

February 16, 2010

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4034 - Accelerated Replacement Program
Monthly Report - January 2010**

Dear Ms. Massaro:

Enclosed for filing is an original and nine (9) copies of National Grid's¹ January 2010 Monthly Accelerated Replacement Program Report ("January 2010 ARP Report"). As explained in the Company's March 4, 2009 letter in the above referenced docket, National Grid has agreed to provide the following two progress reports on a monthly basis: (1) a monthly list of completed service locations and their associated costs during the replacement period; and (2) a monthly status report detailing the main replacements that were commenced and completed in the prior month, identifying each project's location and known or estimated final costs.

During the January 29, 2010, Technical Session regarding National Grid's FY 2011 Accelerated Replacement Program (ARP) filing, the Company and Division Staff discussed options for improving communications, including providing a summary table as part of each monthly report that shows the following: (1) work order status, (2) footage completed to date, (3) costs incurred to date, and (4) projected year-end spending.

Accordingly, the January 2010 ARP Report includes the following two supplemented attachments:

- Attachment 1 – National Grid's Main and Associated Service Replacement (MRP) Candidates new summary table with the above requested information,
- Attachment 2 – National Grid's Main and Associated Service Replacement (MRP) Candidates,
- Attachment 3 – National Grid's Bare-Steel, High-Pressure Inside Service Replacement Program (SRP) summary table comparing estimated SRPs (units and dollars) versus SRPs completed to date (units and dollars).

¹ The Narragansett Electric Company d/b/a National Grid.

Regarding Attachment 2, the list includes 95 planned main replacement projects along with their respective updated Work Order Status, Footage Completed To Date, Scope Changes, Remaining Spend, and Projected Year End Spend. As previously explained, the list of projects is fluid as the Company continues to identify possible additional replacement candidates to “back-fill” previously identified projects that may not be feasible in the current year (e.g., municipal projects that get postponed).

Regarding Attachment 3, the Company is proposing to include a summary table for the SRP in lieu of the 50+ pages of service replacement detail previously filed. This approach minimizes the growing amount of paper filed each month as the list of replaced SRPs continues to grow, while providing the Division with the key program statistics.

As explained during the January 29, 2010 Technical Session as well as National Grid’s FY 2011 ARP filing, which was also submitted on February 16, 2010, under separate cover, the Company is on target for exceeding its FY 2010 program targets in terms of both miles of main and number of services replaced at a cost less than originally forecasted. While competitive contract terms and efficient field practices are contributing factors to this positive scenario, the Company has undertaken an evaluation of ARP costs incurred to date to help determine future per unit charges and associated MRP and SRP program dollar impacts. National Grid expects that this analysis, and any resulting changes to the allocation of total program dollars among the different program elements will be communicated to the Commission and Division as part of its FY 2010 year-end report, which will be filed no later than May 17, 2010.

The Company will schedule in the near future a meeting with the Division to review the attached monthly report as well as the FY 2011 ARP program filing to address any pending questions.

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: Leo Wold, Esq., Office of the Attorney General
Steve Scialabba, RI Division

SUMMARY TABLES

MRP PROJECTS INITIATED IN FY 2010

Data							
Work Order Status	Count of Project #	Sum of Relay/ Insert Footage	Sum of Footage Complete to Date	Sum of Total Estimated Loaded Cost	Sum of Year to Date (YTD) Cost Thru Report Period	Sum of Remaining Spend	Sum of Projected Year End Spend
Sent to Construction	3	505		\$104,700	\$34,700	\$0	\$34,700
Pending	10	6,956		\$879,490	\$28,978	\$163,865	\$192,843
Awaiting Permit	1	500		\$67,500	\$0	\$67,500	\$67,500
In Progress	4	6,582	3,026	\$940,010	\$294,941	\$58,325	\$353,266
Complete Pending Final Abandonment & Paving	3	10,675	9,620	\$1,330,920	\$1,358,877	\$7,957	\$1,366,834
Complete Pending Final Paving	11	24,132	17,884	\$3,358,656	\$1,237,420	\$685,210	\$1,922,630
Complete	55	124,974	125,141	\$15,523,307	\$10,433,392	\$313,185	\$10,746,577
Suspended	5	8,371	9,433	\$1,062,745	\$320,641	\$351,033	\$670,038
Hold	2	1,400		\$150,000	\$0	\$10,000	\$10,000
Grand Total	94	184,095	165,104	\$23,417,328	\$13,708,948	\$1,657,075	\$15,364,388
		Mileage	34.9	31.3			

MRP PROJECTS DEFERRED TO FY 2011

Data								
Work Order Status	Count of Project #	Sum of Relay/ Insert Footage	Sum of Footage Complete to Date	Sum of Total Estimated Loaded Cost	Sum of Year to Date (YTD) Cost Thru Report Period	Sum of Remaining Spend	Sum of Projected Year End Spend	
Rescheduled 2010	46	56,272		\$7,607,462	\$84,147			
Grand Total	46	56,272		\$7,607,462	\$84,147			
		Mileage	10.7					
					\$31,024,790	\$13,793,095	\$1,657,075	\$15,364,388

National Grid - Rhode Island - Gas
Accelerated Replacement Program
Mains and Associated Service Replacement
Monthly Report - April, 2009 - Jan, 2010

National Grid
Deckel No. 4034
Apr. - Jan ARP Report
Attachment 2
Page 2 of 2

Items	Project #	Division	Work Order Status	Municipality	Location / Street	Relay/Insert Footage	Abandon Footage	# of Services	Estimated Loaded Main Cost	Estimated Loaded Service Cost	Total Estimated Loaded Cost	AVG L.Cost / Foot	Footage Committed to Date	Substantial Completion Date	Priority/Status/Pror	Year to Date (YTD) Cost Thru Report Period	Scope Changes	Remaining Spend	Projected Year End Spend	\$ Variance (+/-) From Total Estimate	% Variance (+/-) From Column Z
						35	40					Miles	31.3			\$ 13,707,313	\$ (8,042,940)	\$ 1,657,075	\$ 15,364,388		
PROJECTS DEFERRED TO FY 2011																					
2	0249	Providence	Rescheduled 2010	East Greenwich	Queen St. at Water St.	460	460	4	\$48,300.00	\$20,700.00	\$69,000	\$150.00			65	\$ -				\$ 69,000	100%
3	0399	Providence	Rescheduled 2010	Providence	Woodbine	375	375	7	\$43,050.00	\$18,450.00	\$61,500	\$164.00				\$ 456				\$ 61,044	99%
5	0400	Providence	Rescheduled 2010	Providence	Larch	529	529	12	\$60,729.20	\$26,026.80	\$86,756	\$164.00				\$ -				\$ 86,756	100%
6	0402	Providence	Rescheduled 2010	Providence	Public St #380	123	123	0	\$14,120.40	\$6,051.60	\$20,172	\$164.00				\$ 748				\$ 20,172	100%
10	0237	Providence	Rescheduled 2010	Coventry	Pilgrim Ave., Dexter St.	1,400	1,400	13	\$132,300.00	\$56,700.00	\$189,000	\$135.00				\$ 568				\$ 189,000	100%
10	0338	Providence	Rescheduled 2010	East Greenwich	Greene St., Prospect Somerset	1,637	1,637	33	\$142,237.50	\$61,387.50	\$203,625	\$125.00				\$ 559				\$ 204,625	100%
13	0294	Providence	Rescheduled 2010	East Greenwich	Union St., Marlborough St., Lincoln St.	1,565	1,565	26	\$147,892.50	\$63,382.50	\$211,275	\$135.00				\$ 291				\$ 211,275	100%
14	0331	Providence	Rescheduled 2010	Warwick	Long St., Asylum Rd. Area	5,380	5,380	73	\$564,900.00	\$242,100.00	\$807,000	\$150.00				\$ 289				\$ 807,000	100%
15	0332	Providence	Rescheduled 2010	Providence	Melissa St	135	135	3	\$15,498.00	\$6,642.00	\$22,140	\$164.00				\$ 275				\$ 22,140	100%
16	0404	Providence	Rescheduled 2010	Providence	Pleasant St #107	217	217	4	\$28,470.40	\$7,117.60	\$35,588	\$164.00				\$ 8,909				\$ 26,679	75%
19	0405	Providence	Rescheduled 2010	Providence	Calumet Rd #18	155	155	3	\$17,794.00	\$7,626.00	\$25,420	\$164.00				\$ 210				\$ 25,420	100%
24	0322	Providence	Rescheduled 2010	Coventry	Lantern Lane	575	575	8	\$60,375.00	\$25,875.00	\$86,250	\$150.00				\$ 199				\$ 86,250	100%
26	0401	Providence	Rescheduled 2010	Providence	Warrington	510	510	8	\$58,548.00	\$25,092.00	\$83,640	\$164.00				\$ 171				\$ 83,640	100%
27	0446	Providence	Rescheduled 2010	Warwick	Whitford	237	237	3	\$24,885.00	\$10,665.00	\$35,550	\$150.00				\$ 156		\$ 11		\$ 35,539	100%
28	0325	Providence	Rescheduled 2010	Coventry	Briar Point Ave.	325	325	6	\$34,125.00	\$14,625.00	\$48,750	\$150.00				\$ 145		\$ 8		\$ 48,742	100%
29	0224	Providence	Rescheduled 2010	Coventry	Powhatan Ave., Beechwood St.	660	660	6	\$69,300.00	\$29,700.00	\$99,000	\$150.00				\$ 122				\$ 99,000	100%
32	0470	Providence	Rescheduled 2010	Warwick	Landmark Rd	353	353	4	\$37,065.00	\$15,885.00	\$52,950	\$150.00				\$ 121				\$ 52,950	100%
33	0336	Providence	Rescheduled 2010	Providence	54 Smart Street	285	285	5	\$32,718.00	\$14,022.00	\$46,740	\$164.00				\$ 121				\$ 46,740	100%
40	0329	Providence	Rescheduled 2010	Warwick	Main Ave.	705	705	6	\$80,934.00	\$34,686.00	\$115,620	\$164.00				\$ 81				\$ 115,620	100%
41	0103	Providence	Rescheduled 2010	Providence	Clemence	245	245	6	\$34,300.00	\$14,700.00	\$49,000	\$200.00				\$ 89				\$ 49,000	100%
43	0440	Providence	Rescheduled 2010	East Providence	Clare, Booth and Glen	1,637	1,907	44	\$154,696.50	\$66,298.50	\$220,995	\$135.00				\$ 86				\$ 220,995	100%
45	0502	Providence	Rescheduled 2010	Providence	Wadsworth Street	492	492	11	\$56,481.60	\$24,206.40	\$80,688	\$164.00				\$ 78				\$ 80,688	100%
48	0453	Providence	Rescheduled 2010	Coventry	Rabbin St	513	513	6	\$41,296.50	\$17,698.50	\$58,995	\$115.00				\$ 76				\$ 58,995	100%
49	0306	Providence	Rescheduled 2010	Providence	Westminster St, Dean St, Lyman St	1,505	1,505	19	\$172,774.00	\$74,046.00	\$246,820	\$164.00				\$ 185				\$ 246,820	100%
55	0327	Providence	Rescheduled 2010	Providence	Randall St	729	2306	4	\$83,689.20	\$35,866.80	\$119,556	\$164.00				\$ 95		\$ 12		\$ 119,544	100%
63	0360	Providence	Rescheduled 2010	Warwick	Uphill, Homeland, Ormsby	2,545	2,545	58	\$240,502.50	\$103,072.50	\$343,575	\$135.00				\$ 171				\$ 343,571	100%
68	0333	Providence	Rescheduled 2010	Providence	Punnam St	1190	1190	34	\$136,612.00	\$58,548.00	\$195,160	\$164.00				\$ 250				\$ 195,153	100%
69	0454	Providence	Rescheduled 2010	Providence	10 th and Highland	585	1,015	24	\$67,158.00	\$28,782.00	\$95,940	\$164.00				\$ 350				\$ 95,937	100%
70	0459	Providence	Rescheduled 2010	Providence	Job St	595	595	6	\$68,306.00	\$29,274.00	\$97,580	\$164.00				\$ 298				\$ 97,580	100%
77	0328	Providence	Rescheduled 2010	Coventry	Valley Crest Rd.	1,300	1,425	8	\$104,650.00	\$44,850.00	\$149,500	\$115.00				\$ 86		\$ 396		\$ 149,104	100%
86	0273	Providence	Rescheduled 2010	Newport	Ayrault St., Everett St., Mann Ave. Area	7,194	7,194	114	\$931,623.00	\$399,267.00	\$1,330,890	\$185.00				\$ 164				\$ 1,330,890	100%
90	0457	Providence	Rescheduled 2010	Newport	Touro St	520	520	7	\$59,696.00	\$25,584.00	\$85,280	\$164.00				\$ 115				\$ 85,273	100%
93	0361	Providence	Rescheduled 2010	Providence	Bowen St	200	200	0	\$28,000.00	\$12,000.00	\$40,000	\$200.00				\$ 170				\$ 40,000	100%
94	0478	Providence	Rescheduled 2010	Providence	Arwells Ave @ Bradford	-	35	0	\$3,500.00	\$1,500.00	\$5,000	#DIV/0!				\$ 156		\$ 1,318		\$ 3,682	74%
96	0504	Providence	Rescheduled 2010	Providence	5th St	1,058	929	32	\$121,458.40	\$52,053.60	\$173,512	\$164.00				\$ 850		\$ 1,469		\$ 172,043	99%
101	0378	Providence	Rescheduled 2010	Newport	Collins	260	260	3	\$20,930.00	\$8,970.00	\$29,900	\$115.00				\$ 84		\$ 216		\$ 29,684	99%
102	0476	Providence	Rescheduled 2010	Providence	Camden St	595	595	15	\$68,306.00	\$29,274.00	\$97,580	\$164.00				\$ 320		\$ 11		\$ 97,569	100%
105	0435	Providence	Suspended	Providence	Kenyon St	390	0	\$7,000.00	\$3,000.00	\$10,000	\$25.00				\$ 185		\$ 1,635			\$ 8,365	84%
112	0016	Providence	Rescheduled 2010	Coventry	Dutton St, Eilon St, E. Shore Dr.	952	952	13	\$76,636.00	\$32,844.00	\$109,480	\$115.00				\$ 99		\$ 71,241		\$ 38,239	35%
119	0525	Providence	Rescheduled 2010	East Providence	Bart & Griffin	1,865	1,865	33	\$150,132.50	\$64,342.50	\$214,475	\$115.00				\$ 90				\$ 214,475	100%
121	0542	Providence	Rescheduled 2010	Warwick	Airway, etc	6,532	6,532	84	\$252,826.00	\$225,354.00	\$751,180	\$115.00				\$ -				\$ 751,180	100%
122	0021	Providence	Rescheduled 2010	Cranston	Eldridge	4,050	4,050	100	\$326,025.00	\$139,725.00	\$465,750	\$115.00				\$ 89		\$ 3		\$ 465,747	100%
123	0267	Providence	Rescheduled 2010	Providence	Peck	127	127	1	\$10,223.50	\$4,381.50	\$14,605	\$115.00				\$ 297		\$ 73		\$ 14,532	100%
126	0242	Providence	Rescheduled 2010	Coventry	Willow & Reed	475	475	5	\$38,275.00	\$16,387.50	\$54,662.50	\$115.00				\$ -				\$ 54,625	100%
127	0367	Providence	Rescheduled 2010	East Providence	Greenwich Ave #102	100	100	1	\$9,800.00	\$4,200.00	\$14,000	\$140.00				\$ -				\$ 14,000	100%
133	520	Providence	Rescheduled 2010	Newport	Pell, Greenough	1,600	1,600	25	\$183,680.00	\$78,720.00	\$262,400	\$164.00				\$ 200				\$ 262,400	100%
135	0578	Providence	Rescheduled 2010	Newport	Old Fort, Harold and Norman	3782	3782	18								\$ 126				\$ (3)	#DIV/0!
136		Providence	Rescheduled 2010	Newport	West Narragansett											\$ 212				\$ -	#DIV/0!
																	\$ 85,783	\$	\$	\$	
Total																	\$ 13,793,095	\$ (8,042,940)	\$ 1,657,075	\$ 15,364,388	

National Grid - Rhode Island - Gas

Accelerated Replacement Program
Bare Steel High Pressure Services
Monthly Report - April 2009 - January 2010

Yard	Estimated SRPs To Be Completed 1/	SRP Completed to Date	Estimated SRP Spend 1/	Fiscal YTD Spend
Cumberland		375		\$737,040
Providence		1796		\$2,573,909
Total	2100	2171	\$6,906,250	\$3,310,949

NOTES: 1/ Per National Grid's February 15, 2009, CY 2010 Accelerated Replacement Program Filing.