

August 15, 2011

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4218 - Electric Infrastructure, Safety, and Reliability Plan FY 2012

Dear Ms. Massaro:

On behalf of National Grid¹, I have enclosed ten (10) copies of the first quarterly report regarding the Electric Infrastructure, Safety and Reliability (“ISR”) Plan for FY 2012. Pursuant to the provisions of the approved ISR plan, the Company committed to providing quarterly reports on the progress of its Electric ISR programs to both the Commission and the Division. Since this is the first quarterly report under the Plan, the Company welcomes any suggested changes to the format or content of the report.

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

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Docket 4218 Service List
Leo Wold, Esq.
Steve Scialabba
James Lanni
Al Contente

¹ The Narragansett Electric Company d/b/a National Grid (hereinafter referred to as “National Grid” or the “Company”).

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted and sent via U.S. Mail to the individuals listed below. Copies of this filing were hand delivered to the RI Public Utilities Commission.



August 15, 2011

Docket No. 4218 National Grid's FY 2012 Electric Infrastructure, Safety and Reliability Plan - Service List as of 1/13/11

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Electric Infrastructure, Safety and Reliability Plan

FY12 Quarterly Update

First Quarter Ending June 30, 2011

Executive Summary

Overall, through the first quarter of fiscal year 2012 (FY12), the company spent \$10.9 million for capital investment projects against an annual approved budget of \$58.4 million, representing 19% of the total FY12 budget. The Company originally anticipated spending for the first quarter to be equal to 23% of the total FY12 budget. In the sections below relating to specific spending rationale, we explain the primary drivers for the lower spend during the first quarter.

However, despite the lower spend of \$2.47 million in the first quarter, as shown in the detailed attachments, we currently anticipate that the Company's overall spend for the entire fiscal year will be nearly equal to the budget. That being said, the reduced incidence of new business and public requirements projects in comparison to historical projections may result in a reduction of forecast and is currently under review.

FY12 Capital Outlays by Key Driver Category

Statutory/Regulatory

As mentioned above there has been a great reduction in the amount of new business and public requirement projects through the first quarter of FY12 in comparison to historical projections. This is mainly due to economic influences and is currently being reviewed to determine whether or not the FY12 forecasted spend needs to be adjusted.

Damage/Failure

Through the first quarter Damage/Failure spend is higher than historical trends. This will continue to be reviewed to determine whether or not the FY12 forecasted spend needs to be adjusted.

Asset Condition

Progress made on some key projects resulted in higher than expected spend for Asset Condition in the first quarter.

Woonsocket Substation – Construction for this project began in April with a Ready for Load (RFL) date scheduled for December 2011.

Hopkinton Substation – Project scope expanded to further build out substation in response to the March 2010 flooding and as an alternate to the Westerly Substation.

System Capacity and Performance

Delays in the start of two key projects (EMS and Johnston Substation) have resulted in lower than expected spend for System Capacity and Performance in the first quarter.

Investment Placed in Service

Through the first quarter of FY12, 23% of projected plant additions have been placed in service and is currently on target to meet end of year expectations. Details by spending rationale can be seen in Attachment B.

Vegetation Management

Through the first quarter of FY12, 28% of the annual Distribution Mileage Trimming Goal has been completed with an associated spend of 26% of the FY12 budget for said program. The program is forecast to complete the planned work on budget. Details can be seen in Attachment C.

Inspection and Maintenance Program

Attachment D provides the spending to date for this category. The I&M programs are currently on track to meet their respective FY12 goals.

US Electricity Distribution - Rhode Island
Capital Spend by Spending Rationale
FY12 thru June 30, 2011

in \$000's	FYTD			FY2012 Total		
	Actual	Budget	Variance	Forecast	Budget	Variance
Statutory/Regulatory	3,846	4,976	1,131	21,637	21,637	0
Damage/Failure	2,771	2,232	(539)	9,705	9,705	0
<i>Subtotal</i>	6,616	7,209	592	31,342	31,342	0
Asset Condition	1,721	2,570	849	11,175	11,175	0
Non-Infrastructure	(54)	64	118	278	278	0
System Capacity & Performance	2,672	3,584	912	15,584	15,584	0
<i>Subtotal</i>	4,339	6,218	1,879	27,036	27,036	0
Total Capital Investment in Systems	10,956	13,427	2,471	58,378	58,378	0

US Electricity Distribution - Rhode Island
Plant Additions by Spending Rationale
FY12 thru June 30, 2011

		FYTD Actual Spend	FY12 Year End Projection	% of Projection Placed In Service
<i>in \$000's</i>				
Statutory/Regulatory		4,268	20,613	21%
Damage/Failure		2,743	9,475	29%
	<i>Subtotal</i>	<i>7,011</i>	<i>30,088</i>	<i>23%</i>
Asset Condition		996	5,805	17%
Non-Infrastructure		60	278	22%
System Capacity & Performance		3,244	12,632	26%
	<i>Subtotal</i>	<i>4,300</i>	<i>18,715</i>	<i>23%</i>
Total Capital Investment in Systems		11,311	48,802	23%

**US Electricity Distribution - Rhode Island
 O&M Vegetation Management Expenditures
 FY12 thru June 30, 2011**

in \$000's	FYTD			FY2012 Total		
	Actual	Budget	Variance	Forecast	Budget	Variance
Veg Management						
Cycle Trimming	1,637	1,033	(604)	5,300	5,300	0
Hazard Tree	164	146	(18)	750	750	0
SubT (on road portion only)	32	17	(15)	267	267	0
Police Detail	86	96	10	491	491	0
Core Crew (all other activities)	216	248	32	1,261	1,261	0
Total Veg Management	2,135	1,541	(595)	8,069	8,069	0

	FY12 Goal	FYTD Goal	FYTD Complete	% Complete vs Scheduled FYTD	Annual % Complete vs FY12 Goal
Distribution Mileage Trimming	1,416	354	403	114%	28%

US Electricity Distribution - Rhode Island
Inspection and Maintenance Program Progress Update
FY12 thru June 30, 2011

FYTD Actual Spend (\$000's)	FY12 Year End Projection	% of FY12 Year End Projection	% Complete
Opex Related to Capex			
Potted Porcelain Cutouts	\$35	\$171	20%
Feeder Hardening	\$82	\$823	10%
<i>Subtotal</i>	\$117	\$994	12%
Inspections - Related Costs	\$67	\$145	46%
Total Operation and Maintenance Expenses	\$184	\$1,139	16%