a non-firm customer was billed at minimum margin specified in the Company's tariff, and for each instance of billing at minimum margin levels, document and explain why the application of a minimum margin was appropriate.

Response:

For every instance in FY 2006 and 2007 in which the minimum margin was charged for non-firm customers, the cost of natural gas was higher than the equivalent cost of the customer's alternate fuel, resulting in negative margin. As a result, the minimum margin was charged.

Attachment DIV 2-10 pages 1 and 2 show how the margin was calculated for those instances where the cost of natural gas was higher than the equivalent cost of the customer's alternate fuel for FY 2006. For example, the alternate fuel is # 6 oil for the customer whose account number has the last seven digits 1219198. In July 2005, the average cost of # 6 oil was \$47.50 per barrel. Based on the potential to consume 100,000 or more therms per month, this customer receives a 22% discount off the posted oil price. (Section 5, Schedule G, Sheet 2 of the Tariff.) Applying a 22% discount to \$47.50 reduces the price to \$37.05 per barrel. Converting the discount oil price from cost per barrel to equivalent cost per Dth results in \$5.96 per Dth. Subtracting an estimated cost of gas of \$8.46 per Dth from \$5.96 per Dth of oil results in a negative margin of \$2.50. Therefore, the minimum margin of \$0.10 per Dth was charged. An estimated cost of gas is used because the NYMEX gas settlement occurs three business days before the start of the upcoming month while the tariff requires the Company to provide a quote to the customer five business days in advance.

At the top of this attachment there is a color chart which corresponds to the various alternate fuel types as well as the corresponding discount based on potential consumption volume for a particular customer. The information for each customer account is shaded in the same color as its alternate fuel type and discount rate. For example, account # 1219198 is shaded yellow to indicate its alternate fuel is # 6 oil with a 22% discount. All accounts shaded in yellow have # 6 oil as their alternate fuel and are eligible to receive a 22% discount based on their potential consumption volume.

Page 3 of Attachment DIV 2-10 shows similar information comparing gas costs to alternate fuel costs for FY 2007 for every instance where the account was billed at minimum margin. During FY 2007, all instances where customers were charged at the minimum margin were for those whose alternate fuel was # 6 oil and they qualified for the 22% discount.

	#6 Oil 22% Discount		#2 Oil 2.25% Discount
	#6 Oil 11% Discount		#4 Oil 7% Discount

Last 7 Digits of Account #	Alt Fuel Type	Banner Bill Date mo/yr	Sales or Trans	Volume	Margin per Dth	Comment	Avg cost oil	Less disc	Cost/DTH	Less Estimated Gas Cost	Margin
1219198	6	Jul-05	Trans	124,339.57	\$0.10	Equivalent cost of oil less than cost of gas	\$ 47.50	\$ 37.05	\$ 5.96	\$ 8.46	\$ (2.50)
1219198	6	Aug-05	Trans	122,821.93	\$0.10	Equivalent cost of oil less than cost of gas	\$ 51.43	\$ 40.11	\$ 6.45	\$ 8.73	\$ (2.28)
1219198	6	Sep-05	Trans	140,014.00	\$0.10	Equivalent cost of oil less than cost of gas	\$ 56.88	\$ 44.36	\$ 7.14	\$ 12.29	\$ (5.15)
1219198	6	Oct-05	Trans	196,980.31	\$0.10	Equivalent cost of oil less than cost of gas	\$ 61.40	\$ 47.89	\$ 7.70	\$ 15.93	\$ (8.23)
1219198	6	Nov-05	Trans	53,676.21	\$0.16	Equivalent cost of oil less than cost of gas	\$ 62.15	\$ 48.48	\$ 7.80	\$ 15.75	\$ (7.95)
1219198	6	Dec-05	Trans	1,532.85	\$0.16	Equivalent cost of oil less than cost of gas	\$ 61.28	\$ 47.79	\$ 7.69	\$ 13.87	\$ (6.18)
1219198	6	Jan-06	Trans	450.40	\$0.16	Equivalent cost of oil less than cost of gas	\$ 63.65	\$ 49.65	\$ 7.99	\$ 18.10	\$ (10.11)
1219198	6	Feb-06	Trans	111,700.64	\$0.16	Equivalent cost of oil less than cost of gas	\$ 62.03	\$ 48.38	\$ 7.78	\$ 11.85	\$ (4.07)
1219198	6	Mar-06	Trans	154,686.94	\$0.16	Equivalent cost of oil less than cost of gas	\$ 61.23	\$ 47.76	\$ 7.68	\$ 8.85	\$ (1.17)
1219198	6	Apr-06	Trans	243,859.70	\$0.10	Equivalent cost of oil less than cost of gas	\$ 61.23	\$ 47.76	\$ 7.68	\$ 8.12	\$ (0.44)
1219198	6	May-06	Trans	216,184.45	\$0.10	Equivalent cost of oil less than cost of gas	\$ 64.03	\$ 49.94	\$ 8.03	\$ 8.92	\$ (0.89)
1148188	4	Nov-05	Trans	22,569.94	\$0.16	Equivalent cost of oil less than cost of gas	\$ 70.38	\$ 65.45	\$ 10.82	\$ 15.75	\$ (4.93)
1148188	4	Dec-05	Trans	9,265.79	\$0.16	Equivalent cost of oil less than cost of gas	\$ 66.66	\$ 61.99	\$ 10.25	\$ 13.87	\$ (3.62)
1113737	6	Jul-05	Trans	71,368.30	\$0.10	See Account 1219198 Above					
1113737	6	Aug-05	Trans	72,955.48	\$0.10						
1113737	6	Sep-05	Trans	69,081.07	\$0.10						
1113737	6	Oct-05	Trans	58,042.47	\$0.10						
1113737	6	Apr-06	Sales	1,204.52	\$0.16						
1113737	6	May-06	Trans	79,195.56	\$0.10						
1051512	6	Jul-05	Trans	18,613.66	\$0.10	Equivalent cost of oil less than cost of gas	\$ 47.50	\$ 42.28	\$ 6.80	\$ 8.46	\$ (1.66)
1051512	6	Aug-05	Trans	20,387.88	\$0.10	Equivalent cost of oil less than cost of gas	\$ 51.43	\$ 45.77	\$ 7.36	\$ 8.73	\$ (1.37)
1051512	6	Sep-05	Trans	25,438.59	\$0.10	Equivalent cost of oil less than cost of gas	\$ 56.88	\$ 50.62	\$ 8.14	\$ 12.29	\$ (4.15)
1051512	6	Oct-05	Trans	23,050.20	\$0.10	Equivalent cost of oil less than cost of gas	\$ 61.40	\$ 54.65	\$ 8.79	\$ 15.93	\$ (7.14)
1051512	6	Nov-05	Trans	28,501.26	\$0.16	Equivalent cost of oil less than cost of gas	\$ 62.15	\$ 55.31	\$ 8.90	\$ 15.75	\$ (6.85)
1051512	6	Dec-05	Trans	6,841.35	\$0.16	Equivalent cost of oil less than cost of gas	\$ 61.28	\$ 54.53	\$ 8.77	\$ 13.87	\$ (5.10)
1014969	6	Aug-05	Sales	1,655.64	\$0.06	Aug 15 comm chrg					
1014969	6	Aug-05	Sales	347.48	\$0.27	Aug 31 comm chrg					
1014969	6	Apr-06	Trans	847,691.46	\$0.10	See Account 1219198 Above					
1014969	6	May-06	Trans	866,133.18	\$0.10						
1169503	2	Nov-05	Trans	63.61	\$0.16		\$ 1.91	\$ 1.87	\$ 13.42	\$ 15.75	\$ (2.33)
1169503	2	Dec-05	Trans	15,970.70	\$0.16		\$ 1.74	\$ 1.70	\$ 12.26	\$ 13.87	\$ (1.61)
1087228	6	Jul-05	Trans	123,940.98	\$0.10						
1087228	6	Mar-06	Trans	134.41	\$0.16						
1087228	6	Apr-06	Trans	104,077.45	\$0.10	See Account 1219198 Above					
1087228	6	May-06	Trans	86,228.71	\$0.10						
1107599	2	Dec-05	Trans	464,722.61	\$0.16	See Account # 1169503					
1107599	2	Jan-06	Trans	479,721.69	\$0.16						

	#6 Oil 22% Discount		#2 Oil 2.25% Discount
	#6 Oil 11% Discount		#4 Oil 7% Discount

Last 7 Digits of Account #	Alt Fuel Type	Banner Bill Date mo/yr	Sales or Trans	Volume	Margin per Dth	Comment	Avg cost oil	Less disc	Cost/DTH	Less Estimated Gas Cost	Margin
1158396	6	Jul-05	Trans	42,628.65	\$0.10	See Account # 1051512					
1158396	6	Aug-05	Trans	42,642.95	\$0.10						
1158396	6	Sep-05	Trans	41,660.82	\$0.10						
1158396	6	Oct-05	Trans	40,536.60	\$0.10						
1158396	6	Nov-05	Trans	50,030.81	\$0.16						
1158396	6	Dec-05	Trans	13,558.59	\$0.16						
2129422	6	Nov-05	Trans	5,271.58	\$0.16	See Account # 1051512					
2129412	6	Jul-05	Trans	87,120.38	\$0.10	See Account # 1219198					
2129412	6	Aug-05	Trans	47,530.16	\$0.10						
2129412	6	Sep-05	Trans	96,621.93	\$0.10						
2129412	6	Oct-05	Trans	70,848.09	\$0.10						
2129412	6	Nov-05	Trans	83,616.96	\$0.16						
2129412	6	Dec-05	Trans	31,462.29	\$0.16						
2129412	6	Feb-06	Trans	46,396.77	\$0.10	Corrects Aug '05 vol and charges					
2129412	6	Apr-06	Sales	47,298.58	\$0.16						
2129412	6	May-06	Trans	50,849.25	\$0.10						
2129313	2	Nov-05	Trans	2,777.37	\$0.16	See Account # 1169503					
2129313	2	Dec-05	Trans	2,152.57	\$0.16						
2129313	2	Jan-06	Trans	2,603.97	\$0.16						
1197051	6	Apr-06	Sales	23,968.40	\$0.16	See Account # 1219198					
1106491	6	Apr-06	Sales	51,087.61	\$0.16	See Account # 1219198					
1150661	6	Apr-06	Sales	51,918.68	\$0.16	See Account # 1219198					
1071400	6	Apr-06	Sales	75,136.04	\$0.16	See Account # 1219198					
1045564	6	Apr-06	Sales	92,195.31	\$0.16	See Account # 1219198					
2129322	6	Apr-06	Sales	10,591.41	\$0.16	See Account # 1219198					

#6 Oil 22% Discount	#2 Oil 2.25% Discount
#6 Oil 11% Discount	#4 Oil 7% Discount

Last 7 Digits of Account #	Alt Fuel Type	Banner Bill Date mo/yr	Sales or Trans	Volume	Margin per Dth	Comment	Avg cost oil	Less disc	Cost/DTH	Less Estimated	
										Gas Cost	Margin
1219198	6	Sep-06	Sales	134,332.60	\$0.10	Equivalent cost of oil less than cost of gas	\$ 64.88	\$ 50.60	\$ 8.12	\$ 8.23	\$ (0.11)
1014969	6	Sep-06	Sales	861,836.58	\$0.10	Equivalent cost of oil less than cost of gas	\$ 64.88	\$ 50.60	\$ 8.12	\$ 8.23	\$ (0.11)
2129412	6	Sep-06	Sales	52,322.78	\$0.10	Equivalent cost of oil less than cost of gas	\$ 64.88	\$ 50.60	\$ 8.12	\$ 8.23	\$ (0.11)
1219198	6	Nov-06	Trans	232,540.17	\$0.16	Equivalent cost of oil less than cost of gas	\$ 61.73	\$ 48.15	\$ 7.73	\$ 8.08	\$ (0.35)
2129412	6	Nov-06	Trans	89,340.93	\$0.16	Equivalent cost of oil less than cost of gas	\$ 61.73	\$ 48.15	\$ 7.73	\$ 8.08	\$ (0.35)
1219198	6	Dec-06	Trans	49,986.56	\$0.16	Equivalent cost of oil less than cost of gas	\$ 61.28	\$ 47.79	\$ 7.67	\$ 9.82	\$ (2.15)
2129412	6	Dec-06	Trans	58,928.11	\$0.16	Equivalent cost of oil less than cost of gas	\$ 61.28	\$ 47.79	\$ 7.67	\$ 9.82	\$ (2.15)
1219198	6	Apr-07	Trans	112,266.24	\$0.10	Equivalent cost of oil less than cost of gas	\$ 65.45	\$ 51.05	\$ 8.21	\$ 8.34	\$ (0.13)

Division Data Request 2-13

Request:

Please identify the policies and procedures that the Company uses to determine when it applies to non-firm customer accounts:

- a. Late payment charges
- b. Interest on unpaid balances

Also, for each month of FY 2006 and FY 2007 please identify the interest rate applied to unpaid balances carried forward on non-firm service accounts.

Response:

- a. In accordance with the tariff, Section 1, General Rules and Regulations, Schedule A, Sheet 8, late payment charges begin to accrue when a non-residential customer's bill is 25 days outstanding. To allow for delivery of the bill to the customer, the Company starts accruing the interest charge 30 days from the bill date. The late payment charge appears on the customer's bill as "interest." Exceptions are sometimes allowed per Billing Supervisor. If a bill goes out late, the late fee may also be waived.
- b. An interest rate of 1.25% applies to unpaid balances.

## Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were hand-delivered, electronically transmitted and delivered via U.S. Mail to the individuals listed below on October 16, 2007.



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Joanne M. Scanlon  
National Grid

### **Docket No. 3859 – National Grid – Annual Distribution Adjustment Clause Filing (“DAC”) - Service List as of 9/12/07**

<b>Name/Address</b>	<b>E-mail</b>	<b>Phone/FAX</b>
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