nationalgrid

Thomas R. Teehan
Senior Counsel

October 2, 2008

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3977 - Earnings Sharing Mechanism and Distribution Adjustment Charge Filing
<u>FY 2008 FERC Form 2 (pages 234 and 235; and pages 262 and 263)</u>

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's supplemental filing in the above-captioned proceeding.

This filing contains FY 2008 FERC Form 2, pages 234 and 235 as well as pages 262 and 263 which supplements Attachment MDL-2 submitted with the pre-filed testimony of Michael D. Laflamme on September 26, 2008.

Thank you for your attention to this transmittal. If you have any questions, please call me at (401) 784-7667.

Very truly yours,

Thomas R. Teehan

Enclosures

cc: Docket 3977 Service List

280 Melrose Street, Providence, RI 02907
T: 401-784-7667 ■ F: 401-784-4321 ■ thomas.teehan@us.ngrid.com ■ www.nationalgrid.com

Name of Respondent	This Report Is:	Date of Report	Year Ending
National Grid	___ A Resubmission	(*Mo, Da, Yr)*	**June 30, 2008**

ACCUMULATED DEFFERED INCOME TAXES (ACCOUNT 190) (Continued)

4. If more space is needed, use separate pages as required.

5. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under "Other".

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	DEBITS		CREDITS			
		Acct No.	Amount	Acct No.			
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
[redacted]							1
							2
		146, 234, 283	4,993,293	253, 283, 926	5,237,825	14,187,668	3
							4
-	-		4,993,293		5,237,825	14,187,668	5
							6
							6.01
							6.02
-	-		4,993,293		5,237,825	14,187,668	7
[redacted]							8
-	-		4,993,293		5,237,825	14,187,668	9
							10
							11

Name of Respondent	This Report Is:	Date of Report	Year Ending
National Grid	_X_ An Original ___ A Resubmission		**June 30, 2008**

ACCUMULATED DEFFERED INCOME TAXES (ACCOUNT 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.

2. At Other (Specify), include deferrals relating to other income and deductions.

3. At lines 4 and 6, add rows as necessary to report all data Number the additonal rows in sequence 4.01, 4.02, etc. and 6.01, 6.02, etc.

Line No.	Account Subdivisions	Balance at	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1
	(a)	(b)	(c)	(d)
1	Account 190 N/A			
2	Electric			
3	Gas	-	(1,826,800)	12,605,400
4	Other (Define)	-		
5	Total (Total of lines 2 thru 4)	-	(1,826,800)	12,605,400
6	Other (Specity)			
6.01				
6.02				
7	TOTAL Account 190 (Total of lines 5 thru 6)	-	(1,826,800)	12,605,400
8	Classification of TOTAL			
9	Federal Income Tax	-	(1,826,800)	12,605,400
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is:	Date of Report	Year Ending
National Grid	_X_ An Original ___ A Resubmission	(*Mo, Da, Yr)*	**June 30, 2008**

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such a manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR Taxes Accrued (b)	Prepaid Taxes (c)
1	Income Taxes		
2	Federal	356,500	
3	State	-	
4	City		
5	Taxes Other than Income		
6	Payroll		
7	Municipal Property Tax	3,125,472	
8	Gross Receipts Tax		3,594,809
9	FUTA	582	
10	SUTA	31,869	
11	FICA		
12	Miscellaneous-Other		
13			
14			
15			
16			
17			
18	TOTAL	3,514,423	3,594,809

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Department Act 163,187 & 184 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	Income Taxes			
2	Federal	1,251,781		
3	State	43,984		
4	City			
5	Taxes Other than Income			
6	Payroll	2,794,969		
7	Ad Valorem	7,190,485		
8	Gross Receipts Tax	11,975,145		
9	Other	18,071		
10				
11				
12				
13				
14				
15				
16		-		
17				
18	TOTAL	23,274,435	0	0

Name of Respondent	This Report Is:	Date of Report	Year Ending
National Grid	_X_ An Original ___ A Resubmission	(*Mo, Da, Yr*)	**June 30, 2008**

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under $250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR: Taxes Accrued (Account 236) (g)	BALANCE AT END OF YEAR: Prepaid Taxes Included in Acct. 165) (h)	Line No.
					1
1,251,781	(801,383)	283,472	1,090,370		2
43,984	(11,000)	(38,884)	(5,900)		3
			-		4
					5
		-	-		6
7,190,485	(8,564,605)	(13,227)	1,738,126		7
11,975,145	(13,647,798)	5,267,462	0	5,267,462	8
25,819	(25,616)	(34)	752		9
119,965	(124,107)		27,727		10
2,649,184	(2,630,607)	(18,577)	(0)		11
			-		12
			-		13
18,071	(18,071)		-		14
			-		15
			-		16
					17
23,274,434	(25,823,187)	5,480,213	2,851,074	5,267,462	18
(0)					

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	Line
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
			-	18