

September 23, 2011

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4269 – 2011 Distribution Adjustment Charge Filing Responses to Division Data Requests – Set 2**

Dear Ms. Massaro:

Enclosed is National Grid's<sup>1</sup> response to the Division Data Request 2-7 in the above-captioned proceeding.

This transmittal completes the Company's responses to the Division's Second Set of Data Requests.

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 4269 Service List  
Leo Wold, Esq.  
Steve Scialabba

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

Division 2-7

Request:

Re: Insurance Recovery Activities referenced on page 14 of the “Annual Environmental Report for Gas Service” filed August 1, 2011, please:

- a. Provide a detailed breakdown of the \$602,276 amount between Property Purchases, Settlements, and Legal and provide a more detailed explanation of the nature and purpose of these expenditures.
- b. Explain why these costs are only associated with Tidewater and Woonsocket sites; and
- c. Indicate the amount that the Company is seeking to recover through insurance settlements.

Response:

- a. The breakdown of the \$602,276 is provided as Attachment DIV2-7 (a). The invoices from Sally & Fitch and Covington & Burlington are for legal fees and expenses related to *OneBeacon America Insurance Company v. The Narragansett Electric Company*, Commonwealth of Massachusetts, County of Suffolk, Superior Court, Civil Docket No. SUCV2005-03086, in which the Narragansett Electric Company is pursuing insurance coverage for liabilities or potential liabilities associated with the environmental remediation of numerous sites. The GZA GeoEnvironmental, Inc. and TFord Company Inc. contain charges for discovery and deposition costs for both companies during the above-referenced case.
- b. The legal costs are associated only with the Tidewater and Woonsocket sites because they are the only sites in the Annual Environmental Report for Gas Service filed August 1, 2011 that are involved in the insurance litigation captioned *OneBeacon America Insurance Company v. The Narragansett Electric Company*, Commonwealth of Massachusetts, County of Suffolk, Superior Court, Civil Docket No. SUCV2005-03086.
- c. The Company is seeking to recover all amounts it is legally entitled to recover from the insurance carriers up to the applicable policy limits. Because the *OneBeacon America Insurance Company v. The Narragansett Electric Company* case involves insurance policies from 1945 to 1986, several layers of coverage, complicated issues of fact and law, and future site-related expenditures, an exact amount cannot be determined at this time.

Sponsored by or under the supervision of: Michele V. Leone

**Division Data Request 2-7a**

Date	Payee	Invoice No.	Amount
08/24/10	GZA GeoEnvironmental, Inc.	630367	\$45.63
01/19/11	GZA GeoEnvironmental, Inc.	636437	\$849.20
04/21/11	GZA GeoEnvironmental, Inc.	639983	\$146.75
02/07/11	GZA GeoEnvironmental, Inc.	637242	\$2,431.65
03/18/11	GZA GeoEnvironmental, Inc.	638548	\$1,053.83
05/20/11	TFord Company, Inc.	1320	\$16.00
04/22/11	Covington & Burling	60539068B	\$564.90
09/17/10	Covington & Burling	60520877B	\$636.32
10/13/10	Covington & Burling	60522549B	\$836.04
09/17/10	Covington & Burling	60520877C	\$39,965.05
09/17/10	Covington & Burling	60520877D	\$100.95
11/11/10	Covington & Burling	60525083B	\$1,804.75
10/13/10	Covington & Burling	60522549E	\$31,447.45
10/13/10	Covington & Burling	60522549F	\$26,994.69
11/11/10	Covington & Burling	60525083C	\$59,785.86
11/11/10	Covington & Burling	60525083D	\$8,638.46
01/24/11	Covington & Burling	60530763	\$752.82
12/30/10	Covington & Burling	60529275C	\$877.77
12/30/10	Covington & Burling	60529275B	\$351.38
03/14/11	Covington & Burling	60535411B	\$1,331.87
02/16/11	Covington & Burling	60533217A	\$48,608.83
12/30/10	Covington & Burling	60529275A	\$66,410.64
02/16/11	Covington & Burling	60533217B	\$1,033.05
03/14/11	Covington & Burling	60535411A	\$60,541.23
01/24/11	Covington & Burling	60530763A	\$56,761.59
04/14/11	Sally & Fitch LLP	15400	\$3,248.67
05/10/11	Sally & Fitch LLP	15616	\$1,137.75
05/18/10	Sally & Fitch LLP	13079	\$422.17
10/14/10	Sally & Fitch LLP	14135	\$1,484.67
12/14/10	Sally & Fitch LLP	14551	\$1,206.55
11/18/10	Sally & Fitch LLP	14338	\$2,440.69
01/13/11	Sally & Fitch LLP	14707	\$824.41
02/10/11	Sally & Fitch LLP	14855	\$1,411.86
07/12/10	Covington & Burling LLP	60513649C	\$796.88
07/12/10	Covington & Burling LLP	60513649B	\$733.34
07/08/10	Sally & Fitch	13349	\$405.25
06/28/10	Sally & Fitch	13276-D1	\$401.79
06/21/10	Sally & Fitch	13276	\$401.79
06/14/10	Covington & Burling LLP	60490244C	\$7,469.22
06/14/10	Covington & Burling LLP	60511437A	\$47,537.99
06/12/10	Covington & Burling LLP	60511437B	\$1,449.01
05/28/10	Covington & Burling LLP	60508343B	\$517.42
05/28/10	Covington & Burling LLP	60490244B	\$7,469.30
05/10/10	Covington & Burling LLP	60505714B	\$479.22
04/20/10	Sally & Fitch	12871	\$370.48
03/30/10	Sally & Fitch	12005	\$183.95
03/23/10	Covington & Burling LLP	60503825B	\$39,340.95
03/23/20	Covington & Burling LLP	60500874	\$30,372.90
03/22/10	Covington & Burling LLP	60503825A	\$619.73
03/22/10	Sally & Fitch	12659	\$415.81
02/22/10	Covington & Burling LLP	60498068B	\$38,290.60
	AP Accruals*		\$783.30
	Legal Adjustment**		\$73.01

**Sum: \$602,275.42**

\* The accrual was reversed in FY12

\*\* \$1,281.84 was inadvertently charged to this project and will be reversed in FY12.