

October 26, 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 Division Data Request 2-7, 2-8, 2-11 and 2-12. This concludes the Company's responses to the Division's second set of data requests in this proceeding.

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 2-7

Request:

Regarding the Company's Non-Firm margins for FY 2006, please provide the Company's actual Non-Firm costs of gas by month for each month of FY 2006. Also, if the Non-Firm cost of gas changed within any billing month during FY 2006, please fully document all such changes including, but not limited to:

- a. Each non-firm gas cost rate in \$/Dth or \$/therm that was effective during the month;
- b. The dates for which each non-firm gas cost rate was effective; and
- c. The billing volumes in therms to which each non-firm gas cost rate was applicable.

Response:

Attachment DIV 2-7 provides a summary of the company's actual Non-Firm costs of gas by month for each month of FY 2006 as well as gas costs associated with prior period adjustments.

During FY 2006, there was only one month in which the Non-Firm cost of gas rate changed within the billing month. That month was August, 2005. From August 1-15, 2005, the non-firm cost of gas rate at the customer meter was \$8.72/Dth. From August 16-31, 2005, the cost of gas rate was \$8.93/Dth. On a customer by customer monthly billing detail spreadsheet provided to Mr Oliver, the Company reflected a weighted average cost of \$8.66 per Dth. The weighted average cost of gas for that month was calculated using total gas cost of \$1,085,305 divided by total volume of 125,382 Dth for an average cost of gas of \$8.66 per Dth.

| | Prior Period Adjustments | Jul-05 | Aug-05 | Sep-05 | Oct-05 | Nov-05 | Dec-05 | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 | Jun-06 | Total |
|--------------------|--------------------------|---------|-----------|-----------|-----------|-----------|---------|---------|-----------|-----------|-----------|-----------|---------|------------|
| non-firm gas costs | 393,275 | 971,944 | 1,085,305 | 1,358,376 | 1,674,305 | 1,036,750 | 681,409 | 142,726 | 1,085,410 | 1,021,199 | 1,079,830 | 1,006,521 | 874,247 | 12,411,297 |

Division Data Request 2-8

Request:

Regarding the Company's Non-Firm margins for FY 2007, please provide the Company's actual Non-Firm costs of gas by month for each month of FY 2007. Also, if the Non-Firm cost of gas changed within any billing month during FY 2007, please fully document all such changes including, but not limited to:

- a. Each non-firm gas cost rate in \$/Dth or \$/therm that was effective during the month;
- b. The dates for which each non-firm gas cost rate was effective; and
- c. The billing volumes in therms to which each non-firm gas cost rate was applicable.

Response:

In preparing the response to this data request, the Company has identified that the FY 2007 non-firm margin calculation provided in Attachment PCC-5 of the Company's August 1st filing is overstated. The month by month detail provided on page 2 of that attachment incorrectly includes a column for prior period adjustments which should not have been included since those adjustments were already reflected in the FY 2006 true-up on page 3 of Attachment PCC-5. Correcting the error reduces total non-firm margin for FY 2007 from \$5,922,065 to \$5,406,140. Attached to this data request response is a Corrected Attachment PCC-5 which includes gas costs for each month of FY 2007 on page 2.

During FY 2007, there were no Non-Firm costs of gas rate changes within billing months.

On-System Margin Credit

| Line No. | Description | Reference | Amount |
|----------|--|-----------|---------------------------|
| 1 | FY 2007 Non-Firm Margin in excess of Base Rate Threshold | Page 2 | \$3,806,140 |
| 2 | FY 2006 Adjustment | Page 3 | \$90,612 |
| 3 | Total | [1] + [2] | \$3,896,752 |
| 4 | Company @ 25% | [3] x 25% | \$974,188 |
| 5 | Customers @ 75% | [3] x 75% | \$2,922,564 |
| 6 | Annual Dt Nov 07 - Oct 08 | | 34,670,649 Dth |
| 7 | On-System Margin | [5] / [6] | \$0.0843 per Dth |
| 8 | | [7] / 10 | \$0.0084 per therm |

On-System Margin Credit - FY2007

| | Jul-06 | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | May-07 | Jun-07 | Total |
|-------------------------|-------------|-------------|-----------|-------------|-------------|-------------|-----------|-----------|-----------|-------------|-------------|-------------|--------------|
| | actual | actual | actual | actual | actual | actual | actual | actual | actual | actual | actual | actual | |
| Non-firm (dth) | | | | | | | | | | | | | |
| Sales | 141,339 | 110,560 | 89,322 | 97,212 | 104,042 | 103,504 | 62,598 | 24,346 | 67,182 | 84,084 | 76,673 | 87,739 | 1,048,601 |
| Transportation | 239,815 | 183,738 | 172,306 | 207,742 | 139,033 | 97,318 | 46,666 | 14,823 | 60,856 | 175,922 | 155,052 | 161,729 | 1,655,000 |
| sub-total | 381,154 | 294,298 | 261,628 | 304,954 | 243,075 | 200,822 | 109,264 | 39,169 | 128,038 | 260,006 | 231,725 | 249,468 | 2,703,601 |
| Non-firm Revenue | | | | | | | | | | | | | |
| Sales | \$1,695,760 | \$1,457,478 | \$918,319 | \$918,148 | \$1,103,439 | \$1,163,240 | \$720,335 | \$297,350 | \$817,780 | \$1,027,164 | \$891,187 | \$1,055,785 | \$12,065,985 |
| Transportation | \$155,027 | \$127,754 | \$78,710 | \$294,017 | \$155,202 | \$70,046 | \$47,852 | \$22,099 | \$156,585 | \$203,247 | \$113,244 | \$70,996 | \$1,494,779 |
| sub-total | \$1,850,787 | \$1,585,232 | \$997,029 | \$1,212,165 | \$1,258,641 | \$1,233,286 | \$768,187 | \$319,449 | \$974,365 | \$1,230,411 | \$1,004,431 | \$1,126,781 | \$13,560,764 |
| less GET | \$1,795,138 | \$1,537,567 | \$967,050 | \$1,175,718 | \$1,220,796 | \$1,196,204 | \$745,089 | \$309,844 | \$945,068 | \$1,193,415 | \$974,230 | \$1,092,901 | \$13,153,020 |
| Total Gas Costs | \$928,801 | \$860,025 | \$599,263 | \$447,428 | \$794,314 | \$940,852 | \$432,353 | \$125,933 | \$532,238 | \$703,948 | \$633,779 | \$747,946 | \$7,746,880 |
| NF Margin | \$866,337 | \$677,542 | \$367,787 | \$728,290 | \$426,482 | \$255,352 | \$312,736 | \$183,911 | \$412,830 | \$489,467 | \$340,451 | \$344,955 | \$5,406,140 |

| | |
|--|--------------------|
| Sharing Threshold | \$1,600,000 |
| Margin in excess of Base Rate threshold | \$3,806,140 |
| Company @ 25% | \$951,535 |
| Customers @ 75% | \$2,854,605 |

On-System Margin Credit - FY2006 Adjustment

| | FY 2006 As Filed ----- | FY 2006 Updated ----- | Updated vs Filed ----- |
|----------------------|------------------------------|---------------------------------|---------------------------|
| Non-firm (dth) | | | |
| Sales | 1,258,036 | 1,241,284 | -16,753 |
| Transportation | 1,541,756 | 1,524,793 | -16,963 |
| sub-total | 2,799,793 | 2,766,077 | -33,716 |
| Non-firm Revenue | | | |
| Sales | \$15,733,930 | \$15,783,806 | \$49,876 |
| Transportation | \$804,194 | \$819,755 | \$15,561 |
| sub-total | \$16,538,124 | \$16,603,561 | \$65,437 |
| less GET | \$16,040,857 | \$16,131,469 | \$90,612 |
| | | | |
| | | Adjustment to Non Firm Revenues | \$90,612 |
| | | Company @ 25% | \$22,653 |
| | | Customers @ 75% | \$67,959 |

note: Any change in the gas costs would be shifting the gas costs between firm sales service and non-firm. In this case, a reduction to the non-firm gas costs would result in a corresponding increase to the sales service gas costs. Therefore, the Company is not proposing any adjustment for gas costs.

Division Data Request 2-11

Request:

Please identify all instances during FY 2006 and FY 2007, in which a non-firm customer was billed at less than the minimum margin specified in the Company's tariff, and for each instance in which service was billed at less than the applicable minimum margin as specified the Company's tariff, document and explain why the margin applied was appropriate.

Response:

During FY 2006 and FY 2007 there was one instance when a customer was billed less than the minimum margin specified in the Company's tariff. That instance occurred in August 2005 which was a month when the Company made a mid-month change to the rate charged for non-firm sales service. In August 2005, the cost of gas increased dramatically after the Company provided quotes to customers based on an estimate of what the costs were going to be. When adjusting the rate mid-month, the Company included recovery of the higher cost that had occurred in the earlier part of the month so that at the end of the month the total revenue collected from the customers would recover the gas costs. In the one instance where the minimum margin was not attained, the customer's usage occurred in the first half of the month and there was no usage billed at the higher rate which resulted in margin of \$0.06 per Dth for that customer in that month. In all other months, this customer's margin was in excess of the minimum.

Division Data Request 2-12

Request:

For each non-firm customer served during FY 2006 or FY 2007, please identify the customer's alternate fuel type, as well as any changes in the customer's alternate fuel type during that two-year period.

Response:

The following is a list of customers according to their alternative fuel type. In order to keep customer names and billing information confidential, we have identified the customers by the last seven digits of their account number.

There were no changes in the customer's alternative fuel type during the two year period.

| <u>Last 7 Digits of Customer Account Number</u> | <u>Alternative Fuel Type</u> |
|---|----------------------------------|
| 1129864 | LPG |
| LPG Count | 1 |
| 1001085 | 6 Oil |
| 1014969 | 6 Oil |
| 1018229 | 6 Oil |
| 1045564 | 6 Oil |
| 1051512 | 6 Oil |
| 1071400 | 6 Oil |
| 1074871 | 6 Oil |
| 1086617 | 6 Oil |
| 1087228 | 6 Oil |
| 1090462 | 6 Oil |
| 1092042 | 6 Oil |
| 1097704 | 6 Oil |
| 1106491 | 6 Oil |
| 1113737 | 6 Oil |
| 1119537 | 6 Oil |
| 1126560 | 6 Oil |
| 1139731 | 6 Oil |
| 1142747 | 6 Oil |
| 1150661 | 6 Oil |
| 1156637 | 6 Oil |

National Grid
Docket 3859 – DAC 2007
Responses to Division Data Requests – Set 2
Issued October 2, 2007

| Last 7 Digits of Customer Account Number | Alternative Fuel Type |
|--|--------------------------|
| 1157425 | 6 Oil |
| 1158396 | 6 Oil |
| 1197051 | 6 Oil |
| 1200411 | 6 Oil |
| 1212474 | 6 Oil |
| 1219198 | 6 Oil |
| 2048384 | 6 Oil |
| 2129299 | 6 Oil |
| 2129301 | 6 Oil |
| 2129312 | 6 Oil |
| 2129322 | 6 Oil |
| 2129323 | 6 Oil |
| 2129337 | 6 Oil |
| 2129338 | 6 Oil |
| 2129348 | 6 Oil |
| 2129412 | 6 Oil |
| 2129413 | 6 Oil |
| 2129422 | 6 Oil |
| 2129462 | 6 Oil |
| 2136636 | 6 Oil |
| 2223563 | 6 Oil |
| 6 Oil Count | 41 |
| 1071523 | 4 Oil |
| 1075927 | 4 Oil |
| 1091040 | 4 Oil |
| 1123664 | 4 Oil |
| 1135777 | 4 Oil |
| 1148188 | 4 Oil |
| 1189926 | 4 Oil |
| 1194902 | 4 Oil |
| 2048096 | 4 Oil |
| 2048121 | 4 Oil |
| 2048442 | 4 Oil |
| 2129326 | 4 Oil |
| 2129645 | 4 Oil |
| 4 Oil Count | 13 |

National Grid
Docket 3859 – DAC 2007
Responses to Division Data Requests – Set 2
Issued October 2, 2007

| Last 7 Digits of Customer Account Number | Alternative Fuel Type |
|--|--------------------------|
| 1002543 | 2 Oil |
| 1030796 | 2 Oil |
| 1098821 | 2 Oil |
| 1107599 | 2 Oil |
| 1121884 | 2 Oil |
| 1161491 | 2 Oil |
| 1168314 | 2 Oil |
| 1169503 | 2 Oil |
| 1176337 | 2 Oil |
| 1177572 | 2 Oil |
| 1201957 | 2 Oil |
| 2048080 | 2 Oil |
| 2048089 | 2 Oil |
| 2048099 | 2 Oil |
| 2048402 | 2 Oil |
| 2129297 | 2 Oil |
| 2129313 | 2 Oil |
| 2129315 | 2 Oil |
| 2129404 | 2 Oil |
| 2129405 | 2 Oil |
| 2129406 | 2 Oil |
| 2129419 | 2 Oil |
| 2129648 | 2 Oil |
| 2223562 | 2 Oil |
| 2 Oil Count | 24 |
| Grand Count | 79 |

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 26, 2007.



Joanne M. Scanlon
National Grid

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

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