

9/14/10
10 - E - 0050
248 (0012)

Exhibit __ (SPP-1)

IR Responses

VOLUME 2 --
286-504

List of IR Responses for Exhibit __ (SPP-1):

DPS-3(AAE-3)
DPS-13(RAV-9)
DPS-15(RAV-11)
DPS-18(RAV-13)
DPS-18(RAV-13) (Supp)
DPS-19(CVB-1)
DPS-22(DSM-1)
DPS-23(DSM-2)
DPS-24(DSM-3)
DPS-24(DMS-3)(Supp)
DPS-25(RAV-14)
DPS-30(RAV-19)
DPS-31(RAV-20)
DPS-31(RAV-20)(Supp)
DPS-36(RAV-22)
DPS-41(RAV-27)
DPS-42(AJR-1)(Supp)
DPS-42(AJR-1)(Supp 2)
DPS-48(CVB-4)
DPS-50(RAV-33)
DPS-53(CVB-5)
DPS-55(RAV-37)
DPS-56(AJR-2)
DPS-57(AJR-3)
DPS-63(RAV-40)
DPS-63(RAV-40)(Supp)
DPS-63(RAV-40)(Supp 2)
DPS-64(RAV-41)
DPS-67(CVB-6)
DPS-70(MAS-3)
DPS-71(MAS-4)
DPS-77(PP/KD-6)
DPS-80(CLG-2)(Supp)
DPS-83(CLG-5)
DPS-88(DSM-4)
DPS-97(VVP-3)
DPS-100(VVP-6)
DPS-102(DKS-4)
DPS-103(MJR-1)Supp A
DPS-104(RAV-42)
DPS-106(WEL-3)
DPS-107(AAE-10)
DPS-107(AAE-10)(OG May Update)
DPS-109(DAG-2)
DPS-109(DAG-2)(Redacted Version)

DPS-109(DAG-2)(Supp)
DPS-110(DAG-3)
DPS-115(RAV-48)
DPS-115(RAV-48)(Supp)
DPS-116(RAV-49)
DPS-116(RAV-49)(Supp)
DPS-126(DKS-6)
DPS-130(AAE-14)
DPS-132(RAV-55)
DPS-134(CVB-8)
DPS-135(RAV-57)
DPS-138(DAG-4)
DPS-139(DAG-5)
DPS-142(DAG-6)
DPS-145(DAG-9)
DPS-149(AJR-7)
DPS-151(DAG-10)
DPS-152(DAG-11)
DPS-152(DAG-11)(Supp)
DPS-154(AAE-17)
DPS-162(CVB-9)
DPS-164(DAG-12)
DPS-165(DAG-13)
DPS-167(RAV-60)
DPS-172(RAV-65)
DPS-173(RAV-66)
DPS-175(DAG-15)
DPS-178(DKS-7)
DPS-180(RAV-68)
DPS-181(RAV-69)
DPS-182(AAE-20)
DPS-184(JJA-2)
DPS-188(JJA-6)
DPS-201(JJA-19)
DPS-204(RAV-71)
DPS-208(RAV-75)
DPS-211(AJR-9)
DPS-212(AJR-10)
DPS-215(AJR-13)
DPS-216(CVB-10)
DPS-222(AJR-14)
DPS-225(WEL-6)
DPS-226(DAG-18)
DPS-227(DAG-19)
DPS-228(LSC-1)
DPS-238(CVB-13)

DPS-239(CVB-14)
DPS-244(RAV-79)
DPS-247(DAG-21)
DPS-248(DAG-22)
DPS-250(DKS-11)
DPS-256(VVP-12)
DPS-257(VVP-13)
DPS-258(VVP-14)
DPS-261(WEL-8)
DPS-268(DKS-12)
DPS-269(DKS-10)
DPS-271(PP-KD-29)
DPS-275(RAV-85)
DPS-276(RAV-86)
DPS-280(DAG-25)
DPS-281(DAG-26)
DPS-282(DAG-27)
DPS-284(CVB-18)
DPS-286(DAG-16)
DPS-287(DAG-17)
DPS-291(RAV-87)
DPS-291(RAV-87)(Supp)
DPS-292(RAV-88)
DPS-293(RAV-89)
DPS-299(RAV-95)
DPS-300(RAV-96)
DPS-302(CVB-21)
DPS-309(PJD-2)
DPS-309(PJD-2)(Supp)
DPS-310(RAV-101)
DPS-312(RAV-103)
DPS-313(RAV-104)
DPS-322(JJA-22)
DPS-327(JJA-27)
DPS-333(RAV-110)
DPS-336(RAV-114)
DPS-338(RAV-116)
DPS-340(RAV-118)
DPS-343(CVB-23)
DPS-344(DKS-15)
DPS-345(DMS-5)
DPS-347(RAV-122)
DPS-349(RAV-124)
DPS-352(LMS-3)
DPS-353(KAT-1)
DPS-354(KAT-2)

DPS-358(AAE-32)
DPS-360(CVB-25)
DPS-367(RAV-126)
DPS-369(DAG-31)
DPS-395(AAE-35)
DPS-397(DAG-32)
DPS-397(DAG-32)(Supp)
DPS-400(VVP-23)
DPS-407(RAV-128)(Supp)
DPS-411(JBM-5)
DPS-415(DKS-17)
DPS-416(VVP-29)
DPS-419(DAG-34)
DPS-426(JJA-37)
DPS-431(JJA-42)
DPS-438(DAG-38)
DPS-439(DAG-39)
DPS-440(WEL-12)
DPS-444(DSM-6)
DPS-447(MAS-11)
DPS-449(DKS-18)
DPS-457(WEL-15)
DPS-459(WEL-17)
DPS-459(WEL-17)(Supp)
DPS-462(RAV-132)
DPS-464(DKS-19)
DPS-466(VVP-32)
DPS-469(WEL-20)
DPS-473(DKS-20)
DPS-475(DAG-42)
DPS-478(JJA-46)
DPS-480(JJA-48)
DPS-481(JJA-49)
DPS-484(JJA-52)
DPS-486(JJA-54)
DPS-486(JJA-54)(Supp)
DPS-487(JJA-55)
DPS-489(JJA-57)
DPS-490(JJA-58)
DPS-491(JJA-59)
DPS-495(JJA-63)
DPS-496(JJA-64)
DPS-498(PP-KD-34)
DPS-515(DKS-21)
DPS-517(DAG-43)
DPS-518(DAG-44)

DPS-519(DAG-45)
DPS-519(DAG-45)(Supp)
DPS-521(DAG-47)
DPS-521(DAG-47)(Supp)
DPS-522(DAG-48)
DPS-524(DAG-49)
DPS-529(RAV-137)
DPS-531(WEL-21)
DPS-532(AAE-46)
DPS-533(AAE-47)
DPS-534(CED-3)
DPS-535(DAG-50)
DPS-537(AJR-17)
DPS-546(CLG-11)
DPS-548(CLG-13)
DPS-549(CLG-14)
DPS-550(CLG-15)
DPS-566(AAE-51)(Supp)
DPS-569(AJR-19)
DPS-574(RAV-142)
DPS-575(DAG-53)
DPS-575(DAG-53)(Supp, Parts 1, 2 &4)
DPS-579(DAG-55)
DPS-582(CLG-21)
DPS-586(DAG-56)
DPS-587(CVB-29)
DPS-588(WEL-23)
DPS-588(WEL-23) (Supp)
DPS-589(CED-4)
DPS-592(DAG-57)
DPSINF-24(RAVINF-11) (Supp)
MM-41 (MI-41)
MM-42 (MI-42)

Cambridge-Hoosick #3 line

There were no interruptions since the DA was placed in-service.

Battenkill-Cement Mountain # 5 line

There have been no interruptions since the DA was placed in-service.

Cement Mountain-Cambridge #2 line

There have been no interruptions since the DA was placed in-service.

Chestertown-Schroon #3 line

There have been no interruptions since the DA was placed in-service

5. The risk score for project (CLINESEC) is 39. The project score was developed utilizing two components, an impact score of 5 and a likelihood score of 5. The impact score of 5 assumes an outage event would impact on average 3 to 6 feeders. The likelihood score of 5 assumes the likelihood of an outage event would be once every 3 to 5 years.

	1	2	3	4	5	6	7
Likelihood---->	>Once In 100 yrs	Once in 20-100 yrs	Once in 10-20 yrs	Once in 5-10 yrs	Once in 3-5 yrs	Once in 1-3 yrs	>Once in 1 yr
Likelihood---->	1	2	3	4	5	6	7
Likelihood---->	1	2	3	4	5	6	7
1							
2				16	18	23	24
3				21	27	30	31
4		17	19	28	34	36	37
5	15	22	26	35	39	41	
6	20	29	33				
7	25	32					
Impact							

Name of Respondent:
John Gavin / Rob Sheridan

Date of Reply:
March 22, 2010

Date of Request: March 5, 2010
Due Date: March 15, 2010

Request No. AAE-10
NMPC Req. No. NM 177 DPS 107

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Allison Esposito

TO: Rudolph L. Wynter Jr.

Request:

1. Please update Exhibit RLW-5 for electric data from 10/1/09 – 2/28/10. In addition to the 12-month average rolling data provided in this exhibit, provide the actual write-offs on a monthly stand alone basis. Please provide monthly updates of this exhibit through the end of the rate case.
2. Does the “Normalized Bad Debt Write-Off Amounts” included in the RLW exhibits represent actual net write offs only for the periods noted or does it also include a component of anticipated additional net write-offs and/or increases in the reserve for bad debts? If it includes a component for anticipated additional net write-offs and/or increases in the reserve for bad debts, provide each amount separately and explain how the amounts were derived.
3. Please state how the LICAP amounts were allocated between electric and gas in Case 08-G-0609. To the extent that these amounts differ from the 72/28% allocation in the current case, please explain this variance and why the Company feels that such a change in methodology is appropriate.
4. Please explain the basis of the current LICAP allocation of 72/28%. Provide all supporting workpapers and calculations.
5. Exhibit RLW-6, page 3 of 3, includes data related to “Pre-Credit Arrears.” Please provide a full explanation of this heading.
6. Exhibit RLW-8, Schedule 4, Page 3 of 3, shows total net write-offs as comprised of net write-offs and LICAP. Please explain why LICAP expenses are included in this number and why the Company feels that these costs should be factored into the uncollectible rate calculation.

7. Page 35, line 7 of Wynter's testimony discusses the Company's implementation of a bad debt mitigation plan. Regarding this new plan, please provide the following:

1. A copy of the bad debt mitigation plan;
2. Dates the implementation of the plan started and ended;
3. A cost-benefit analysis of the plan;
4. A breakout of costs of the plan, by component, by month beginning 1/1/08 – 2/28/10.

Response:

1. a. Please see Attachment 1 for the update through February 2010 of RLW-5.

b. Please see Attachment 2 which is an update of RLW-6 Sheet 3 of 3 through February 2010. The monthly unallocated net write-offs can be seen in the leftmost section in the rows titled, "Net W-Off (Monthly)." The monthly allocated net write-offs to Electric and Gas are shown in the rightmost section in the rows titled, "Gas Net W-Off" and "Elect Net W-Off."

2. The "Normalized Bad Debt Write-Off Amounts" in the RLW exhibits do not include a component of anticipated additional net write-offs and/or increases in the reserve for bad debts. The normalization is fully explained in footnotes (1) and (2) of Attachment 1 and Attachment 2 herein, as well as in the testimony of Rudolph L. Wynter on page 39 of 53, lines 1-8.

3. The LICAP arrears forgiveness amounts have been allocated the exact same way in Case 10-E-0050 as they were in Case 08-G-0609: 72/28%, electric/gas. This is best illustrated in the work papers, Exhibit __ (RLW-8), Schedule 4, Pages 1 – 3. The row toward the bottom titled, "Net W-Off & LICAP" is the summation of the top two rows on those pages. The bottom rows, "Gas Net W-Off" and "Elect Net W-Off" are respectively 28% and 72% of the "Net W-Off & LICAP" row. These two rows carry through to the rightmost section of RLW-6, Sheet 3 of 3 in the rows titled, "Gas Net W-Off 12-Mo Rolling" and "Elect Net W-Off 12-Mo Rolling." As indicated in 1b above, RLW-6 Sheet 3 of 3 has been updated here as Attachment 2.

4. See # 3 above. The 72/28% electric/gas allocation of the LICAP arrears forgiveness is no different than the treatment given in Case 08-G-0609. Net write-offs (exclusive of LICAP arrears forgiveness) and the reserve for uncollectible accounts have been booked to bad debt expense along this 72/28% allocation for over ten years. The basis of this allocation stems originally from a study for the *Gas Multi-Year Rate and Restructuring Proposal* of March 11, 1999. Attachment 3 contains pages 36 and 46 from Appendix F of that proposal. There have been some studies of gross write-off within the last several years that have not shown a significant deviation from the 72/28% allocation. Although LICAP arrears forgiveness is technically booked 100% to electric distribution, for

ratemaking purposes the Company has chosen (as it did in Case 08-G-0609) to recognize the practical reality that many LICAP customers are dual service customers who participate in the energy efficiency services of the program such as weatherization.

5. The term “Pre-Credit Arrears” refers to accounts receivable arrears exclusive of excess credits. In simple terms, excess credits are amounts owed to customers by the Company in excess of any money owed by the customer. These credits exist for a variety of reasons. In some system reports these credits are netted with the 30-day arrears dollars, thereby reducing the total arrears in that bucket. From a collections management perspective, these credits are usually not considered part of managed arrears, but generally are included in high-level tracking of total accounts receivable. In fiscal year 2009, these credits had an average monthly total of under \$12 million (electric and gas). In fiscal year 2010, these credits have an average monthly total of just under \$15 million (electric and gas).

6. The LICAP dollars imbedded within the net write-off figures only refer to the arrears forgiveness amounts of qualified LICAP customers. The arrears forgiveness component of LICAP has always been treated as a write-off of a receivable. These dollars are directly booked to the bad debt expense account. No other components of the LICAP program are included within the Company’s net write-off figures.

7.1 Collectively, the plan constitutes the documents contained within Attachment 4.

7.2. The first phase of the Bad Debt Mitigation Plan was implemented during the mid-year of calendar 2008 with the other phases implemented afterward. The entire program is ongoing.

7.3

	Field	Outbound	Account	Predictive	
	Visits	Calling	Initiative	Analytics	Total
FY09 Cost					
NG NY	1,650	1,975	150	200	3,975
FY09 Reduction to Bad Debt					
NG NY	1,700	2,600	200	2,500	7,000
FY10 Cost					
NG NY	1,473	1,798	150	200	3,621

FY10 Reduction to Bad Debt							
NG NY		6,175	7,000	525	6,500		20,200

7.4. Please see Attachment 5 to this response.

Name of Respondent:

Paul S. Leo

Date of Reply:

March 16, 2010

UNCOLLECTIBLE RATE CALCULATION

GAS

Rolling 12-Mo Ending
(\$000's)

	31-Oct-06	30-Nov-06	31-Dec-06	31-Jan-07	28-Feb-07	31-Mar-07	30-Apr-07	31-May-07	30-Jun-07	31-Jul-07	31-Aug-07	30-Sep-07
Normalized Bad Debt Net Write-Off	\$ 13,749.9	\$ 14,302.5	\$ 14,898.1	\$ 15,261.2	\$ 15,248.3	\$ 15,348.3	\$ 15,436.2	\$ 15,308.1	\$ 15,075.2	\$ 15,226.2	\$ 15,836.5	\$ 16,215.2
Total Tariff Revenue	\$ 891,898.2	\$ 878,024.3	\$ 830,074.6	\$ 782,548.1	\$ 785,157.8	\$ 791,205.3	\$ 801,743.7	\$ 809,620.1	\$ 806,061.5	\$ 805,170.0	\$ 803,710.1	\$ 800,639.0
Late Payment Revenue	\$ 3,579.5	\$ 3,560.8	\$ 3,479.5	\$ 3,391.9	\$ 3,258.2	\$ 3,248.2	\$ 3,288.3	\$ 3,422.6	\$ 3,365.4	\$ 3,384.2	\$ 3,371.7	\$ 3,380.9
POR Receivable Revenue	\$ 93,113.3	\$ 99,714.4	\$ 91,992.8	\$ 86,629.1	\$ 90,056.9	\$ 94,363.5	\$ 99,451.6	\$ 102,890.5	\$ 103,840.7	\$ 104,587.6	\$ 105,173.1	\$ 105,421.5
	\$ 988,591.0	\$ 981,299.5	\$ 925,547.0	\$ 872,569.1	\$ 878,472.9	\$ 888,817.0	\$ 904,483.6	\$ 915,933.2	\$ 913,267.6	\$ 913,141.8	\$ 912,254.9	\$ 909,441.5
Uncollectible Rate	1.3909%	1.4575%	1.6097%	1.7490%	1.7358%	1.7268%	1.7066%	1.6713%	1.6507%	1.6675%	1.7360%	1.7830%

	31-Oct-07	30-Nov-07	31-Dec-07	31-Jan-08	29-Feb-08	31-Mar-08	30-Apr-08	31-May-08	30-Jun-08	31-Jul-08	31-Aug-08	30-Sep-08
Normalized Bad Debt Net Write-Off	\$ 16,218.4	\$ 15,941.2	\$ 15,656.5	\$ 15,574.6	\$ 15,655.8	\$ 15,525.1	\$ 15,403.2	\$ 15,436.1	\$ 15,427.0	\$ 15,600.2	\$ 16,006.3	\$ 16,008.5
Total Tariff Revenue	\$ 793,945.8	\$ 783,423.2	\$ 799,293.5	\$ 814,751.0	\$ 806,178.3	\$ 789,455.0	\$ 787,747.6	\$ 784,589.2	\$ 798,099.1	\$ 806,684.2	\$ 813,784.0	\$ 816,646.0
Late Payment Revenue	\$ 3,390.5	\$ 3,351.7	\$ 3,329.6	\$ 3,318.4	\$ 3,356.8	\$ 3,303.6	\$ 3,311.4	\$ 3,273.3	\$ 3,331.2	\$ 3,378.0	\$ 3,427.7	\$ 3,467.9
POR Receivable Revenue	\$ 105,295.7	\$ 106,605.7	\$ 111,542.6	\$ 118,346.6	\$ 120,721.2	\$ 122,329.2	\$ 125,096.3	\$ 125,346.3	\$ 128,440.0	\$ 130,272.5	\$ 132,460.9	\$ 134,350.9
	\$ 902,632.0	\$ 893,380.6	\$ 914,165.7	\$ 936,416.0	\$ 930,256.2	\$ 915,087.7	\$ 916,155.3	\$ 913,208.9	\$ 929,870.3	\$ 940,334.7	\$ 949,672.7	\$ 954,464.8
Uncollectible Rate	1.7968%	1.7844%	1.7127%	1.6632%	1.6830%	1.6966%	1.6813%	1.6903%	1.6590%	1.6590%	1.6855%	1.6772%

	31-Oct-08	30-Nov-08	31-Dec-08	31-Jan-09	28-Feb-09	31-Mar-09	30-Apr-09	31-May-09	30-Jun-09	31-Jul-09	31-Aug-09	30-Sep-09
Normalized Bad Debt Net Write-Off	\$ 16,095.1	\$ 16,704.2	\$ 16,705.3	\$ 17,564.1	\$ 18,136.0	\$ 18,584.5	\$ 19,121.9	\$ 19,465.7	\$ 20,022.2	\$ 20,372.7	\$ 20,425.7	\$ 20,582.3
Total Tariff Revenue	\$ 820,359.9	\$ 826,763.2	\$ 820,863.3	\$ 839,607.5	\$ 848,499.4	\$ 837,487.4	\$ 819,734.1	\$ 803,816.6	\$ 785,426.2	\$ 775,087.7	\$ 767,827.2	\$ 763,533.7
Late Payment Revenue	\$ 3,493.2	\$ 3,551.2	\$ 3,616.3	\$ 3,712.2	\$ 3,801.7	\$ 3,859.5	\$ 3,951.0	\$ 3,893.1	\$ 3,820.9	\$ 3,796.6	\$ 3,707.3	\$ 3,637.4
POR Receivable Revenue	\$ 140,933.9	\$ 143,915.8	\$ 148,696.0	\$ 159,256.8	\$ 168,279.2	\$ 169,933.9	\$ 168,444.5	\$ 166,677.3	\$ 162,960.1	\$ 160,654.9	\$ 158,229.2	\$ 156,282.9
	\$ 964,786.9	\$ 974,230.2	\$ 973,165.6	\$ 1,002,576.5	\$ 1,020,580.2	\$ 1,011,280.7	\$ 992,129.6	\$ 974,387.0	\$ 952,207.2	\$ 939,539.2	\$ 929,763.8	\$ 923,454.0
Uncollectible Rate	1.6683%	1.7146%	1.7166%	1.7619%	1.7770%	1.8377%	1.9274%	1.9977%	2.1027%	2.1684%	2.1969%	2.2288%

	31-Oct-09	30-Nov-09	31-Dec-09	31-Jan-10	28-Feb-10	31-Mar-10	30-Apr-10	31-May-10	30-Jun-10	31-Jul-10	31-Aug-10	30-Sep-10
Normalized Bad Debt Net Write-Off	(2)	(2)	\$ 21,441.6	\$ 21,211.4	\$ 20,966.8	\$ 20,394.5	\$ 19,963.4					
Total Tariff Revenue	\$ 763,769.7	\$ 757,565.1	\$ 730,782.2	\$ 703,008.1	\$ 681,183.9							
Late Payment Revenue	\$ 3,594.9	\$ 3,537.0	\$ 3,542.1	\$ 3,405.9	\$ 3,266.7							
POR Receivable Revenue	\$ 150,195.2	\$ 146,768.9	\$ 139,006.2	\$ 130,365.0	\$ 122,297.0							
	\$ 917,559.8	\$ 907,871.0	\$ 873,330.5	\$ 836,779.0	\$ 806,747.6							
Uncollectible Rate	2.3368%	2.3364%	2.4008%	2.4373%	2.4745%							

ELECTRIC

Rolling 12-Mo Ending
(\$000's)

	31-Oct-06	30-Nov-06	31-Dec-06	31-Jan-07	28-Feb-07	31-Mar-07	30-Apr-07	31-May-07	30-Jun-07	31-Jul-07	31-Aug-07	30-Sep-07
Normalized Bad Debt Net Write-Off	\$ 35,356.8	\$ 36,777.7	\$ 38,309.4	\$ 39,243.1	\$ 39,209.8	\$ 39,467.2	\$ 39,693.0	\$ 39,363.7	\$ 38,764.8	\$ 39,153.2	\$ 40,722.5	\$ 41,696.2
Total Tariff Revenue	\$ 3,109,634.5	\$ 3,123,264.5	\$ 3,120,084.3	\$ 3,099,545.0	\$ 3,107,068.6	\$ 3,126,469.3	\$ 3,137,065.0	\$ 3,160,279.9	\$ 3,180,254.0	\$ 3,186,818.8	\$ 3,177,717.4	\$ 3,185,562.5
Late Payment Revenue	\$ 14,595.0	\$ 14,475.3	\$ 14,442.9	\$ 14,626.6	\$ 14,610.3	\$ 14,584.5	\$ 14,653.0	\$ 14,904.2	\$ 14,764.8	\$ 15,044.6	\$ 15,000.5	\$ 15,182.4
POR Receivable Revenue	\$ 74,553.1	\$ 88,687.3	\$ 105,072.6	\$ 120,311.5	\$ 139,595.5	\$ 161,586.6	\$ 180,023.6	\$ 196,902.3	\$ 204,293.3	\$ 210,789.1	\$ 214,904.4	\$ 221,971.6
	\$ 3,198,782.6	\$ 3,226,427.2	\$ 3,239,599.9	\$ 3,234,483.1	\$ 3,261,274.4	\$ 3,302,640.4	\$ 3,331,741.7	\$ 3,372,086.4	\$ 3,399,312.1	\$ 3,412,652.4	\$ 3,407,622.3	\$ 3,422,716.5
Uncollectible Rate	1.1053%	1.1399%	1.1825%	1.2133%	1.2023%	1.1950%	1.1914%	1.1673%	1.1404%	1.1473%	1.1950%	1.2182%
	31-Oct-07	30-Nov-07	31-Dec-07	31-Jan-08	29-Feb-08	31-Mar-08	30-Apr-08	31-May-08	30-Jun-08	31-Jul-08	31-Aug-08	30-Sep-08
Normalized Bad Debt Net Write-Off	\$ 41,704.4	\$ 40,991.6	\$ 40,259.5	\$ 40,048.9	\$ 40,257.9	\$ 39,921.7	\$ 39,608.3	\$ 39,692.9	\$ 39,669.4	\$ 40,114.9	\$ 41,159.0	\$ 41,164.7
Total Tariff Revenue	\$ 3,199,056.9	\$ 3,205,204.7	\$ 3,217,611.9	\$ 3,244,370.3	\$ 3,229,360.2	\$ 3,193,809.1	\$ 3,180,093.4	\$ 3,164,302.2	\$ 3,146,291.3	\$ 3,142,311.6	\$ 3,162,777.6	\$ 3,153,304.5
Late Payment Revenue	\$ 15,559.5	\$ 15,719.5	\$ 15,701.0	\$ 15,744.3	\$ 15,960.3	\$ 15,959.3	\$ 16,074.9	\$ 15,879.2	\$ 16,172.7	\$ 16,198.7	\$ 16,224.0	\$ 16,145.6
POR Receivable Revenue	\$ 230,083.4	\$ 236,243.0	\$ 244,588.5	\$ 259,160.3	\$ 267,066.4	\$ 271,559.9	\$ 279,622.9	\$ 287,859.5	\$ 297,057.4	\$ 313,254.6	\$ 331,374.4	\$ 339,505.0
	\$ 3,444,699.9	\$ 3,457,167.2	\$ 3,477,901.5	\$ 3,519,274.9	\$ 3,512,386.9	\$ 3,481,328.3	\$ 3,475,791.2	\$ 3,468,040.9	\$ 3,459,521.4	\$ 3,471,764.9	\$ 3,510,376.1	\$ 3,508,955.0
Uncollectible Rate	1.2107%	1.1857%	1.1676%	1.1380%	1.1482%	1.1487%	1.1395%	1.1445%	1.1487%	1.1555%	1.1725%	1.1731%
	31-Oct-08	30-Nov-08	31-Dec-08	31-Jan-09	28-Feb-09	31-Mar-09	30-Apr-09	31-May-09	30-Jun-09	31-Jul-09	31-Aug-09	30-Sep-09
Normalized Bad Debt Net Write-Off	\$ 41,387.3	\$ 42,953.7	\$ 42,956.6	\$ 45,164.9	\$ 46,635.5	\$ 47,788.6	\$ 49,170.7	\$ 50,054.7	\$ 51,485.6	\$ 52,386.9	\$ 52,523.1	\$ 52,925.8
Total Tariff Revenue	\$ 3,133,055.0	\$ 3,112,613.5	\$ 3,091,280.7	\$ 3,081,245.9	\$ 3,076,984.3	\$ 3,060,266.1	\$ 3,028,875.3	\$ 2,998,174.9	\$ 2,950,238.7	\$ 2,912,193.9	\$ 2,849,751.4	\$ 2,834,349.1
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POR Receivable Revenue	\$ 343,639.7	\$ 346,877.1	\$ 348,210.4	\$ 349,756.9	\$ 352,276.4	\$ 349,087.9	\$ 343,409.7	\$ 336,950.9	\$ 327,739.9	\$ 312,052.6	\$ 294,037.8	\$ 287,904.5
	\$ 3,492,627.3	\$ 3,475,453.5	\$ 3,455,638.3	\$ 3,447,408.0	\$ 3,445,583.0	\$ 3,425,630.5	\$ 3,388,705.3	\$ 3,351,368.5	\$ 3,293,776.8	\$ 3,239,986.7	\$ 3,159,145.6	\$ 3,137,197.5
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Total Tariff Revenue	\$ 2,830,718.7	\$ 2,824,630.1	\$ 2,824,675.0	\$ 2,837,570.5	\$ 2,844,630.0							
Late Payment Revenue	\$ 14,793.9	\$ 14,431.8	\$ 14,570.3	\$ 14,345.3	\$ 14,280.1							
POR Receivable Revenue	\$ 285,287.5	\$ 284,009.1	\$ 282,672.0	\$ 285,682.9	\$ 286,552.7							
	\$ 3,130,800.1	\$ 3,123,071.0	\$ 3,121,917.2	\$ 3,137,598.8	\$ 3,145,462.7							
Uncollectible Rate	1.7611%	1.7486%	1.7270%	1.6714%	1.6320%							

(1) For the month of Sept '09, total electric & gas net write-off has been normalized by removing about \$4.1 million that had been inadvertently accelerated to write-off due to a system issue. These amounts would have been written off during Oct '09 and Nov '09.

(2) For the months of Oct&Nov '09, total electric & gas net write-off has been increased by the allocated portion of the \$4.1 million that had been inadvertently accelerated in Sept'09 due to a system issue. Also, written off during Oct '09 was another \$1.5 accelerated amount that should have gone to Nov '09. Both Oct09 & Nov09 have been normalized by the additional figure.

Correction of Bad Debt Expenses

It is the preferred Company policy to directly charge expenses between electric and gas accounts whenever an actual breakdown of costs can be determined. When an actual breakdown of costs is not known, a standard pre-determined allocation is applied.

In late 1996, the Company sold all of its receivables to NM Receivables, Inc. (and continues to sell all of its receivables on an ongoing basis). Prior to the sale of receivables to NMR, Niagara Mohawk recorded all Bad Debt expenses based on the preferred Company policy which reflected a composite electric and gas allocation derived from the actual write-offs of all customer accounts. Subsequent to the inception of NMR and continuing through the end of the historic test period, the Company applied the standard corporate allocation (17%) for all Bad Debt write-offs when it should have been using the preferred method of allocation.

The Company has since recognized this error and effective with January 1999 business, will book all Bad Debt expenses using the composite gas allocation of twenty-eight percent (28%). This composite allocation approximates past results and was derived from the actual write-offs of all customer accounts for the period twelve months ending December 31, 1998 as shown on Workpaper G-2.

Based on this correction, which is summarized on Workpaper G-3, the Company expects to incur \$10,080,000 of Bad Debt expenses in 1999 compared to \$6,524,000 in the historic test period or a total increase of \$3,556,000. The Company is not proposing any further adjustments beyond this 1999 correction and is forecasting the same level of write-offs throughout the settlement period adjusted only for inflation.

Line of Credit Fees

The Company's current Bank Facility Agreement (BFA) expires in June 2000 (extended one year beyond its original June, 1999 expiration). The BFA is an extraordinary financing transaction that is necessary for the Company to continue to provide safe, reliable utility service across its franchise territory. Without proper financing, the Company could experience unacceptable cost increases in securing labor and materials required to service its customers. To insure the continuation of reliable service, the Company believes that it is reasonable to assume that there will be some form of a Bank Facility Agreement throughout the proposed settlement period but also recognizes that the costs should decrease as a function of the Company's improved credit rating. As summarized on Workpaper G-3, the Company expects to reduce BFA costs from the historic test year level of \$1,432,000 to \$898,000 in the year 2000, or a total reduction of \$534,000. The Company is not proposing any further adjustments beyond the Year 2000 and is forecasting the same level of BFA costs throughout the settlement period, adjusted only for inflation.

Date of Request: March 5, 2010
Due Date: May 20, 2010

Request No. AAE-10 OG May
NMPC Req. No. NM 177 DPS 107

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Allison Esposito

TO: Rudolph L. Wynter Jr.

Request:

1. Please update Exhibit RLW-5 for electric data from 10/1/09 – 2/28/10. In addition to the 12-month average rolling data provided in this exhibit, provide the actual write-offs on a monthly stand alone basis. Please provide monthly updates of this exhibit through the end of the rate case.

Response:

Please see Attachments #1a and #1b.

Name of Respondent:

Paul S. Leo

Date of Reply:

June 17, 2010

UNCOLLECTIBLE RATE CALCULATION

GAS

Rolling 12-Mo Ending
(\$000's)

	31-Oct-06	30-Nov-06	31-Dec-06	31-Jan-07	28-Feb-07	31-Mar-07	30-Apr-07	31-May-07	30-Jun-07	31-Jul-07	31-Aug-07	30-Sep-07
<i>Normalized Bad Debt Net Write-Off</i>	\$ 13,749.9	\$ 14,302.5	\$ 14,898.1	\$ 15,261.2	\$ 15,248.3	\$ 15,348.3	\$ 15,436.2	\$ 15,308.1	\$ 15,075.2	\$ 15,226.2	\$ 15,836.5	\$ 16,215.2
<i>Total Tariff Revenue</i>	\$ 891,898.2	\$ 878,024.3	\$ 830,074.6	\$ 782,548.1	\$ 785,157.8	\$ 791,205.3	\$ 801,743.7	\$ 809,620.1	\$ 806,061.5	\$ 805,170.0	\$ 803,710.1	\$ 800,639.0
<i>Late Payment Revenue</i>	\$ 3,579.5	\$ 3,560.8	\$ 3,479.5	\$ 3,391.9	\$ 3,258.2	\$ 3,248.2	\$ 3,288.3	\$ 3,422.6	\$ 3,365.4	\$ 3,384.2	\$ 3,371.7	\$ 3,380.9
<i>POR Receivable Revenue</i>	\$ 93,113.3	\$ 99,714.4	\$ 91,992.8	\$ 86,629.1	\$ 90,056.9	\$ 94,363.5	\$ 99,451.6	\$ 102,890.5	\$ 103,840.7	\$ 104,587.6	\$ 105,173.1	\$ 105,421.5
	\$ 988,591.0	\$ 981,299.5	\$ 925,547.0	\$ 872,569.1	\$ 878,472.9	\$ 888,817.0	\$ 904,483.6	\$ 915,933.2	\$ 913,267.6	\$ 913,141.8	\$ 912,254.9	\$ 909,441.5
<i>Uncollectible Rate</i>	1.3909%	1.4575%	1.6097%	1.7490%	1.7358%	1.7268%	1.7066%	1.6713%	1.6507%	1.6675%	1.7360%	1.7830%
	31-Oct-07	30-Nov-07	31-Dec-07	31-Jan-08	29-Feb-08	31-Mar-08	30-Apr-08	31-May-08	30-Jun-08	31-Jul-08	31-Aug-08	30-Sep-08
<i>Normalized Bad Debt Net Write-Off</i>	\$ 16,218.4	\$ 15,941.2	\$ 16,656.5	\$ 15,574.6	\$ 15,655.8	\$ 15,525.1	\$ 15,403.2	\$ 15,436.1	\$ 15,427.0	\$ 15,600.2	\$ 16,006.3	\$ 16,008.5
<i>Total Tariff Revenue</i>	\$ 793,945.8	\$ 783,423.2	\$ 799,293.5	\$ 814,751.0	\$ 806,178.3	\$ 789,455.0	\$ 787,747.6	\$ 784,589.2	\$ 798,099.1	\$ 806,684.2	\$ 813,784.0	\$ 816,646.0
<i>Late Payment Revenue</i>	\$ 3,390.5	\$ 3,351.7	\$ 3,329.6	\$ 3,318.4	\$ 3,356.8	\$ 3,303.6	\$ 3,311.4	\$ 3,273.3	\$ 3,331.2	\$ 3,378.0	\$ 3,427.7	\$ 3,467.9
<i>POR Receivable Revenue</i>	\$ 105,295.7	\$ 106,605.7	\$ 111,542.6	\$ 118,346.6	\$ 120,721.2	\$ 122,329.2	\$ 125,096.3	\$ 125,346.3	\$ 128,440.0	\$ 130,272.5	\$ 132,460.9	\$ 134,350.9
	\$ 902,632.0	\$ 893,380.6	\$ 914,165.7	\$ 936,416.0	\$ 930,256.2	\$ 915,087.7	\$ 916,155.3	\$ 913,208.9	\$ 929,870.3	\$ 940,334.7	\$ 949,672.7	\$ 954,464.8
<i>Uncollectible Rate</i>	1.7968%	1.7844%	1.7127%	1.6632%	1.6830%	1.6966%	1.6813%	1.6903%	1.6590%	1.6590%	1.6855%	1.6772%
	31-Oct-08	30-Nov-08	31-Dec-08	31-Jan-09	28-Feb-09	31-Mar-09	30-Apr-09	31-May-09	30-Jun-09	31-Jul-09	31-Aug-09	30-Sep-09
<i>Normalized Bad Debt Net Write-Off</i>	\$ 16,095.1	\$ 16,704.2	\$ 16,705.3	\$ 17,564.1	\$ 18,136.0	\$ 18,584.5	\$ 19,121.9	\$ 19,465.7	\$ 20,022.2	\$ 20,372.7	\$ 20,425.7	\$ 20,582.3
<i>Total Tariff Revenue</i>	\$ 820,359.9	\$ 826,763.2	\$ 820,863.3	\$ 839,607.5	\$ 848,499.4	\$ 837,487.4	\$ 819,734.1	\$ 803,816.6	\$ 785,426.2	\$ 775,087.7	\$ 767,827.2	\$ 763,533.7
<i>Late Payment Revenue</i>	\$ 3,493.2	\$ 3,551.2	\$ 3,616.3	\$ 3,712.2	\$ 3,801.7	\$ 3,859.5	\$ 3,951.0	\$ 3,893.1	\$ 3,820.9	\$ 3,796.6	\$ 3,707.3	\$ 3,637.4
<i>POR Receivable Revenue</i>	\$ 140,933.9	\$ 143,915.8	\$ 148,686.0	\$ 159,258.8	\$ 168,279.2	\$ 169,933.9	\$ 168,444.5	\$ 166,677.3	\$ 162,960.1	\$ 160,654.9	\$ 158,229.2	\$ 156,282.9
	\$ 964,786.9	\$ 974,230.2	\$ 973,165.6	\$ 1,002,576.5	\$ 1,020,580.2	\$ 1,011,280.7	\$ 992,129.6	\$ 974,387.0	\$ 952,207.2	\$ 939,539.2	\$ 929,763.8	\$ 923,454.0
<i>Uncollectible Rate</i>	1.6683%	1.7146%	1.7166%	1.7519%	1.7770%	1.8377%	1.9274%	1.9977%	2.1027%	2.1684%	2.1969%	2.2288%
	31-Oct-09	30-Nov-09	31-Dec-09	31-Jan-10	28-Feb-10	31-Mar-10	30-Apr-10	31-May-10	30-Jun-10	31-Jul-10	31-Aug-10	30-Sep-10
<i>Normalized Bad Debt Net Write-Off</i>	\$ (2) 21,441.6	\$ (2) 21,211.4	\$ 20,966.8	\$ 20,394.5	\$ 19,963.4	\$ 19,147.3	\$ 18,293.2	\$ 17,712.2				
<i>Total Tariff Revenue</i>	\$ 763,769.7	\$ 757,565.1	\$ 730,782.2	\$ 703,008.1	\$ 681,183.9	\$ 666,195.7	\$ 649,333.3	\$ 648,898.4				
<i>Late Payment Revenue</i>	\$ 3,594.9	\$ 3,537.0	\$ 3,542.1	\$ 3,405.9	\$ 3,266.7	\$ 3,247.8	\$ 3,038.9	\$ 2,972.1				
<i>POR Receivable Revenue</i>	\$ 150,195.2	\$ 146,768.9	\$ 139,006.2	\$ 130,365.0	\$ 122,297.0	\$ 117,496.2	\$ 111,943.6	\$ 111,393.1				
	\$ 917,559.8	\$ 907,871.0	\$ 873,330.5	\$ 836,779.0	\$ 806,747.8	\$ 786,939.6	\$ 764,315.8	\$ 763,263.6				
<i>Uncollectible Rate</i>	2.3368%	2.3364%	2.4008%	2.4373%	2.4745%	2.4331%	2.3934%	2.3206%				

(1)

(2)

(2)

ELECTRIC

Rolling 12-Mo Ending
(\$000's)

	31-Oct-06	30-Nov-06	31-Dec-06	31-Jan-07	28-Feb-07	31-Mar-07	30-Apr-07	31-May-07	30-Jun-07	31-Jul-07	31-Aug-07	30-Sep-07
<i>Normalized Bad Debt Net Write-Off</i>	\$ 35,356.8	\$ 36,777.7	\$ 38,309.4	\$ 39,243.1	\$ 39,209.8	\$ 39,467.2	\$ 39,693.0	\$ 39,363.7	\$ 38,764.8	\$ 39,153.2	\$ 40,722.5	\$ 41,696.2
<i>Total Tariff Revenue</i>	\$ 3,109,634.5	\$ 3,123,264.5	\$ 3,120,084.3	\$ 3,099,545.0	\$ 3,107,068.6	\$ 3,126,469.3	\$ 3,137,065.0	\$ 3,160,279.9	\$ 3,180,254.0	\$ 3,186,818.8	\$ 3,177,717.4	\$ 3,185,562.5
<i>Late Payment Revenue</i>	\$ 14,595.0	\$ 14,475.3	\$ 14,442.9	\$ 14,626.6	\$ 14,610.3	\$ 14,584.5	\$ 14,653.0	\$ 14,904.2	\$ 14,764.8	\$ 15,044.6	\$ 15,000.5	\$ 15,182.4
<i>POR Receivable Revenue</i>	\$ 74,553.1	\$ 88,687.3	\$ 105,072.6	\$ 120,311.5	\$ 139,595.5	\$ 161,586.6	\$ 180,023.6	\$ 196,902.3	\$ 204,293.3	\$ 210,789.1	\$ 214,904.4	\$ 221,971.6
	\$ 3,198,782.6	\$ 3,226,427.2	\$ 3,239,599.9	\$ 3,234,483.1	\$ 3,261,274.4	\$ 3,302,840.4	\$ 3,331,741.7	\$ 3,372,086.4	\$ 3,399,312.1	\$ 3,412,652.4	\$ 3,407,622.3	\$ 3,422,716.5
<i>Uncollectible Rate</i>	1.1053%	1.1399%	1.1825%	1.2133%	1.2023%	1.1950%	1.1914%	1.1673%	1.1404%	1.1473%	1.1950%	1.2182%
	31-Oct-07	30-Nov-07	31-Dec-07	31-Jan-08	29-Feb-08	31-Mar-08	30-Apr-08	31-May-08	30-Jun-08	31-Jul-08	31-Aug-08	30-Sep-08
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	\$ 3,492,627.3	\$ 3,475,453.5	\$ 3,455,838.3	\$ 3,447,408.0	\$ 3,445,583.0	\$ 3,425,630.5	\$ 3,388,705.3	\$ 3,351,368.5	\$ 3,293,776.8	\$ 3,239,986.7	\$ 3,159,145.6	\$ 3,137,197.5
<i>Uncollectible Rate</i>	1.1850%	1.2359%	1.2431%	1.3101%	1.3535%	1.3950%	1.4510%	1.4936%	1.5631%	1.6169%	1.6626%	1.6870%
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<i>Total Tariff Revenue</i>	\$ 2,830,718.7	\$ 2,824,630.1	\$ 2,824,675.0	\$ 2,837,570.5	\$ 2,844,630.0	\$ 2,875,640.5	\$ 2,901,351.0	\$ 2,918,745.7				
<i>Late Payment Revenue</i>	\$ 14,793.9	\$ 14,431.8	\$ 14,570.3	\$ 14,345.3	\$ 14,280.1	\$ 14,373.4	\$ 14,068.0	\$ 14,095.5				
<i>POR Receivable Revenue</i>	\$ 285,287.5	\$ 284,009.1	\$ 282,672.0	\$ 285,682.9	\$ 286,552.7	\$ 290,639.6	\$ 292,910.3	\$ 286,946.4				
	\$ 3,130,800.1	\$ 3,123,071.0	\$ 3,121,917.2	\$ 3,137,598.8	\$ 3,145,462.7	\$ 3,180,653.5	\$ 3,208,329.3	\$ 3,229,787.6				
<i>Uncollectible Rate</i>	1.7611%	1.7465%	1.7270%	1.6714%	1.6320%	1.5480%	1.4662%	1.4102%				

(1) For the month of Sept '09, total electric & gas net write-off has been normalized by removing about \$4.1 million that had been inadvertently accelerated to write-off due to a system issue. These amounts would have been written off during Oct '09 and Nov '09.

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the \$4.1 million that had been inadvertently accelerated in Sept'09 due to a system issue. Also, written off during Oct '09 was another \$1.5 accelerated amount that should have gone to Nov '09. Both Oct09 & Nov09 have been normalized by the additional figure.

Date of Request: March 5, 2010

Request No. DAG-2

Due Date: March 15, 2010

NMPC Req. No. NM 179 DPS 109

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO:

Request:

Follow-up to I/R #NM-28 (RAV-14).

In a format similar to the response to I/R #NM-28 (RAV-14), please provide the following information for each VERO employee that was a former NMPC employee; whether that employee either remained a NMPC employee; or whether, at some point, was transferred into the National Grid USA Service Co.

A. VERO employee's name;

B. The date of employee's retirement and salary at time of retirement;

C. Provide the costs of the employee being VERO'ed by type of cost.

D. Has the Company ever incurred costs associated with the same employee subsequent to the employee retiring? If yes, from the date of retirement up to the present time, please provide, in an Excel spreadsheet, the following information by calendar year:

1. Number of hours the VERO employee worked for the Company as a contracted employee;
2. Incurred costs for VERO employee's contractor services;
3. Incurred costs for VERO employee's travel expenses;
4. Incurred costs for VERO employee's lodging expenses;
5. Any other incurred costs for VERO employee;
6. Total costs incurred for VERO employee.

E. Indicate whether the above costs were charged to capital or expense, along with the reason for such accounting.

F. Indicate the date the VERO employee first performed contractor services for the Company.

G. Indicate if VERO employee is still a contracted employee; if not, indicate the last date that the employee performed contractor services for the Company.

Response:

Request A is subject to a Protective Order.

Please see Attachment 1 for responses to requests B, C, E, F and G.

Please see Attachment 2 for responses to request D.

Name of Respondent:

Date of Reply:

Ed Considine

March 22, 2010

Redacted Version

Date of Request: March 5, 2010
Due Date: March 15, 2010

Request No. DAG-2
NMPC Req. No. NM 179 DPS 109

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO:

Request:

Follow-up to I/R #NM-28 (RAV-14).

In a format similar to the response to I/R #NM-28 (RAV-14), please provide the following information for each VERO employee that was a former NMPC employee; whether that employee either remained a NMPC employee; or whether, at some point, was transferred into the National Grid USA Service Co.

- A. VERO employee's name;
- B. The date of employee's retirement and salary at time of retirement;
- C. Provide the costs of the employee being VERO'ed by type of cost.
- D. Has the Company ever incurred costs associated with the same employee subsequent to the employee retiring? If yes, from the date of retirement up to the present time, please provide, in an Excel spreadsheet, the following information by calendar year:
 1. Number of hours the VERO employee worked for the Company as a contracted employee;
 2. Incurred costs for VERO employee's contractor services;
 3. Incurred costs for VERO employee's travel expenses;
 4. Incurred costs for VERO employee's lodging expenses;
 5. Any other incurred costs for VERO employee;
 6. Total costs incurred for VERO employee.
- E. Indicate whether the above costs were charged to capital or expense, along with the reason for such accounting.
- F. Indicate the date the VERO employee first performed contractor services for the Company.

G. Indicate if VERO employee is still a contracted employee; if not, indicate the last date that the employee performed contractor services for the Company.

Response:

Request A is subject to a Protective Order.

Please see Attachment 1 for responses to requests B, C, E, F and G.

Please see Attachment 2 for responses to request D.

Name of Respondent:

Date of Reply:

Ed Considine

March 22, 2010

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100029829	04/01/2002	71,801.60	27,336					
	100022486	04/01/2002	55,201.12	64,719					
	100032620	04/01/2002	61,100.00	70,030					
	100022470	04/01/2002	60,401.12	82,958					
	100030170	04/01/2002	43,700.80	85,696					
	100031800	04/01/2002	73,900.32	90,954					
	100031985	04/01/2002	75,200.32	92,554					
	100031293	04/01/2002	69,101.76	92,907					
	100022820	04/01/2002	76,100.96	93,663					
	100021978	04/01/2002	78,700.96	96,863					
	100031593	04/01/2002	65,902.00	100,418					
	100023113	04/01/2002	82,600.96	101,663					
	100028279	04/01/2002	87,201.92	107,325					
	100026556	04/01/2002	68,500.64	124,052	7,513				
	100027108	04/01/2002	48,002.24	148,691					
	100024168	04/01/2002	124,901.92	153,725					
	100028272	04/01/2002	62,601.76	178,166	13,408				
	100033203	04/01/2002	66,100.32	179,798					
	100024167	04/01/2002	45,000.80	242,303	3,987				
	100032922	04/01/2002	70,102.24	243,798	13,662				
	100027723	04/01/2002	59,300.80	272,062	1,602				
	100028271	04/01/2002	82,401.28	282,880	3,396				
	100032567	04/01/2002	79,401.92	289,841	3,396				
	100032082	04/01/2002	75,701.60	290,197	4,679				
	100032569	04/01/2002	59,101.12	292,983	3,854				
	100027035	04/01/2002	65,000.00	294,126	1,911				
	100031300	04/01/2002	67,901.60	298,097	534				
	100028179	04/01/2002	65,800.80	299,078	2,547				
	100029911	04/01/2002	68,400.80	316,502	3,064				
	100031803	04/01/2002	80,901.60	334,439	534				
	100030654	04/01/2002	75,901.28	347,652	4,282				
	100021577	04/01/2002	107,101.28	180,000					
	100027051	04/01/2002	289,500.64	180,000					
	100032785	04/01/2002	177,001.76	180,000	12,637				
	100026867	04/01/2002	93,200.64	180,000					
	100028190	04/01/2002	66,601.60	180,000	5,667				
	100025545	04/01/2002	73,101.60	180,000	4,930				
	100026639	04/01/2002	38,702.56	180,000					
	100031532	04/01/2002	41,701.92	180,000					
	100029643	04/01/2002	39,700.96	180,000					

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100023268	04/01/2002	42,001.44	180,000					
	100029741	04/01/2002	61,800.96	180,000	3,737				
	100025116	04/01/2002	89,600.16	180,000					
	100023618	04/01/2002	42,900.00	180,000					
	100027872	04/01/2002	49,000.64	180,000					
	100023138	04/01/2002	54,000.96	180,000					
	100023123	04/01/2002	60,101.60	180,000					
	100032563	04/01/2002	92,901.12	180,000		08/02/2005	01/28/2007	Expense	Performed Operations & Maintenance activities
	100026882	04/01/2002	41,400.32	180,000					
	100026361	04/01/2002	54,701.92	180,000					
	100026663	04/01/2002	42,800.16	180,000					
	100023518	04/01/2002	63,700.00	180,000	7,513				
	100032957	04/01/2002	74,301.76	180,000					
	100033449	04/01/2002	42,900.00	180,000					
	100022401	04/01/2002	67,801.76	180,000					
	100027874	04/01/2002	44,200.00	180,000					
	100028191	04/01/2002	41,202.72	180,000	534				
	100029822	04/01/2002	98,500.48	180,000	1,217	04/23/2007	05/10/2009	Capital	Assisted in processing capital work orders
	100028603	04/01/2002	43,388.80	180,000					
	100024741	04/01/2002	66,601.60	180,000					
	100025099	04/01/2002	71,801.60	180,000	10,763				
	100033040	04/01/2002	178,000.16	180,000					
	100023848	04/01/2002	73,301.28	180,000	608				
	100024776	04/01/2002	68,500.64	180,000	13,662				
	100032103	04/01/2002	66,901.12	180,000					
	100026742	04/01/2002	60,201.44	180,000	9,860				
	100023586	04/01/2002	75,100.48	180,000	3,987				
	100022749	04/01/2002	70,301.92	180,000					
	100023139	04/01/2002	62,002.72	180,000					
	100021520	04/01/2002	83,301.92	180,000	2,972				
	100031739	04/01/2002	128,202.88	180,000					
	100030937	04/01/2002	75,300.16	180,000	9,860				
	100023037	04/01/2002	72,196.80	180,000					
	100023273	04/01/2002	113,803.04	180,000					
	100021498	04/01/2002	189,300.80	180,000					
	100022483	04/01/2002	81,000.00	180,000					
	100027174	04/01/2002	80,704.00	180,000		04/19/2007	06/28/2009	Expense	Performed Operations & Maintenance activities
	100030362	04/01/2002	61,100.00	180,000	2,547				
	100022527	04/01/2002	43,702.88	180,000					
	100023656	04/01/2002	55,100.00	180,000	5,432				

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100029332	04/01/2002	67,801.76	180,000					
	100031736	04/01/2002	81,201.12	180,000					
	100030257	04/01/2002	65,601.12	180,000					
	100029738	04/01/2002	77,101.44	180,000	4,805				
	100031911	04/01/2002	54,400.32	180,000					
	100029931	04/01/2002	186,201.60	180,000					
	100025610	04/01/2002	46,800.00	180,000					
	100021567	04/01/2002	67,200.64	180,000					
	100027177	04/01/2002	53,601.60	180,000	10,156				
	100032608	04/01/2002	112,600.80	180,000					
	100029739	04/01/2002	65,301.60	180,000	11,770				
	100032909	04/01/2002	89,100.96	180,000	5,386				
	100033246	04/01/2002	66,701.44	180,000					
	100023964	04/01/2002	68,101.28	180,000					
	100030863	04/01/2002	53,000.48	180,000	5,205				
	100026234	04/01/2002	56,001.92	180,000					
	100022088	04/01/2002	75,200.00	180,000	10,362				
	100025575	04/01/2002	69,700.80	180,000					
	100030348	04/01/2002	66,000.48	180,000					
	100026591	05/01/2002	41,500.16	40,830					
	100033230	05/01/2002	62,601.76	62,130					
	100025540	05/01/2002	42,600.48	170,483	14,956				
	100030163	05/01/2002	99,401.00	181,760					
	100022468	05/01/2002	65,000.00	225,635	4,271				
	100032566	05/01/2002	88,501.92	228,083					
	100026752	05/01/2002	47,700.64	242,634	4,167				
	100031289	05/01/2002	48,201.92	255,089	5,219				
	100030676	05/01/2002	47,700.64	180,000					
	100023852	05/01/2002	67,901.60	180,000	1,274				
	100026545	05/01/2002	93,801.76	180,000					
	100023524	05/01/2002	47,800.48	180,000					
	100029820	05/01/2002	59,092.80	180,000					
	100031306	05/01/2002	46,901.92	180,000					
	100029143	05/01/2002	61,703.20	180,000	1,217				
	100033096	05/01/2002	54,901.60	180,000					
	100025702	05/01/2002	96,990.40	180,000	8,914				
	100024727	05/01/2002	66,200.16	180,000					
	100031741	05/01/2002	67,701.92	180,000					
	100021869	05/01/2002	65,501.28	180,000					
	100028295	05/01/2002	71,801.60	180,000					

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100031903	05/01/2002	66,601.60	180,000	2,670				
	100022099	05/01/2002	74,201.92	180,000					
	100027180	05/01/2002	74,000.16	180,000		07/05/2004	Still employed	Expense	Performed Telecommunications Support activities
	100031731	05/01/2002	67,073.96	180,000	608				
	100028313	05/01/2002	71,000.00	180,000					
	100021552	05/01/2002	83,401.76	180,000	9,494				
	100022282	06/01/2002	104,900.64	129,119					
	100022520	06/01/2002	88,801.44	132,644					
	100025681	06/01/2002	67,901.60	165,776	8,510				
	100028397	06/01/2002	76,100.96	309,138	2,450	02/24/2003	Still employed	Capital	Assisted in closing out capital work orders
	100022402	06/01/2002	85,500.48	180,000					
	100033082	06/01/2002	65,601.12	180,000					
	100031112	06/01/2002	91,800.80	180,000					
	100033044	06/01/2002	78,101.92	180,000	4,919				
	100021836	06/01/2002	69,401.28	180,000					
	100021868	06/01/2002	86,600.80	180,000	849				
	100022193	06/01/2002	70,601.44	180,000	212	11/27/2006	07/30/2008	Expense	Performed Customer Billing Activities
	100024797	06/01/2002	85,001.28	180,000					
	100025387	06/01/2002	93,500.16	180,000					
	100025120	06/01/2002	73,700.64	180,000					
	100023230	06/01/2002	74,301.76	180,000					
	100026607	06/01/2002	67,100.80	180,000					
	100028956	06/01/2002	78,301.60	180,000	2,433				
	100022502	06/01/2002	65,401.44	180,000					
	100027490	06/01/2002	106,600.00	180,000					
	100025582	06/01/2002	73,301.28	180,000					
	100030158	06/01/2002	85,901.92	180,000					
	100023846	06/01/2002	68,201.12	180,000	2,123				
	100026894	06/01/2002	129,900.16	180,000					
	100029821	06/01/2002	89,300.64	180,000	6,059				
	100026871	06/01/2002	91,800.80	180,000		06/12/2002	08/20/2003	Expense	Performed Operations & Maintenance activities
	100026575	07/01/2002	71,400.16	70,310					
	100021499	07/01/2002	76,200.80	82,811					
	100022204	07/01/2002	77,800.32	96,641					
	100022223	07/01/2002	79,701.44	98,820					
	100030653	07/01/2002	67,500.16	275,304	2,123				
	100032079	07/01/2002	65,601.12	305,743	5,316				
	100032381	07/01/2002	72,800.00	331,350	6,239	11/27/2006	Still employed	Expense	Assisted in training activities
	100030347	07/01/2002	73,900.32	340,244	4,293				
	100032089	07/01/2002	84,400.16	180,000					

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100022198	07/01/2002	84,901.44	180,000	7,616	01/31/2007	06/12/2007	Expense	Performed Operations & Maintenance activities
	100026751	07/01/2002	61,800.96	180,000	11,583				
	100028405	07/01/2002	84,100.64	180,000	8,162				
	100022127	07/01/2002	72,200.96	180,000					
	100025588	07/01/2002	72,101.12	180,000					
	100022562	07/01/2002	78,201.76	180,000					
	100026868	07/01/2002	74,201.92	180,000					
	100023275	07/01/2002	71,100.64	180,000					
	100032580	07/01/2002	80,000.96	180,000		11/27/2006	12/23/2008	Expense	Performed Operations & Maintenance activities
	100025759	07/01/2002	69,201.60	180,000	13,739				
	100023660	07/01/2002	59,987.00	180,000					
	100022950	07/01/2002	97,500.00	180,000	1,068				
	100026856	07/01/2002	77,001.60	180,000	425	09/26/2005	11/26/2006	Capital	Processing Electric Services capital work orders
	100023222	07/01/2002	93,000.96	180,000					
	100025580	07/01/2002	75,901.28	180,000	2,123				
	100027128	07/01/2002	104,101.92	180,000					
	100029455	07/01/2002	91,802.88	180,000					
	100025587	07/01/2002	62,200.32	180,000	425				
	100033177	07/01/2002	70,701.28	180,000		10/04/2004	01/11/2005	Expense	Performed Operations & Maintenance activities
	100023661	07/01/2002	66,701.44	180,000					
	100028188	07/01/2002	45,801.60	180,000					
	100031833	07/01/2002	69,101.76	180,000					
	100027516	07/01/2002	86,201.44	180,000					
	100031111	07/01/2002	71,901.44	180,000	4,794	08/26/2002	11/24/2002	Expense	Performed Operations & Maintenance activities
	100032766	07/01/2002	106,200.64	180,000	9,600				
	100027163	08/01/2002	73,201.44	92,633					
	100030265	08/01/2002	70,100.16	99,800					
	100023107	08/01/2002	74,301.76	103,703					
	100030256	08/01/2002	90,001.60	110,771		10/10/2002	07/23/2009	Expense	Performed Engineering Support activities
	100025546	08/01/2002	69,800.64	227,271	2,123				
	100027042	08/01/2002	98,700.16	425,473	3,507				
	100022270	08/01/2002	79,801.28	180,000	3,507				
	100032573	08/01/2002	81,300.96	180,000					
	100033421	08/01/2002	55,201.12	180,000	3,830				
	100029154	08/01/2002	126,900.80	180,000	6,347				
	100028286	08/01/2002	70,301.92	180,000					
	100029825	08/01/2002	63,500.32	180,000	5,814	09/01/2004	08/20/2009	Expense	Performed Operations & Maintenance activities
	100021815	08/01/2002	94,400.80	180,000					
	100021505	08/01/2002	79,501.76	180,000					
	100028406	08/01/2002	85,001.28	180,000		10/14/2002	10/10/2003	Expense	Performed Operations & Maintenance activities

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100026196	08/01/2002	74,301.76	180,000					
	100033211	09/01/2002	65,800.80	45,032					
	100022145	09/01/2002	72,600.32	80,977					
	100026266	09/01/2002	75,000.64	92,308		09/12/2005	01/11/2006	Expense	Performed Operations & Maintenance activities
	100030460	09/01/2002	75,701.60	93,171		10/10/2002	09/12/2003	Expense	Performed Operations & Maintenance activities
	100024150	09/01/2002	63,600.16	114,122					
	100022194	09/01/2002	64,101.44	130,849					
	100028611	09/01/2002	110,801.60	467,817	5,078				
	100033046	09/01/2002	62,701.60	180,000		09/17/2003	11/28/2003	Expense	Performed Operations & Maintenance activities
	100029317	10/01/2002	79,000.48	97,231		10/01/2002	04/30/2009	Expense	Performed Operations & Maintenance activities
	100031627	10/01/2002	78,000.00	268,831	3,147				
	100032225	10/01/2002	62,901.28	180,000		09/17/2003	02/20/2004	Expense	Performed Operations & Maintenance activities
	100025117	10/01/2002	97,000.80	180,000					
	100026874	10/01/2002	60,101.60	180,000					
	100024702	10/01/2002	77,001.60	180,000					
	100024177	11/01/2002	76,700.00	135,787					
	100032395	12/01/2002	86,001.76	154,867					
	100019567	12/01/2002	65,208.00	273,555	425				
	100027175	01/01/2003	76,100.96	121,828	1,846				
	100032223	01/01/2003	68,001.44	144,143					
	100033043	01/01/2003	73,800.48	235,244	4,615				
	100027032	02/01/2003	141,400.48	189,317	6,611				
	100030679	04/01/2003	72,200.96	47,879					
	100026611	04/01/2003	76,300.64	49,889		04/02/2007	12/17/2008	Expense	Assisted in security support projects
	100032289	04/01/2003	62,801.44	53,140					
	100021508	04/01/2003	73,201.44	61,940		09/26/2003	05/21/2004	Expense	Performed Operations & Maintenance activities
	100025574	05/01/2003	76,300.64	31,777					
	100025572	05/01/2003	86,401.12	106,340		05/01/2003	05/02/2003	Expense	Performed Operations & Maintenance activities
	100027886	06/01/2003	77,600.64	47,754					
	100019707	06/01/2003	57,504.00	70,774					
	100026123	06/01/2003	62,000.64	109,062		06/02/2003	07/02/2003	Expense	Performed Operations & Maintenance activities
	100019512	07/01/2003	56,700.00	60,013					
	100019431	07/01/2003	64,212.00	67,906					
	100024730	07/01/2003	87,701.12	107,940					
	100019587	07/01/2003	71,808.00	134,379					
	100019343	07/01/2003	61,800.00	142,033					
	100022746	07/01/2003	66,302.08	173,140					
	100026771	08/01/2003	96,501.60	181,366					
	100022652	09/01/2003	75,300.16	395,572	3,363				
	100033767	10/01/2003	65,904.00	81,108					

DAG-2 VERO Employees - NMPC Employee									
Docket Number 10-E-0050									
Niagara Mohawk Power Corporation									
Attachment 1 - Confidential									
Niagara Mohawk Power Corporation (Electric) d/b/a National Grid									
VERO Employees									
Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100019452	12/01/2003	76,200.80						
	100033667	12/01/2003	70,104.00	28,871					
	100025382	12/01/2003	80,901.60	33,241					
	100031727	12/01/2003	57,900.96	52,295					
	100020994	12/01/2003	47,112.00	65,155		12/06/2004	12/01/2009	Capital	Performed Gas Operations activities
	100021058	12/01/2003	57,000.32	87,118					
	100023407	12/01/2003	76,200.80	93,785					
	100033671	12/01/2003	76,908.00	94,656					
	100026057	12/01/2003	97,608.00	120,133					
	100028002	12/01/2003	85,308.00	121,377					
	100021385	12/01/2003	57,900.96	130,728					
	100019398	12/01/2003	68,904.00	131,127		10/27/2008	06/04/2009	Expense	Performed Operations & Maintenance activities
	100019363	12/01/2003	51,708.00	137,999					
	100019376	12/01/2003	133,104.00	138,223					
	100020699	12/01/2003	113,701.12	139,938		01/17/2010	Still employed	Expense	Performed Operations & Maintenance activities
	100033565	12/01/2003	118,308.00	157,088					
	100020783	12/01/2003	79,008.00	178,905					
	100021424	12/01/2003	68,304.00	188,727					
	100032971	12/01/2003	47,700.64	192,977	8,857	11/25/2006	11/24/2009	Expense	Performed administrative billing activities
	100033902	12/01/2003	160,008.00	196,933					
	100020647	12/01/2003	61,908.00	251,221					
	100033914	12/01/2003	71,208.00	302,446	3,939	10/25/2006	11/03/2009	Expense	Performed administrative billing activities
	100034406	12/01/2003	75,000.64	412,341	6,424				
	100020695	12/01/2003	84,708.00	437,841	3,939	05/09/2005	12/03/2006	Capital	Performed gas construction activities
	100033028	12/01/2003	87,804.00	457,177	1,685				
	100023400	12/01/2003	114,408.00	559,851	3,369				
	100020542	02/01/2004	51,600.64	20,944					
	100019704	02/01/2004	71,808.00	74,458					
	100019224	02/01/2004	111,864.00	137,679					
	100020765	03/01/2004	57,804.00	95,219	2,277				
	100019565	03/01/2004	75,804.00	175,933	1,708				
	100019527	03/01/2004	66,000.48	260,485	5,677				
	100032963	03/01/2004	62,100.48	328,944	3,984	03/07/2005	Still employed	Capital	Performed Gas Operations activities
	100033026	04/01/2004	73,308.00	65,220					
	100027682	04/01/2004	74,904.00	92,190		04/21/2004	12/31/2006	Expense	Performed Engineering Support activities
	100031699	04/01/2004	81,108.00	96,491					
	100024419	04/01/2004	88,200.32	101,769					
	100029506	04/01/2004	67,608.00	103,331					
	100019960	04/01/2004	86,208.00	106,102					
	100019329	04/01/2004	79,512.00	106,832		04/05/2004	Still employed	Expense	Performed Operations & Maintenance activities

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100025271	04/01/2004	80,808.00	111,147					
	100030127	04/01/2004	61,008.00	116,730					
	100019328	04/01/2004	111,001.28	136,615		04/05/2006	Still employed	Expense	Performed administrative tax activities
	100019204	04/01/2004	150,001.28	252,803					
	100019410	04/01/2004	83,604.00	286,442	2,277				
	100028758	04/01/2004	105,804.00	394,316	854				
	100019332	04/01/2004	74,701.12	118,780		04/14/2004	12/31/2005	Expense	Performed finance activities
	100020717	04/01/2004	63,708.00	41,655					
	100019588	05/01/2004	51,012.00	58,511					
	100019320	06/01/2004	82,301.44	106,755					
	100020543	06/01/2004	65,808.00	536,231					
	100030027	07/01/2004	80,801.76	106,323		01/29/2007	06/12/2009	Expense	Performed Operations & Maintenance activities
	100033777	07/01/2004	99,408.00	122,348					
	100031683	07/01/2004	88,608.00	484,831	1,262				
	100019585	08/01/2004	94,008.00	183,298					
	100030793	09/01/2004	67,908.00	28,025					
	100022376	09/01/2004	70,608.00	29,196					
	100034436	09/01/2004	78,204.00	56,294					
	100021790	09/01/2004	61,404.00	57,065					
	100028760	09/01/2004	69,108.00	63,792					
	100020700	09/01/2004	75,000.64	96,222					
	100029729	09/01/2004	78,312.00	96,384					
	100019531	10/01/2004	74,604.00	85,215		05/31/2005	11/26/2006	Expense	Performed Operations & Maintenance activities
	100019207	10/01/2004	126,301.76	155,446					
	100019227	10/01/2004	114,000.64	310,504					
	100019415	11/01/2004	66,204.00	27,612					
	100033955	11/01/2004	82,908.96	28,888		10/26/2009	Still employed	Capital	Performed Substation support activities
	100019562	11/01/2004	83,940.48	33,962					
	100020822	11/01/2004	67,608.00	83,981					
	100027594	11/01/2004	70,104.00	86,282					
	100034018	11/01/2004	82,908.96	102,042		10/23/2007	04/22/2008	Expense	Performed Control Center activities
	100024060	11/01/2004	85,400.04	105,108		11/04/2004	Still employed	Capital	Assisted in processing capital work orders
	100029996	11/01/2004	83,007.48	109,433		05/02/2006	08/09/2009	Capital	Performed Engineering Support activities
	100021795	11/01/2004	82,908.96	109,909		04/11/2007	05/12/2007	Expense	Performed Operations & Maintenance activities
	100019380	11/01/2004	75,000.64	110,513					
	100032098	11/01/2004	82,908.96	115,439		04/11/2007	05/12/2007	Expense	Performed Operations & Maintenance activities
	100028924	11/01/2004	97,320.00	119,778					
	100027354	11/01/2004	98,532.00	121,270					
	100020843	11/01/2004	66,504.00	166,483					
	100033899	11/01/2004	100,003.92	195,842					

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid

VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100020083	11/01/2004	84,901.44	261,394					
	100019492	11/01/2004	67,008.00	347,360	285	12/06/2004	08/14/2009	Expense	Performed Operations & Maintenance activities
	100019383	11/01/2004	67,008.00	369,768	569				
	100033823	11/01/2004	80,801.76	409,641	1,622	08/30/2005	02/27/2009	Expense	Performed training support activities
	100019557	11/01/2004	61,800.96	105,670					
	100020074	11/01/2004	65,208.00	109,261		02/13/2006	11/14/2008	Expense	Performed Engineering Support activities
	100024292	10/01/2007	77,529.83	64,545					
	100019378	10/01/2007	82,314.16	71,381					
	100031242	10/01/2007	140,058.72	201,704					
	100027583	10/01/2007	64,104.00	437,881	950				
	100019581	10/01/2007	83,934.73	211,945					
	100021564	10/01/2007	78,853.84	220,201					
	100019234	10/01/2007	115,608.00	283,354					
	100019211	10/01/2007	131,413.32	313,140					
	100034201	10/01/2007	87,553.79	457,117	5,056				
	100025808	10/01/2007	170,738.40	403,464					
	100021049	10/01/2007	131,033.04	443,186					
	100027335	11/01/2007	41,783.04	145,587					
	100019524	11/01/2007	50,483.68	168,777					
	100019439	11/01/2007	53,701.44	385,095	19,750				
	100019497	11/01/2007	72,509.27	213,551					
	100033756	11/01/2007	80,408.10	220,177					
	100027804	11/01/2007	162,000.00	378,450		10/22/2008	11/19/2008	Expense	Performed gas operations support activities
	100019244	11/01/2007	153,816.00	535,852		02/14/2008	Still employed	Expense	Worked on Human Resources administrative projects
	100019697	12/01/2007	49,528.96	151,192					
	100019614	12/01/2007	44,172.96	198,007	4,076				
	100025814	12/01/2007	56,500.20	160,644					
	100019407	12/01/2007	58,992.72	189,375					
	100026071	12/01/2007	70,303.80	189,564					
	100020683	12/01/2007	71,750.40	209,866					
	100033814	12/01/2007	59,186.03	308,024	7,763				
	100019536	12/01/2007	93,757.64	245,529					
	100019539	12/01/2007	83,397.79	254,303					
	100019593	12/01/2007	90,652.46	294,808					
	100031548	12/01/2007	124,560.72	446,665	7,738				
	100019238	12/01/2007	96,736.15	494,590	10,997				
	100033289	12/01/2007	98,004.00	544,824	37,326				
	100025803	01/01/2008	114,475.20	277,907		11/16/2004	Still employed	Expense	Performed administrative tax activities
	100019478	01/01/2008	119,134.61	290,407					
	100019116	01/01/2008	161,221.62	782,386	14,339				

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100028280	02/01/2008	63,718.80	364,828	12,982				
	100025776	04/01/2008	70,810.68	89,123					
	100020599	04/01/2008	79,380.02	174,201					
	100019605	04/01/2008	54,531.36	369,918	5,748	05/16/2008	Still employed	Expense	Performed Engineering Support activities
	100034374	04/01/2008	72,260.20	216,780					
	100034299	04/01/2008	78,942.95	382,034	7,486				
	100022071	04/01/2008	72,953.05	413,098	9,454				
	100019245	04/01/2008	101,651.16	248,344					
	100019438	04/01/2008	78,381.44	346,192	5,842				
	100031011	04/01/2008	77,580.29	440,437	7,486				
	100032856	04/01/2008	79,851.60	455,767	12,053				
	100019251	04/01/2008	127,311.60	448,923					
	100022273	05/01/2008	66,629.16	108,786					
	100020926	05/01/2008	99,737.14	335,883		07/27/2009	Still employed	Expense	Worked on Human Resources administrative projects
	100029515	06/01/2008	74,856.70	36,118					
	100020903	06/01/2008	79,857.05	149,410		07/01/2009	Still employed	Expense	Worked on safety support activities
	100020548	06/01/2008	89,196.79	213,270		08/17/2009	Still employed	Expense	Worked on Human Resources administrative projects
	100024543	06/01/2008	81,462.54	214,292		09/08/2008	Still employed	Expense	Worked on training support activities
	100019629	06/01/2008	84,286.48	349,310					
	100019216	06/01/2008	135,330.12	609,073	4,233				
	100019787	07/01/2008	77,579.05	129,020					
	100033309	07/01/2008	74,991.01	212,011					
	100021217	07/01/2008	80,992.12	224,620		05/04/2009	11/12/2009	Expense	Worked on training support activities
	100020471	07/01/2008	93,789.01	315,990					
	100019235	08/01/2008	89,204.41	140,713					
	100034054	08/01/2008	91,624.36	178,683					
	100028922	08/01/2008	80,252.02	198,840		03/02/2009	Still employed	Expense	Worked on safety support activities
	100019219	08/01/2008	136,523.56	366,833		03/08/2010	Still employed	Capital	Assisted in processing capital work orders
	100019508	09/01/2008	68,152.88	248,671					
	100019423	09/01/2008	69,703.48	414,705	9,763				
	100032189	09/01/2008	76,277.05	316,906	889				
	100033595	10/01/2008	72,867.46	196,424					
	100033713	10/01/2008	90,816.00	212,145					
	100026365	10/01/2008	80,730.00	562,948	7,558	03/31/2009	Still employed	Expense	Performed Operations & Maintenance activities
	100026698	10/01/2008	91,865.51	240,503		12/12/2008	Still employed	Expense	Performed training support activities
	100021205	10/01/2008	91,184.12	240,841					
	100032743	10/01/2008	91,540.74	513,203	3,119	12/14/2008	12/20/2008	Expense	Performed Operations & Maintenance activities
	100019203	10/01/2008	115,080.14	494,620	10,176				
	100020048	10/01/2008	191,200.00	421,724					
	100019523	10/01/2008	87,980.09	542,868					

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
VERO Employees

Last, First & MI	Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	100019114	10/01/2008	31,464.00	939,316	8,388				
	100019408	11/01/2008	92,402.36	239,072					
	100021151	11/01/2008	76,067.05	440,199	1,485				
	100021193	12/01/2008	74,088.78	212,439					
	100026340	12/01/2008	93,394.52	244,753		02/02/2009	Still employed	Expense	Performed Operations & Maintenance activities
	100029719	12/01/2008	86,338.62	277,458					
	100031604	12/01/2008	83,145.18	303,454		12/15/2008	Still employed	Expense	Performed accounting support activities
	100003205	12/01/2008	87,630.40	376,621					
	100022355	01/01/2009	81,987.41	282,541		03/02/2009	Still employed	Expense	Worked on safety support activities
	100021199	03/01/2009	95,131.46	138,973					
	100019698	03/01/2009	95,220.04	140,044					
	100034439	03/01/2009	100,304.20	164,756					
	100028380	03/01/2009	86,800.57	183,067					
	100023820	03/01/2009	84,800.00	188,955					
	100031670	03/01/2009	77,159.34	209,657					
	100019346	03/01/2009	82,307.30	288,541					
	100019210	03/01/2009	130,906.99	680,043	20,682				
	100022364	03/01/2009	71,196.04	119,850		09/28/2009	Still employed	Expense	Worked on Human Resources administrative projects
	100034440	04/01/2009	82,289.22	137,412					
	100025389	04/01/2009	74,120.86	162,375					
	100019535	04/01/2009	80,809.39	242,194					
	100019451	04/01/2009	173,900.00	185,409					
	100029071	04/01/2009	81,882.61	210,920					
	100025804	04/01/2009	75,072.19	284,909					
	100025854	04/01/2009	79,866.12	381,636	3,790				
	100019370	04/01/2009	88,267.99	434,211		11/01/2009	Still employed	Expense	Performed administrative tax activities
	100024349	04/01/2009	85,837.64	464,713	2,030				
	100019465	05/01/2009	101,590.06	327,248					
	100034123	06/01/2009	84,820.07	229,790	9,607				
	100019454	06/01/2009	136,435.24	402,902		09/14/2009	Still employed	Expense	Performed Operations & Maintenance activities
	100023009	06/01/2009	86,991.06	254,018	12,306				
	100024358	06/01/2009	86,844.44	243,194					
	100034432	07/01/2009	214,411.64	442,389					
	100019502	07/01/2009	98,091.10	309,107		08/03/2009	Still employed	Expense	Performed administrative finance activities
	100019368	07/01/2009	107,646.13	542,878					
	100032992	07/01/2009	127,551.29	327,293	3,146				
	100034061	07/01/2009	105,811.44	211,094		07/23/2009	Still employed	Capital	Assisted in processing capital work orders
	100028820	08/01/2009	109,903.97	265,650		09/01/2009	Still employed	Expense	Performed Operations & Maintenance activities
	100019473	08/01/2009	85,325.65	225,850		09/24/2009	Still employed	Expense	Worked on Human Resources administrative projects
	100019197	09/01/2009	121,726.46	304,541		10/19/2009	Still employed	Expense	Worked on collections support

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid

VERO Employees

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	100021061	09/01/2009	92,287.00	113,684		10/26/2009	Still employed	Expense	Worked on billing activities
	100019611	09/01/2009	95,409.65	251,170					
	100019630	09/01/2009	50,132.16	296,700	368	03/08/2010	Still employed	Expense	Worked on Human Resources administrative projects
	100023486	10/01/2009	112,012.56	272,236		11/16/2009	Still employed	Expense	Performed administrative tax activities
	100022310	10/01/2009	102,683.62	234,356		11/02/2009	Still employed	Expense	Performed accounting support activities
	100019440	01/01/2010	83,052.12	113,806					
	100019371	01/01/2010	76,503.58	198,003					
	100019199	04/01/2010	135,255.08	198,152					
	100020977	04/01/2010	84,872.81	226,204					
	100024621	07/01/2010	82,908.00	141,804					
	100020677	08/01/2010	125,596.22	266,576					
	100021353	09/01/2010	97,753.08	232,280					
	100019519	09/01/2010	102,322.79	254,138					

* The pension costs for some of the 2002 VEROs are listed as \$180,000, which is the average pension cost for the 2002 VEROs. As agreed to with the PSC, this figure was used due to missing data

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
Annual Contract Expenses for former Employees Who Accepted a VERO

Name	Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
	100019197	Hours worked as a contractor								245	178.75
		Amount paid as a contractor								14,337.40	10,460.45
		Amount paid for air travel								0.00	0.00
		Amount paid for room and board								0.00	0.00
		All other amounts paid								0.00	0.00
		Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,337.40	10,460.45
		Number of round trip flights to/from Syracuse									
	100020699	Hours worked as a contractor									208
		Amount paid as a contractor									7,280.00
		Amount paid for air travel									0.00
		Amount paid for room and board									0.00
		All other amounts paid									0.00
		Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,280.00
		Number of round trip flights to/from Syracuse									
	100021061	Hours worked as a contractor								236	267
		Amount paid as a contractor								10,608.75	12,015.00
		Amount paid for air travel								0.00	0.00
		Amount paid for room and board								0.00	0.00
		All other amounts paid								0.00	0.00
		Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,608.75	12,015.00
		Number of round trip flights to/from Syracuse									
	100019454	Hours worked as a contractor								507	336
		Amount paid as a contractor								22,811.40	15,120.00
		Amount paid for air travel								0.00	0.00
		Amount paid for room and board								0.00	0.00
		All other amounts paid								251.01	0.00
		Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,062.41	15,120.00
		Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100022198	Hours worked as a contractor						508			
	Amount paid as a contractor						20,410.00			
	Amount paid for air travel							268.03		
	Amount paid for room and board							430.71		
	All other amounts paid									
	Total amount paid	0.00	0.00	0.00	0.00	0.00	21,108.74	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100033914	Hours worked as a contractor					40	2,065	1,400	900	
	Amount paid as a contractor					1,582.40	84,519.94	56,753.77	36,000.00	
	Amount paid for air travel					0.00	0.00	0.00	0.00	
	Amount paid for room and board					0.00	0.00	0.00	0.00	
	All other amounts paid					0.00	0.00	0.00	0.00	
	Total amount paid	0.00	0.00	0.00	0.00	1,582.40	84,519.94	56,753.77	36,000.00	0.00
	Number of round trip flights to/from Syracuse									
100019502	Hours worked as a contractor								821	306
	Amount paid as a contractor								33,172.17	12,356.28
	Amount paid for air travel								0.00	0.00
	Amount paid for room and board								879.03	0.00
	All other amounts paid								79.00	0.00
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34,130.20	12,356.28
	Number of round trip flights to/from Syracuse									
100019492	Hours worked as a contractor					2051	1,836	1,946	256	
	Amount paid as a contractor			4,505.66	59,985.57	65,141.79	58,256.28	61,749.12	6,387.50	
	Amount paid for air travel					0.00	0.00	0.00	0.00	
	Amount paid for room and board					0.00	0.00	0.00	0.00	
	All other amounts paid					0.00	0.00	0.00	0.00	
	Total amount paid	0.00	0.00	4,505.66	59,985.57	65,141.79	58,256.28	61,749.12	6,387.50	0.00
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100030256	Hours worked as a contractor					1823	1,792	1,502	874	
	Amount paid as a contractor	5,944.88	65,106.64	72,676.93	75,539.78	61407	62,720.00	52,552.50	34,960.00	
	Amount paid for air travel					0.00	0.00	0.00	0.00	
	Amount paid for room and board					0.00	3055.94	2021.03	1265.6	
	All other amounts paid					318.76	4690.66	2421.98	1610.25	
	Total amount paid	0.00	65,106.64	72,676.93	75,539.78	61,725.76	70,466.60	56,995.51	37,835.85	0.00
	Number of round trip flights to/from Syracuse									
100032963	Hours worked as a contractor					1,162	953	969	860	76
	Amount paid as a contractor				28,763.00	28,051.80	25,003.13	25,429.69	22,561.88	1,995.00
	Amount paid for air travel					0.00	0.00	0.00	0.00	0.00
	Amount paid for room and board					0.00	0.00	0.00	0.00	0.00
	All other amounts paid					467.50	467.5	382.50	437.00	42.50
	Total amount paid	0.00	0.00	0.00	28,763.00	28,519.30	25,470.63	25,812.19	22,998.88	2,037.50
	Number of round trip flights to/from Syracuse									
100027682	Hours worked as a contractor					1,696.00				
	Amount paid as a contractor			53,294.57	77,639.17	67,840.00				
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid					2,854.77				
	Total amount paid	0.00	0.00	53,294.57	77,639.17	70,694.77	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100026611	Hours worked as a contractor						49	669		
	Amount paid as a contractor						1,960.00	26,760.00		
	Amount paid for air travel						0.00	0.00		
	Amount paid for room and board						0.00	0.00		
	All other amounts paid						471.3	0.00		
	Total amount paid	0.00	0.00	0.00	0.00	0.00	2,431.30	26,760.00	0.00	0.00
	Number of round trip flights to/from Syracuse									

**Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
Annual Contract Expenses for former Employees Who Accepted a VERO**

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100033955	Hours worked as a contractor								300	217
	Amount paid as a contractor								10,521.88	7,595.00
	Amount paid for air travel								0.00	0.00
	Amount paid for room and board								301.71	0.00
	All other amounts paid								1,990.95	1,218.04
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,814.54	8,813.04
	Number of round trip flights to/from Syracuse									
100019531	Hours worked as a contractor					222.50				
	Amount paid as a contractor				42,461.50	8,241.22				
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	0.00	0.00	42,461.50	8,241.22	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100021795	Hours worked as a contractor						26			
	Amount paid as a contractor						1,040.00			
	Amount paid for air travel						0.00			
	Amount paid for room and board						0.00			
	All other amounts paid						150.58			
	Total amount paid	0.00	0.00	0.00	0.00	0.00	1,190.58	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100028820	Hours worked as a contractor								370	57
	Amount paid as a contractor								19,536.00	3,009.60
	Amount paid for air travel								324.2	0.00
	Amount paid for room and board								1,246.35	0.00
	All other amounts paid								292.7	0.00
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,399.25	3,009.60
	Number of round trip flights to/from Syracuse								1	

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100022355	Hours worked as a contractor								1,000	266
	Amount paid as a contractor								39,682.50	10,413.00
	Amount paid for air travel								0	0.00
	Amount paid for room and board								8,014.76	0.00
	All other amounts paid								8,594.60	336.23
	Total amount paid		0.00	0.00	0.00	0.00	0.00	0.00	0.00	56,291.86
	Number of round trip flights to/from Syracuse									
100026123	Hours worked as a contractor									
	Amount paid as a contractor		1,222.21							
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid		0.00	1,222.21	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100031604	Hours worked as a contractor							44	980	141
	Amount paid as a contractor							1,760.00	39,200.00	5,640.00
	Amount paid for air travel							0.00	0.00	0.00
	Amount paid for room and board							0.00	0.00	0.00
	All other amounts paid							0.00	0.00	0.00
	Total amount paid		0.00	0.00	0.00	0.00	0.00	0.00	1,760.00	39,200.00
	Number of round trip flights to/from Syracuse									
100022193	Hours worked as a contractor					110	1,108	620		
	Amount paid as a contractor					4,070.00	40,977.50	2,296.46		
	Amount paid for air travel					0.00	0.00	0.00		
	Amount paid for room and board					0.00	847.72	0.00		
	All other amounts paid					0.00	197.05	216.00		
	Total amount paid		0.00	0.00	0.00	0.00	4,070.00	42,022.27	2,512.46	0.00
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100026266	Hours worked as a contractor				512	32.00				
	Amount paid as a contractor				18,432.00	1,237.36				
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid				1,241.46					
	Total amount paid	0.00	0.00	0.00	19,673.46	1,237.36	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100029317	Hours worked as a contractor					1,364	1,306	1,578	399	
	Amount paid as a contractor	11,583.83	46,965.19	57,967.88	52,204.25	54,257.66	54,895.00	67,190.00	16,450.00	
	Amount paid for air travel					0.00	0.00	0.00	0.00	
	Amount paid for room and board					0.00	1,764.22	2,705.31	346.37	
	All other amounts paid					0.00	6,108.24	6,825.41	1,435.07	
	Total amount paid	0.00	46,965.19	57,967.88	52,204.25	54,257.66	62,767.46	76,720.72	18,231.44	0.00
	Number of round trip flights to/from Syracuse									
100026340	Hours worked as a contractor								899	243
	Amount paid as a contractor								36,840.57	9,969.38
	Amount paid for air travel								0.00	0.00
	Amount paid for room and board								559.2	0.00
	All other amounts paid								2,641.36	329.68
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40,041.13	10,299.06
	Number of round trip flights to/from Syracuse									
100030027	Hours worked as a contractor						1,292		785	
	Amount paid as a contractor						38,985.00		23,556.00	
	Amount paid for air travel						0.00		0.00	
	Amount paid for room and board						0.00		0.00	
	All other amounts paid						325.81		0.00	
	Total amount paid	0.00	0.00	0.00	0.00	0.00	39,310.81		23,556.00	0.00
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100019219	Hours worked as a contractor									No Hrs in System
	Amount paid as a contractor									
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100024060	Hours worked as a contractor					2107.45	1,790	1,666	484	289
	Amount paid as a contractor			6,650.00	83,164.46	84,310.00	71,600.00	66,750.00	19,346.80	11,576.80
	Amount paid for air travel					0.00	0.00	0.00	0.00	0.00
	Amount paid for room and board					0.00	2615.19	1028.08	0.00	0.00
	All other amounts paid					0.00	2489.67	2264.89	0.00	0.00
	Total amount paid	0.00	0.00	6,650.00	83,164.46	84,310.00	76,704.86	70,042.97	19,346.80	11,576.80
	Number of round trip flights to/from Syracuse									
100027804	Hours worked as a contractor							77		
	Amount paid as a contractor							6,120.00		
	Amount paid for air travel							0.00		
	Amount paid for room and board							0.00		
	All other amounts paid							1276		
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	7,396.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100023486	Hours worked as a contractor								208	352
	Amount paid as a contractor								10,500.00	17,831.25
	Amount paid for air travel								0.00	0.00
	Amount paid for room and board								0.00	0.00
	All other amounts paid								143.64	0.00
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,643.64	17,831.25
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100032563	Hours worked as a contractor				912	1,942	160			
	Amount paid as a contractor				46,000.00	89,987.50	8,000.00			
	Amount paid for air travel					0.00	0.00			
	Amount paid for room and board					1,039.92	856.60			
	All other amounts paid				22,669.67	42,617.45	2,505.91			
	Total amount paid	0.00	0.00	0.00	68,669.67	133,644.87	11,362.51	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100020926	Hours worked as a contractor								480	188
	Amount paid as a contractor								21,600.00	8,460.00
	Amount paid for air travel								0.00	0.00
	Amount paid for room and board								0.00	0.00
	All other amounts paid								0.00	0.00
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,600.00	8,460.00
	Number of round trip flights to/from Syracuse									
100029822	Hours worked as a contractor						1,219	1,150	64	
	Amount paid as a contractor						38,173.75	41,011.25	2,248.75	
	Amount paid for air travel						0.00	0.00	0.00	
	Amount paid for room and board						0.00	0.00	0.00	
	All other amounts paid						693.62	9,980.90	198.50	
	Total amount paid	0.00	0.00	0.00	0.00	0.00	38,867.37	50,992.15	2,447.25	
	Number of round trip flights to/from Syracuse									
100019370	Hours worked as a contractor								190	332
	Amount paid as a contractor								9,475.00	16,637.50
	Amount paid for air travel								0.00	0.00
	Amount paid for room and board								0.00	0.00
	All other amounts paid								15.00	225.00
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,490.00	16,862.50
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100022364	Hours worked as a contractor								485	336
	Amount paid as a contractor								16,601.55	11,501.28
	Amount paid for air travel								0.00	1846.99
	Amount paid for room and board								0.00	3040.72
	All other amounts paid								0.00	426.72
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,601.55	16,815.71
	Number of round trip flights to/from Syracuse									5
100026365	Hours worked as a contractor								759	112
	Amount paid as a contractor								30,337.13	4,377.75
	Amount paid for air travel								0.00	0.00
	Amount paid for room and board								2086.49	358.71
	All other amounts paid								3001.12	1391.39
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,424.74	6,127.85
	Number of round trip flights to/from Syracuse									
100032580	Hours worked as a contractor					1,193	1,108	620		
	Amount paid as a contractor	16,183.70	47,680.46	66,091.93	73,521.60	46,648.25	40,977.50	2,296.46		
	Amount paid for air travel					0.00	0.00	0.00		
	Amount paid for room and board					345.36	847.72	3986.74		
	All other amounts paid					2715.53	197.05	10718.45		
	Total amount paid	0.00	47,680.46	66,091.93	73,521.60	49,709.14	42,022.27	17,001.65	0.00	0.00
	Number of round trip flights to/from Syracuse									
100020695	Hours worked as a contractor				1,117	496				
	Amount paid as a contractor				40,031.25	17,491.25				
	Amount paid for air travel					0.00				
	Amount paid for room and board					0.00				
	All other amounts paid				4,974.78	0.00				
	Total amount paid	0.00	0.00	0.00	45,006.03	17,491.25	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100020994	Hours worked as a contractor					1216	1,460	679	674	
	Amount paid as a contractor			3,074.00	25,130.00	26,700.00	29,200.00	12,570.00	14,159.25	
	Amount paid for air travel					0.00	0.00	0.00	0.00	
	Amount paid for room and board					0.00	0.00	0.00	0.00	
	All other amounts paid					0.00	0.00	0.00	0.00	
	Total amount paid	0.00	0.00	3,074.00	25,130.00	26,700.00	29,200.00	12,570.00	14,159.25	0.00
	Number of round trip flights to/from Syracuse									
100026856	Hours worked as a contractor				563	1,809.50				
	Amount paid as a contractor				20,807.50	66,876.25				
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid				1,705.19	12,609.07				
	Total amount paid	0.00	0.00	0.00	22,512.69	79,485.32	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100029996	Hours worked as a contractor					1386	1,632	1,573	880	
	Amount paid as a contractor					58980	67,000.00	62,920.00	36,256.00	
	Amount paid for air travel					0.00	0.00	0.00	0.00	
	Amount paid for room and board					549.25	3305.68	914.73	0.00	
	All other amounts paid					3260.06	29344.03	44176.28	18063.25	
	Total amount paid	0.00	0.00	0.00	0.00	62,789.31	99,649.71	108,011.01	54,319.25	0.00
	Number of round trip flights to/from Syracuse									
100027180	Hours worked as a contractor				434	759	615	678	382	35
	Amount paid as a contractor			22,832.09	13,872.00	26,565.00	21,507.50	23,730.00	13,352.50	1,225.00
	Amount paid for air travel					0.00	0.00	0.00	0.00	0.00
	Amount paid for room and board					0.00	0.00	0.00	0.00	0.00
	All other amounts paid				128.43	906.54	55.44	175.94	199.25	0.00
	Total amount paid	0.00	0.00	22,832.09	14,000.43	27,471.54	21,562.94	23,905.94	13,551.75	1,225.00
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100019398	Hours worked as a contractor							373	900	
	Amount paid as a contractor							15,180.00	36,810.00	
	Amount paid for air travel							0.00	0.00	
	Amount paid for room and board							0.00	0.00	
	All other amounts paid							0.00	0.00	
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	15,180.00	36,810.00	0.00
	Number of round trip flights to/from Syracuse									
100020548	Hours worked as a contractor								401	208
	Amount paid as a contractor								16,842.00	8,736.00
	Amount paid for air travel								0.00	0.00
	Amount paid for room and board								0.00	0.00
	All other amounts paid								0.00	0.00
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,842.00	8,736.00
	Number of round trip flights to/from Syracuse									
100032098	Hours worked as a contractor						26			
	Amount paid as a contractor						1,040.00			
	Amount paid for air travel						0.00			
	Amount paid for room and board						0.00			
	All other amounts paid						0.00			
	Total amount paid	0.00	0.00	0.00	0.00	0.00	1,040.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100032971	Hours worked as a contractor					40	2,134	1,489	895	
	Amount paid as a contractor					1,582.40	89,320.00	59,804.83	35,800.00	
	Amount paid for air travel							1067		
	Amount paid for room and board							3,044.43		
	All other amounts paid							94.8		
	Total amount paid	0.00	0.00	0.00	0.00	1,582.40	89,320.00	64,011.06	35,800.00	0.00
	Number of round trip flights to/from Syracuse							3		

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100021217	Hours worked as a contractor								900	
	Amount paid as a contractor								\$32,868	
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid								\$3,626.15	
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36,494.15	0.00
	Number of round trip flights to/from Syracuse									
100022310	Hours worked as a contractor								304	299
	Amount paid as a contractor								18,240.00	18,464.70
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,240.00	18,464.70
	Number of round trip flights to/from Syracuse									
100019332	Hours worked as a contractor									
	Amount paid as a contractor			55,520.01	20,022.10					
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	0.00	55,520.01	20,022.10	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100019605	Hours worked as a contractor							384	498	107
	Amount paid as a contractor							6,140.00	7,974.72	1,704.00
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	6,140.00	7,974.72	1,704.00
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100029825	Hours worked as a contractor					2076.5	1,988	1,928	781	
	Amount paid as a contractor			25,452.03	88,676.95	68,771.75	66,387.75	63,648.75	25,756.50	
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid					5614.8	197.88	390.73	43.2	
	Total amount paid	0.00	0.00	25,452.03	88,676.95	74,386.55	66,585.63	64,039.48	25,799.70	0.00
	Number of round trip flights to/from Syracuse									
100026698	Hours worked as a contractor							105	440	
	Amount paid as a contractor							4,553.25	17,147.13	
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid							890.44	2075.45	
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	5,443.69	19,222.58	0.00
	Number of round trip flights to/from Syracuse									
100032225	Hours worked as a contractor									
	Amount paid as a contractor		13,418.66	11,444.62						
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	13,418.66	11,444.62	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100025572	Hours worked as a contractor									
	Amount paid as a contractor		810.03							
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	810.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									

DAG-2 VERO Employees - NMPC Employee										
Docket Number 10-E-0050										
Niagara Mohawk Power Corporation										
Attachment 2										
Niagara Mohawk Power Corporation (Electric) d/b/a National Grid										
Annual Contract Expenses for former Employees Who Accepted a VERO										
Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100033177	Hours worked as a contractor									
	Amount paid as a contractor			353.50	574.44					
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	0.00	353.50	574.44	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100019244	Hours worked as a contractor							1,307	974	167
	Amount paid as a contractor							53,106.40	31,793.76	5,333.44
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	53,106.40	31,793.76	5,333.44
	Number of round trip flights to/from Syracuse									
100030460	Hours worked as a contractor									
	Amount paid as a contractor	7,385.53	29,288.95							
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	7,385.53	29,288.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100019329	Hours worked as a contractor					2111	1,988	2,033	900	170
	Amount paid as a contractor			69,749.18	83,626.40	70,661.53	70,574.00	67,650.00	31,950.00	6,035.00
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid					2213.09	2527.74	4694.22	3886.23	398.41
	Total amount paid	0.00	0.00	69,749.18	83,626.40	72,874.62	73,101.74	72,344.22	35,836.23	6,433.41
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100021508	Hours worked as a contractor									
	Amount paid as a contractor		9,112.00	13,532.00						
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	9,112.00	13,532.00	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100019473	Hours worked as a contractor								248	392
	Amount paid as a contractor							10,168.00	16,072.00	
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid								110.01	60.23
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,278.01	16,132.23
	Number of round trip flights to/from Syracuse									
100032381	Hours worked as a contractor					184	868	1,607	746	344
	Amount paid as a contractor					6,440.00	33,852.00	56,245.00	29,094.00	13,416.00
	Amount paid for air travel									
	Amount paid for room and board						223.76	1,391.62		
	All other amounts paid					214.18	949.37	4,862.09	385.12	
	Total amount paid	0.00	0.00	0.00	0.00	6,654.18	35,025.13	62,498.71	29,479.12	13,416.00
	Number of round trip flights to/from Syracuse									
100019630	Hours worked as a contractor									No Hrs to date
	Amount paid as a contractor									
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100034061	Hours worked as a contractor								330	202
	Amount paid as a contractor								16,475.00	10,075.00
	Amount paid for air travel									
	Amount paid for room and board									100.57
	All other amounts paid								2293.72	461.35
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,768.72	10,636.92
	Number of round trip flights to/from Syracuse									
100027174	Hours worked as a contractor						1,352	483	900	
	Amount paid as a contractor						54,729.80	19,738.20	36,900.00	
	Amount paid for air travel						0.00	0.00	0.00	
	Amount paid for room and board						178.08	0.00	0.00	
	All other amounts paid						452.82	129.60	432.45	
	Total amount paid	0.00	0.00	0.00	0.00	0.00	55,360.70	19,867.80	37,332.45	0.00
	Number of round trip flights to/from Syracuse									
100019328	Hours worked as a contractor					154	1,903	1,909	900	154
	Amount paid as a contractor					7,878.00	97,133.75	93,330.00	44,400.00	7,675.00
	Amount paid for air travel									
	Amount paid for room and board						371.06	760.49	1,224.27	
	All other amounts paid						1,588.57	4,557.87	934.82	150
	Total amount paid	0.00	0.00	0.00	0.00	7,878.00	99,093.38	98,648.36	46,559.09	7,825.00
	Number of round trip flights to/from Syracuse									
100025803	Hours worked as a contractor					1,728.50			150	244
	Amount paid as a contractor			65,113.17	81,141.81	76,662.50			7,500.00	12,200.00
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid					3,601.41			105.00	225.00
	Total amount paid	0.00	0.00	65,113.17	81,141.81	80,263.91	0.00	0.00	7,605.00	12,425.00
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100028397	Hours worked as a contractor				2,603	2,161	2,019	1,811	771	58.5
	Amount paid as a contractor		4,171.28	134,566.12	95,247.43	85,622.39	73,856.92	69,924.50	29,176.39	4,095.00
	Amount paid for air travel					1,088.00	15,545.00	11,714.10	4,805.50	207.90
	Amount paid for room and board					1,061.07	13,719.21	9,537.49	3,896.16	210.53
	All other amounts paid				39,540.53	40,562.37	13,536.96	10,476.74	3,988.97	118.25
	Total amount paid		4,171.28	134,566.12	134,787.96	118,880.62	116,658.09	101,652.83	41,867.02	4,631.68
	Number of round trip flights to/from Syracuse					2	38	21	10	0
100032743	Hours worked as a contractor							117		
	Amount paid as a contractor							5,162.50		
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid							1424.19		
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	6,586.69	0.00	0.00
	Number of round trip flights to/from Syracuse									
100033823	Hours worked as a contractor				632	1949.5	2,010	1,937	336	
	Amount paid as a contractor				24,628.50	76,030.50	81,724.50	78,692.25	13,104.00	
	Amount paid for air travel									
	Amount paid for room and board						1,017.00			
	All other amounts paid				7,660.13	18,850.35	19,568.51	17,863.21	170.5	
	Total amount paid	0.00	0.00	0.00	32,288.63	94,880.85	102,310.01	96,555.46	13,274.50	0.00
	Number of round trip flights to/from Syracuse									
100034018	Hours worked as a contractor						411	160		
	Amount paid as a contractor						17,398.89	6,596.83		
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid							3349.77		
	Total amount paid	0.00	0.00	0.00	0.00	0.00	17,398.89	9,946.60	0.00	0.00
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100020074	Hours worked as a contractor					1807.5	894	755		
	Amount paid as a contractor					53,688.00	31,272.50	26,473.30		
	Amount paid for air travel									
	Amount paid for room and board						87.59	632.73		
	All other amounts paid					1,096.78	270.53	807.46		
	Total amount paid	0.00	0.00	0.00	0.00	54,784.78	31,630.62	27,913.49	0.00	0.00
	Number of round trip flights to/from Syracuse									
100031111	Hours worked as a contractor									
	Amount paid as a contractor	10,810.30								
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	10,810.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100028406	Hours worked as a contractor									
	Amount paid as a contractor	2,145.68	2,574.81							
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	2,145.68	2,574.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100024543	Hours worked as a contractor							216	744	240
	Amount paid as a contractor							8,424.00	29,016.00	9,360.00
	Amount paid for air travel									
	Amount paid for room and board								5010.62	1558.24
	All other amounts paid								6538.29	1814.37
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	8,424.00	40,564.91	12,732.61
	Number of round trip flights to/from Syracuse									

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 Annual Contract Expenses for former Employees Who Accepted a VERO

Employee ID	Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010
100028922	Hours worked as a contractor								988	256
	Amount paid as a contractor								38,678.25	9,984.00
	Amount paid for air travel									
	Amount paid for room and board								3287.09	
	All other amounts paid								6083.35	11.56
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48,048.69	9,995.56
	Number of round trip flights to/from Syracuse									
100026871	Hours worked as a contractor									
	Amount paid as a contractor	11,821.73	7,559.50							
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	11,821.73	7,559.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100033046	Hours worked as a contractor									
	Amount paid as a contractor		8,236.50							
	Amount paid for air travel									
	Amount paid for room and board									
	All other amounts paid									
	Total amount paid	0.00	8,236.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Number of round trip flights to/from Syracuse									
100020903	Hours worked as a contractor								185	39
	Amount paid as a contractor								7,254.00	1,501.50
	Amount paid for air travel									
	Amount paid for room and board								349	559.35
	All other amounts paid								388.34	200.9
	Total amount paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,991.34	2,261.75
	Number of round trip flights to/from Syracuse									

Date of Request: March 5, 2010
Due Date: March 15, 2010

Request No. DAG-2 SUPP
NMPC Req. No. NM 179 DPS 109

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO:

Request:

Follow-up to I/R #NM-28 (RAV-14).

In a format similar to the response to I/R #NM-28 (RAV-14), please provide the following information for each VERO employee that was a former NMPC employee; whether that employee either remained a NMPC employee; or whether, at some point, was transferred into the National Grid USA Service Co.

- A. VERO employee's name;
- B. The date of employee's retirement and salary at time of retirement;
- C. Provide the costs of the employee being VERO'ed by type of cost.
- D. Has the Company ever incurred costs associated with the same employee subsequent to the employee retiring? If yes, from the date of retirement up to the present time, please provide, in an Excel spreadsheet, the following information by calendar year:
 1. Number of hours the VERO employee worked for the Company as a contracted employee;
 2. Incurred costs for VERO employee's contractor services;
 3. Incurred costs for VERO employee's travel expenses;
 4. Incurred costs for VERO employee's lodging expenses;
 5. Any other incurred costs for VERO employee;
 6. Total costs incurred for VERO employee.
- E. Indicate whether the above costs were charged to capital or expense, along with the reason for such accounting.
- F. Indicate the date the VERO employee first performed contractor services for the Company.
- G. Indicate if VERO employee is still a contracted employee; if not, indicate the last date that the employee performed contractor services for the Company.

Response:

The Company would like to supplement its response to this question. Please see Supplement 2 Attachment 1 for additional employees who accepted a VERO from NMPC from 2002 through 2010.

Request A is subject to a Protective Order.

Please see Supplement 2 Attachment 1 for responses to requests B, C, E, F and G.

D. The Company has not incurred any costs associated with any of the employees in Supplement 2 Attachment 1 after the employee retired.

Name of Respondent:

Ed Considine

Date of Reply:

4/22/10

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
 VERO Employees

Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	01/01/2009	\$63,398.40	79,248	0				
	07/01/2008	\$63,398.40	116,551	0				
	07/01/2008	\$63,398.40	77,380	0				
	07/01/2008	\$55,463.20	79,317	0				
	01/01/2009	\$66,398.40	108,399	0				
	01/01/2009	\$63,398.40	133,176	0				
	01/01/2009	\$51,126.40	143,594	0				
	01/01/2009	\$51,126.40	84,305	0				
	07/01/2008	\$30,272.52	128,492	0				
	01/01/2009	\$66,476.80	187,901	0				
	07/01/2008	\$63,398.40	88,907	0				
	07/01/2008	\$63,398.40	90,618	0				
	01/01/2009	\$63,398.40	177,992	0				
	07/01/2008	\$55,463.20	137,314	0				
	07/01/2008	\$20,925.60	130,603	0				
	08/01/2008	\$63,398.40	132,895	0				
	01/01/2009	\$63,398.40	75,359	0				
	07/01/2008	\$9,422.76	95,101	0				
	01/01/2009	\$51,126.40	104,457	0				
	01/01/2009	\$51,126.40	67,378	0				
	01/01/2009	\$63,398.40	72,379	0				
	07/01/2008	\$63,398.40	110,263	0				
	08/01/2008	\$63,398.40	186,333	0				
	01/01/2009	\$51,126.40	28,546	0				
	01/01/2009	\$51,126.40	65,469	0				
	01/01/2009	\$60,746.40	117,688	0				
	01/01/2009	\$63,398.40	109,307	0				
	07/01/2008	\$55,463.20	120,964	0				
	07/01/2008	\$63,398.40	165,384	0				
	01/01/2009	\$63,398.40	125,762	0				
	01/01/2009	\$51,126.40	44,474	0				
	01/01/2009	\$51,126.40	33,444	0				

Niagara Mohawk Power Corporation (Electric) d/b/a National Grid
VERO Employees

Employee ID	Request B: Retirement Date	Request B: Last Wage	Request C: VERO Cost - Pension *	Request C: VERO Cost - Medical	Request F: First Date as Contractor	Request G: Last Date as Contractor	Request E: Contractor Costs Accounting	Request E: Reason for Accounting
	08/01/2008	\$51,126.40	109,329	0				
	01/01/2009	\$63,398.40	98,215	0				
	01/01/2009	\$51,126.40	128,420	0				
	01/01/2009	\$55,463.20	57,141	0				
	01/01/2009	\$63,398.40	182,793	0				
	07/01/2008	\$63,398.40	128,883	0				
	07/01/2008	\$55,463.20	79,152	0				
	01/01/2009	\$63,398.40	181,595	0				
	01/01/2009	\$51,126.40	56,738	0				
	01/01/2009	\$63,398.40	91,551	0				

Date of Request: March 5, 2010

Request No. DAG-3

Due Date: March 15, 2010

NMPC Req. No. NM 180 DPS 110

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirements Panel

Request:

The Company lists various vendors and cost estimates on page 216 of Exhibit __ (RRP-10) to support its rate year estimate for incremental rate case expenses. For each vendor listed on workpaper page 216, provide the following:

1. A copy of the contract and purchase order the Company has with the vendor that supports and identifies the work being performed.
2. A copy of all historic test year invoices with supporting documentation for total historic test year costs incurred and charged to Niagara Mohawk (company #36) either directly or indirectly. The supporting documentation should include the actual accounting applied so that verification of costs incurred can be reconciled with the historic test year workpapers provided in Exhibit __ (RRP-10).

Response:

1. Attached are the contracts and purchase orders the Company has with vendors identified on page 216 of Exhibit (RRP-10). Per discussion with Denise Gerbsch, the Company did not provide documentation for newspapers or advertisements as these items were invoiced.

Foster and Associates (Attachment 1)
Analysis Group (Attachment 2)
Black and Veach (Attachment 3)
Hiscock & Barclay (Attachment 4)
Cullen & Dykeman (Attachment 5)
Alston & Bird (Attachment 6)
Towers Perrin (Attachment 7)
WarRoom (Attachments 8 and 9)

Roger Morin (Attachment 10)

2. There were no incremental costs during the historic test year.

Name of Respondent:
James Molloy

Date of Reply:
March 19, 2010

Date of Request: March 5, 2010
Due Date: March 15, 2010

Request No. RAV-48
NMPC Req. No. NM 185 DPS 115

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Robert Visalli

TO: Revenue Requirements Panel & Infrastructure and Operations Panels

Request:

A. On page 84 of the Revenue Requirement Panel's pre-filed direct testimony, the "Transmission Hydro-One Transformer Project" is shown to have a 12/31/10 forecasted balance of \$4.1 million.

Please provide a brief description of the project, why it is needed and what purpose it will serve. Include the project's cost benefit summary / analysis.

Please provide a breakdown of the costs that make up the project's \$4.1 million estimate.

Please provide documentary support for the 12/31/10 in-service date.

B. On page 84 of the Revenue Requirement Panel's pre-filed direct testimony, the proposed treatment for the \$4.1 million of Transmission Hydro-One Transformer Project costs is to amortize the costs over a 36 month period.

Fully explain the basis for the 36 month amortization period?

What is the useful life of the project? How does this useful life period tie into the project's cost benefit analysis?

At the end of the 36 month amortization period, what are the Company's plans for this asset? Sell it? Retire it? Continue using it? Explain in full.

C. Footnote 5 on page 84 of the Revenue Requirement Panel's pre-filed direct testimony states that the Company is requesting authority to capitalize costs of O&M associated with the work the Company is performing for Hydro-One and requests to defer and amortize these costs over three years. Footnote 5 also states that the costs are included in the testimony of the Infrastructure and Operations Panel.

Please indicate where in the Infrastructure and Operations Panel's 266 pages of testimony, these costs are discussed.

How much O&M, by cost component, is the Company requesting be capitalized? Over what period of time will these costs be incurred?

Is the O&M amount in C.2 above included in the \$4.1 million estimate? If not, where in the Company's filing are these O&M costs reflected?

Fully explain the basis for the Company's request to defer these O&M costs? To be eligible for deferral, the Commission has a materiality threshold which the Company has previously addressed and acknowledged in numerous responses to Staff information requests and proceedings before the Commission. Do these O&M costs meet the Commission's materiality threshold in order to be eligible for deferral? If so, explain how and provide the impact of such O&M costs on net operating income after income taxes.

Response:

A.1. The full description of the Hydro-One project - why it is needed, what purpose it will serve - is provided on pages 166-169 of the Infrastructure and Operations Panel ("IOP") Testimony. The cost benefit analysis for the replacement of the BP76 Transformer was based on the economic analysis performed by New York ISO, which calculates the day-ahead congestion shortfall resulting from the concurrent outages of the BP76 Transformer and 345kV outages on New York Power Authority system. The New York ISO economic analysis is provided in Attachment 1 (RAV-48 Attachment 1_NYISO Hydro One Economic Analysis). As indicated on page 168 of the IOP Testimony, the cost benefit analysis indicates there is an economic justification for replacement of the transformer.

A.2. As indicated in the IOP Testimony on pages 166-167, the replacement costs shown are an estimate of \$9 million, based on information from Hydro-One at the time of the filing. A specific breakdown of the replacement costs is not yet available. Hydro One is in process of tendering bids for the project and determining the detailed project cost estimate and schedule. Pursuant to the terms of the Interconnection Facilities Agreement described on page 167 of the IOP Testimony, National Grid's cash outlay will be 50% of Hydro One's total cost to procure and install the new regulating transformer. The estimated National Grid cost for this project reflects an estimated September 2010 \$4.5 million cash outlay to Hydro, whereas the \$4.1 million in question reflects the unamortized deferred debit balance associated with this payment as of December 31, 2010 assuming the proposed 36 month amortization period. The exact timing and cash outlay amount will be based on Hydro One's detailed project cost estimate and the commercial arrangement with National Grid, which are in development and expected to be finalized later in 2010.

A.3. Documented support for the in-service date for the transformer will be based on the bids received later in 2010, along with Hydro One's detailed project schedule that is still in development. The current estimate for the in-service date is end of 2012. As noted on page 72 of the Revenue Requirements Panel Testimony, the Company will adjust the in service date if necessary at the time the Company submits Corrections and Updates in this proceeding.

B.1. National Grid proposes to spread the expense payment for replacement of the Hydro-One transformer over several years to lessen the impact on customers. Given that National Grid has proposed a three-year rate plan, a 36 month amortization period from the date of payment is a reasonable time period in this instance for rate stability.

B.2. We estimate the useful life of the project to be approximately 45 years based on similar assets owned by National Grid. The economic analysis by the NYISO was performed for a five month period and analyzed the operational scenario where the BP76 Transformer outage is combined with major transmission outages in the same region of New York. This operational scenario resulted in congestion costs to customers that would justify the replacement of the BP76 Transformer. We can expect congestion savings to take place over the useful life of the facility based on transmission outages required on the New York system.

B.3. The facility in question is owned by Hydro One. The replacement regulating transformer will continue to be located at Beck substation in Ontario, Canada and owned by Hydro One. Ownership and responsibility for normal maintenance of the associated with the BP76 regulating transformer rests with Hydro One, consistent with the terms of the Interconnection Facilities Agreement.

C.1. This is indicated in response A.1. above.

C.2. National Grid is requesting to capitalize the total unamortized deferred debit balance associated with the total amount expended for the expense payment to Hydro One, estimated at \$4.5 million at the time of the rate plan proposal (reflecting 50% of the total transformer replacement costs). The Company is seeking to recover this cost over a 36 month amortization period.

C.3. This is explained in responses A.2. and C.2. above.

C.4. National Grid has asked for deferred recovery of these costs for rate stability purposes as explained in response B.1. above. National Grid believes these O&M costs would be eligible for deferral because (i) the Company is not expected to be over-earning in 2010; (ii) the estimated payment exceeds the \$2 million materiality threshold per the merger rate plan; and (iii) these costs were not anticipated at the time of the Merger Rate Plan and thus are incremental to the original 10-year forecasts underlying the rates agreed to in the Merger Joint Proposal. Based on 12 months ended September 30, 2009, materiality thresholds of 3% and 5% of net income would be \$3.2 million and \$5.4 million. Because the Company projects 2010 net income to be lower than 2009, it is expected that the \$4.5 million projected payment will meet the materiality threshold.

Name of Respondent:
Bill Malee/James Molloy

Date of Reply:
03/15/10

Western_NY_Export DCR Allocation for BP76/PA301(PA302) for Spring 2009

Date	Daily Total \$	Cost Basis	Assumed Daily DCR \$	20 week Fall 2010 cost estimate \$	21 day Fall 2009 cost estimate \$
3/24/2009	(\$468,427.23)	Spring 2009	(\$313,000)	(\$43,820,000)	(\$6,573,000)
3/25/2009	(\$293,923.83)	Fall 2008	(\$555,000)	(\$77,700,000)	(\$11,655,000)
3/26/2009	(\$175,258.32)				
3/27/2009	(\$216,930.25)				
3/28/2009	(\$199,520.87)				
3/29/2009	(\$178,630.26)				
3/30/2009	(\$188,900.28)				
3/31/2009	(\$193,971.61)				
4/1/2009	(\$474,008.92)				
4/2/2009	(\$533,498.10)				
4/3/2009	(\$215,419.56)				
4/4/2009	(\$552,711.65)				
4/5/2009	(\$362,293.98)				
4/6/2009	(\$60,310.75)				
4/7/2009	(\$333,632.37)				
4/8/2009	(\$500,037.77)				
4/9/2009	(\$442,079.70)				
4/10/2009	(\$413,660.82)				
4/11/2009	(\$276,103.75)				
4/12/2009	(\$145,193.94)				
4/13/2009	(\$438,718.72)				
4/14/2009	(\$424,154.52)				
4/15/2009	(\$381,563.55)				
4/16/2009	(\$226,846.86)				
4/17/2009	(\$141,310.15)				
Totals	(\$7,837,107.76)				
Outage-day Stdev	\$141,790.95				
Outage-day Max	(\$60,310.75)				
Outage-day Min	(\$552,711.65)				

Date of Request: March 18, 2010

Due Date: March 29, 2010

Request No. RAV-48 (Supplement)

NMPC Req. No. NM 185 DPS 115

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Robert Visalli

TO: Revenue Requirements Panel & Infrastructure and Operations Panel

Request:

A. On page 84 of the Revenue Requirement Panel's pre-filed direct testimony, the "Transmission Hydro-One Transformer Project" is shown to have a 12/31/10 forecasted balance of \$4.1 million.

Please provide a brief description of the project, why it is needed and what purpose it will serve. Include the project's cost benefit summary / analysis.

Please provide a breakdown of the costs that make up the project's \$4.1 million estimate.

Please provide documentary support for the 12/31/10 in-service date.

B. On page 84 of the Revenue Requirement Panel's pre-filed direct testimony, the proposed treatment for the \$4.1 million of Transmission Hydro-One Transformer Project costs is to amortize the costs over a 36 month period.

Fully explain the basis for the 36 month amortization period?

What is the useful life of the project? How does this useful life period tie into the project's cost benefit analysis?

At the end of the 36 month amortization period, what are the Company's plans for this asset? Sell it? Retire it? Continue using it? Explain in full.

C. Footnote 5 on page 84 of the Revenue Requirement Panel's pre-filed direct testimony states that the Company is requesting authority to capitalize costs of O&M associated with the work the Company is performing for Hydro-One and requests to defer and amortize these costs over three years. Footnote 5 also states that the costs are included in the testimony of the Infrastructure and Operations Panel.

Please indicate where in the Infrastructure and Operations Panel's 266 pages of testimony, these costs are discussed.

How much O&M, by cost component, is the Company requesting be capitalized? Over what period of time will these costs be incurred?

Is the O&M amount in C.2 above included in the \$4.1 million estimate? If not, where in the Company's filing are these O&M costs reflected?

Fully explain the basis for the Company's request to defer these O&M costs? To be eligible for deferral, the Commission has a materiality threshold which the Company has previously addressed and acknowledged in numerous responses to Staff information requests and proceedings before the Commission. Do these O&M costs meet the Commission's materiality threshold in order to be eligible for deferral? If so, explain how and provide the impact of such O&M costs on net operating income after income taxes.

Response:

Upon further discussion with Staff, the Company seeks to clarify the following regarding Footnote 5.

The Company acknowledges that Footnote 5 could have been more descriptive. The Company is requesting authority to capitalize the expense payment of its share of the work for the Hydro One project (i.e., replacement of the regulating transformer). As described in the respective responses to B.3. and A.2. of RAV-48 submitted on March 16, 2010, Hydro One owns and is responsible for maintenance of the BP76 regulating transformer and National Grid will be responsible to pay 50% of Hydro One's total cost to procure and install the new regulating transformer, in accordance with the Interconnection Facilities Agreement described on page 167 of the Infrastructure and Operations Panel Testimony.

Name of Respondent:
Bill Malee

Date of Reply:
03/25/10

Date of Request: March 5, 2010
Due Date: March 15, 2010

Request No. RAV-49
NMPC Req. No. NM 186 DPS 116

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Robert Visalli

TO: Revenue Requirements Panel

Request:

On pages 87-88 of the Revenue Requirement Panel's pre-filed direct testimony, it is stated that for fiscal year 2009, the Company changed its method of accounting for routine repair maintenance costs for federal income tax purposes, resulting in a tax benefit of approximately \$200 million. Regarding this change in accounting, please provide the following information:

- A. Please provide the back-up to this approximate \$200 million tax benefit.
- B. Fully explain if this accounting change resulted in any tax refund to the Company.
- C. Please provide both the electric and gas tax benefits associated with this accounting change.
- D. Indicate whether the Company agrees that it should be recording a deferred credit for the electric cash flow enhancement related to this accounting change under Clause 1.2.4.2 of the MJP. If not, explain in full.
- E. Due to the timing of this accounting change, please indicate the Company's position as to which gas settlement agreement terms determine the proper ratemaking for this accounting change, those from the 6/12/00 gas settlement agreement in Case 99-G-0336 or those from the 2/13/09 gas settlement agreement in Case 08-G-0609. Briefly explain the Company's rationale for its position.
- F. Depending on your answer to Part D. above:
Indicate whether the Company agrees that it should be recording a deferred credit for the gas cash flow enhancement related to this accounting change under Clause V.B.6 of the 6/12/00 gas settlement agreement in Case 99-G-0336 . If not, explain in full.

Indicate whether the Company agrees that it should be recording a deferred credit for the gas cash flow enhancement related to this accounting change under Clause 4.2.1 of the 2/13/09 gas settlement agreement in Case 08-G-0609. If not, explain in full.

G. Provide separate calculations of the electric and gas cash flow benefits the Company has realized / will realize as a result of this accounting change from the date first realized up through 12/31/10. Include supporting workpapers and explain any assumptions.

H. On page 88, the Panel states that the Company is providing the full benefit of the tax credit in rate year rate base and requests authorization to defer for future recovery from ratepayers the amount of any future adjustments or disallowances with carrying charges at the weighted average cost of capital approved in this proceeding. If in response to Parts D. and F. the Company states that it does not agree that ratepayers are entitled to deferred credits for the cash flow enhancement related to this accounting change pre-rate year, fully explain the reasonableness and equity of this requested rate year deferral of the potential cash flow loss (which only involves any disallowed portion of the \$200 million). In other words, why does the Company believe is it fair for stockholders to retain 100% of the pre-rate year cash flow enhancement on the \$200 million tax benefit, while making ratepayers pay 100% of the rate year cash flow loss on the portion of the \$200 million the IRS possibly disallows?

I. Fully explain how the Company derived the forecasted repair allowance related tax benefits for the periods post-FYE 3/09. Explain how and why these post-FYE 3/09 tax benefits differ from the amount claimed on the FYE 3/09 tax return. Include supporting workpapers for the forecasted amounts.

Response:

A. The \$200 million refers only to the electric segment. Please see Exhibit ___(RRP-10) Workpapers to Exhibit ___(RRP-6), Schedule 3, Workpaper 1, Sheet 1 (Page 272 of Book19) Fiscal 2009 true up line for the \$208,438,765 estimate. This amount is made up five numbers pulled from page 14 of that workpaper that compares the Fiscal 2009 accrual to the Fiscal 2009 return. Below is a description of each of these.

Total Federal change	228,378,861
Less FIT on State change	(19,120,002)
Plus COR Federal change	14,712
Less FIT on State change	(1,306)
Less COR DIT change	<u>(833,500)</u>
Total	208,438,765

B. Although the Revenue Requirements Panel's testimony indicates that the Company changed its method of accounting, this testimony requires clarification. In 2009, the Company for the first time took a tax deduction for routine repairs and maintenance costs that had been capitalized and

depreciated. The Company's actions did not represent a change in accounting, but rather reflected a change in its interpretation of its rights under the Internal Revenue Code. As discussed in the testimony, the Company's interpretation is subject to audit. The Company received a refund as a result of overpayments during FYE 3/09.

- C. As stated in response to B, the Company has not changed its accounting, it has taken an incremental tax deduction. Please see part A for the Electric segment and Attachment 1, page 2 to this response for a calculation of the Gas segment.
- D. The Company does not agree that it should be recording a deferred credit for the electric cash flow enhancement related to this incremental tax deduction under Clause 1.2.4.2 of the MJP. Clause 1.2.4.2.1 addresses externally imposed tax and accounting changes and Clause 1.2.4.2.2 addresses internally imposed changes in Accounting Policies. As discussed in response to B, there has been no change in tax law or accounting policy, therefore this item does not fall under either clause of the MJP. The Company is simply taking a tax deduction for the first time.
- E. As stated in response to B, the Company has not changed its accounting, it has taken an incremental tax deduction. The Company believes that the transaction would be covered under the terms of gas settlement agreement in Case 08-G-0609 as the effects of the transaction only affect post rate plan costs.
- F. The Company does not agree that it should be recording a deferred credit for the gas cash flow enhancement related to this incremental tax deduction under Clause 4.2.1. Clause 4.2.1 addresses regulatory, legislative and accounting changes. As stated in part D, because there has been no change in tax law or accounting this item does not fall under this clause of the settlement agreement in Case 08-G-0609. The Company is simply taking a tax deduction for the first time.
- G. As stated in response to B, the Company has not changed its accounting, it has taken an incremental tax deduction. Please see Attachment 2 to this response.
- H. The Company is not proposing to charge customers for any period before the customers received the benefit. Any interest charges assessed for disallowance for the period from the initial deduction until the effective date will be shareholders responsibility, so there is a matching between the benefits and costs.
- I. Please see Workpaper 1 to Schedule 3 to Exhibit ___ (RRP-6) (Page 271 to 285 of Book 19). Post FYE 3/09 repair deductions are assumed to be 50% of plant additions. FYE 3/09 repair deduction included a catch-up from FYE 03/0x to FYE 3/09.

Name of Respondent:
Tax Department
James Molloy

Date of Reply:
April 19, 2010

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID
Fiscal 2009 Accrual to Return Adjustment - ELECTRIC

	<u>Fiscal 09</u>	<u>Fiscal 09</u>	<u>Change</u>	<u>Balance Sheet</u>
	<u>Accrual</u>	<u>Return</u>		<u>Tax Effect</u>
Plant Related Changes:				
Tax Depreciation - Federal	(249,547,192)	(192,681,468)	56,865,724	
Tax Depreciation - State	(203,291,841)	(185,559,608)	17,732,233	
Repair Allowance - Federal	0	(708,949,368)	(708,949,368)	
Repair Allowance - State	0	(786,721,424)	(786,721,424)	
CIAC - Electric Only	17,894,200	11,792,826	(6,101,374)	
Asset Retirements	0	0	0	
Salvage - 100% Electric	0	5,332,601	5,332,601	
Capitalized Interest - Electric Only	1,446,491	1,787,876	<u>341,385</u>	
Federal @ 35%			(652,511,032)	(228,378,861)
State @ 7.1%			(769,416,579)	(54,628,577)
FIT on SIT				19,120,002
Cost of Removal - Electric Only	(34,741,673)	(34,794,215)	(52,542)	(14,712) Federal @ 80% x 35%
				(3,730) State @ 7.1%
				1,306 FIT on SIT
Reversal of COR DIT - Electric Only	5,973,500	6,807,000	833,500	833,500 Federal Only
Total Electric Adjustments				(208,438,765)

Note this is the same as Sheet 14 of Workpaper 1 to Schedule 3 of Exhibit RRP-6

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID
Fiscal 2009 Accrual to Return Adjustment - GAS

	<u>Fiscal 09</u> <u>Accrual</u>	<u>Fiscal 09</u> <u>Return</u>	<u>Change</u>	<u>Balance Sheet</u> <u>Tax Effect</u>
Plant Related Changes:				
Tax Depreciation - Federal	(80,585,355)	(65,770,885)	14,814,470	
Tax Depreciation - State	(65,648,285)	(51,562,540)	14,085,745	
Repair Allowance - Federal	0	(143,046,216)	(143,046,216)	
Repair Allowance - State	0	(145,916,444)	(145,916,444)	
CIAC - Gas Only	5,105,800	4,285,825	(819,975)	
Asset Retirements	0	0	0	
Salvage - 100% Gas	0	(13,663)	(13,663)	
Capitalized Interest - Gas Only	162,509	200,863	<u>38,354</u>	
Federal @ 35%			(129,027,030)	(45,159,461)
State @ 7.1%			(132,625,983)	(9,416,445)
FIT on SIT				3,295,756
 Cost of Removal - Gas Only	 (4,167,454)	 (4,114,912)	 52,542	 14,712 Federal @ 80% x 35% 3,730 State @ 7.1% (1,306) FIT on SIT
 Reversal of COR DIT - Gas Only	 707,500	 897,000	 189,500	 189,500 Federal Only
 Total Gas Adjustments				 (41,660,799)

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID
Repair Tax Deduction Cash Flow Benefits

	Total	Electric	Gas
Fiscal 2009 (Attachment 1)	250,099,564	208,438,765	41,660,799
Fiscal 2010 (Page 2)	54,500,567	45,606,276	8,894,291
Fiscal 2011 through December (Page 2)	40,099,213	33,538,209	6,561,004
Total	344,699,344	287,583,250	57,116,094

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID
Repair Tax Deduction Cash Flow Benefits

	Total	Electric	Gas
Fiscal 2010			
Total Plant Additions	506,000,000	419,980,000	86,020,000
Repair Additions	202,400,000	167,992,000	34,408,000
Pre Repair Depreciation			
Current Year	6,476,643	7,226,337	1,720,400
Prior Years	55,877,682	45,641,907	10,235,774
Total Pre Repair Tax Depreciation	62,354,325	52,868,244	11,956,174
Post Repairs Expense			
Current Years	202,400,000	167,992,000	34,408,000
Prior Years	-	-	-
Total Post Repair Tax Depreciation	202,400,000	167,992,000	34,408,000
Tax Calculation			
Total Change in Depreciation/Expense	(140,045,675)	(115,123,756)	(22,451,826)
Federal Tax	(49,015,986)	(40,293,315)	(7,858,139)
State Tax	(9,943,243)	(8,173,787)	(1,594,080)
Federal on State Tax	3,480,135	2,860,825	557,928
Net Tax Change Fiscal 2010	(55,479,094)	(45,606,276)	(8,894,291)
Fiscal 2011 through December (9 months)			
Total Plant Additions	366,299,076	304,028,233	62,270,843
Repair Additions	146,519,630	121,611,293	24,908,337
Pre Repair Depreciation			
Current Year	6,476,643	5,231,226	1,245,417
Prior Years	38,820,690	31,719,689	7,101,001
Total Pre Repair Tax Depreciation	45,297,333	36,950,916	8,346,417
Post Repair Depreciation			
Current Years	146,519,630	121,611,293	24,908,337
Prior Years	-	-	-
Total Post Repair Tax Depreciation	146,519,630	121,611,293	24,908,337
Tax Calculation			
Total Change in Depreciation	(101,222,297)	(84,660,378)	(16,561,920)
Federal Tax	(35,427,804)	(29,631,132)	(5,796,672)
State Tax	(7,186,783)	(6,010,887)	(1,175,896)
Federal on State Tax	2,515,374	2,103,810	411,564
Net Tax Change Fiscal 2011 through Dec	(40,099,213)	(33,538,209)	(6,561,004)
Repair Rate	40%		

Date of Request: May 3, 2010
Due Date: May 13, 2010

Request No. RAV-49 SUPP
NMPC Req. No. NM 186 DPS 116

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Robert Visalli

TO: Revenue Requirements Panel

Request:

In reviewing the Co's response to IR RAV-49, Part B, I just noticed that the Co stated that it "received a refund as a result of overpayments during FYE 3/09" [emphasis added].....I'd like to know the exact date(s) during FYE 3/09 when the refund was received. If the refund came in stages, please provide the amounts received on each date.

Response:

- A. The timing needs to be clarified. The Company did not receive any refund in FYE 3/09 rather the refunds related to overpayments of our estimated FYE 3/09 taxes. As can be seen in Attachment A (Federal Intercompany tax payments trueup), NMPC received its portion of the refund of estimated taxes paid – \$266,937,221 – in April 2010. NMPC is part of a group filing a consolidated federal tax return under National Grid Holdings Inc. ("NGHI"). NGHI received the group's entire refund of estimated taxes in December 2009 and distributed it to the group members in accordance with the provisions of the tax sharing agreement.

Name of Respondent:
James Molloy

Date of Reply:
May 13, 2010

TO: Accounting Team Metrotech DATE: 4/28/10 10:30 AM
 FROM: Charles Denosa Metrotech FILE: see below
 SUBJECT: Federal Intercompany Tax Payments Trueup due for fiscal year ended 3/31/09

The following cash intercompany tax payments will be processed by wire transfer on April 30, 2010. These payments are the true-up amounts due to/from each company with respect to its share of the consolidated federal corporate income tax liability for the fiscal year ended March 31, 2009.

Our intercompany tax allocation agreement requires a transfer of cash among the companies participating in the consolidated tax return.

The payments computed below are based upon the federal tax true-up calculations prepared for March 31, 2009. Please refer to the attached worksheet for amounts by company.

Business Unit	Company Name	Project	Work Order	UK Account Number	Activity 238200
70001	NGHI	X05122	9000037089	620001	583,585,356
70003	NGUS LLC	X05122	9000037089	620001	32,052
00001	NGUSA	X05122	9000037089	620001	25,300,000
00004	NANT ELECTRIC	X05122	9000037089	620001	(4,710,263)
00005	MASS ELECTRIC	X05122	9000037089	620001	(83,596,440)
00010	NEPCO	X05122	9000037089	620001	(56,644,556)
00020	NEET	X05122	9000037089	620001	(103,654)
00021	NGTSC	X05122	9000037089	620001	(18,398)
00041	GRANITE STATE	X05122	9000037089	620001	(4,060,078)
00048	NARR GAS	X05122	9000037089	620001	(7,045,621)
00049	NARR ELECTRIC	X05122	9000037089	620001	(40,647,097)
00070	WAYFINDER	X05122	9000037089	620001	(183,737)
00082	GA HOLDINGS	X05122	9000037089	620001	(15,369)
00085	NEES ENERGY	X05122	9000037089	620001	(4,866)
00086	EUA EI	X05122	9000037089	620001	(21,848)
00099	NGUSA SC	X05122	9000037089	620001	2,218,807
00035	NMHI	X05122	9000037089	620001	857,910
00037	ONAI	X05122	9000037089	620001	(1,006)
NMPROP	NM Properties, Inc.	X05122	9000037089	620001	(24,748)
Co 80	KeySpan				(147,979,213)
	TOTAL				

These payments should be charged/credited to the respective company's Accrued Federal Corporation Income Tax Account, Activity 238200.

Date of Request: May 13, 2010
Due Date: May 24, 2010

Request No. RAV-49 SUPP 2
NMPC Req. No. NM 186 DPS 116

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Robert Visalli

TO: Revenue Requirements Panel

Request:

This response (RAV-49 SUPP) totally contradicts what the Company provided in Attachment 2 of its response to RAV-49. On Attachment 2, the Company provided cash flow benefits for this repair tax deduction of \$250M in FY 2009. How could there be any cash flow benefit in FY 2009, given this supplemental response states that the refund was not received until December 2009? At a bare minimum, the original Attachment 2 needs to be explained as to what the Company meant by stating there were cash flow benefits in FY 2009, and Attachment 2 might also need to be modified for "real" cash flow benefits in FY 2009, FY 2010 and FY 2011 thru 12/10, depending on your explanation.

Response:

Attachment 2 of our RAV-49 response provided an estimate of the cash flow benefit associated with three separate tax years. There was no cash flow benefit that actually occurred during fiscal 2009. The confusion likely stems from the layout of the schedule that showed a cash flow benefit with respect to fiscal 2009. The Company did not "stat[e] there were cash flow benefits in FY 2009." (emphasis added).

During fiscal 2009, the Company paid estimated tax for fiscal 2009 activity per Treasury Regulations. To comply with estimate tax requirements both prior year taxable income and current year activity are considered. None of these estimated tax payments were effected by the repairs deduction because the repairs study was not completed when the Company's estimated tax payments were due. When the Company filed its fiscal 2009 federal tax return in December 2009 the impact of our repairs study was estimated and caused taxable income to be less than what was estimated when the installment tax payments were due. Therefore, the IRS returned the Company's estimated tax payments made with respect to fiscal 2009. The Company received a refund in December of 2009.

Please also note that the fiscal 2009 numbers in Attachment 2 of our RAV-49 response are based on schedules prepared prior to the tax return being filed. The schedule included estimates.

Finally, please see the Attachment and the response to RAV 134 Part D for the impact on estimated tax payments.

Name of Respondent:
Aaron Russell/James Molloy

Date of Reply:
5/19/2010

Niagara Mohawk's Cash Flow Benefit of Repairs Project

Date	Cash Flow Amount (E)	Cash Flow Amount (G)	Total	Electric Gas		83% 17%
				Cash Flow Benefit		
12/15/2009	\$ -	\$ -	\$ -			
12/22/2009	\$ 221,557,893	\$ 45,379,328	\$ 266,937,221	\$	266,937,221	
03/15/2010	\$ 14,525,000	\$ 2,975,000	\$ 17,500,000		17500000	
06/15/2010	\$ 14,525,000	\$ 2,975,000	\$ 17,500,000		17500000	
09/15/2010	\$ 14,525,000	\$ 2,975,000	\$ 17,500,000		17500000	
12/15/2010	\$ 14,525,000	\$ 2,975,000	\$ 17,500,000		17500000	
03/15/2011	\$ -	\$ -	\$ -			
06/15/2011	\$ -	\$ -	\$ -			
09/15/2011	\$ -	\$ -	\$ -			
12/15/2011	\$ -	\$ -	\$ -			

Date of Request: March 9, 2010
Due Date: March 19, 2010

Request No. DKS-6
NMPC Req. No. NM 196 DPS 126

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: David Shahbazian

TO: Revenue Requirement Panel

Request:

1. In a format identical to the schedule presented in the Injuries and Damages workpapers #183-184 (Exhibit __ RRP-10), please provide the detailed information for each of the following historical years (electric amounts should reconcile to the electric amounts shown on workpaper #185):
 - 10/01/2003 - 9/30/2004
 - 10/01/2004 - 9/30/2005
 - 10/01/2005 - 9/30/2006
 - 10/01/2006 - 9/30/2007
 - 10/01/2007 - 9/30/2008
2. In a format identical to the schedule presented in the Injuries and Damages workpaper #186 (Exhibit __ RRP-10), please provide the detailed information for each of the following historical years:
 - 10/01/2003 - 9/30/2004
 - 10/01/2004 - 9/30/2005
 - 10/01/2005 - 9/30/2006
 - 10/01/2006 - 9/30/2007
 - 10/01/2007 - 9/30/2008
3. Injuries & Damages workpaper #185 shows a grand total electric claims expense amount of \$3,760,357. Exhibit __ (RRP-2) Schedule 34, Sheet 5 of 7, shows total historic year electric claims expense of \$4,005,827. Please explain the difference and provide detail supporting the difference of \$245,470.
4. Exhibit RRP-2, schedule 34, sheet 7, shows the Insurance Premium Tax per book amount of \$1.17 million as of September 30, 2009. Please provide all workpapers Form 103 Form 103

and supporting calculations that support the Insurance Premium Tax recorded, including the reclass entries as noted on workpaper #186.

5. Please identify any insurance carrier providing coverage to Company 36 that provides 'continuity credits' or any other type of credit / rebate to its clients for loyalty (successive annual renewals), or any other reason including reduced number of claims paid for a given period of time.
6. Exhibit __ (RRP-2), schedule 34, sheet 7, outlines the Company's Injuries & Damages Historic Year Ended September 30, 2009 as adjusted amount of \$6,406,683 for Niagara Mohawk. Workpaper #186 shows the historic test year per book amount of \$5,445,492. For each component listed on Exhibit __ (RRP-2) Schedule 34, Sheet 7, provide a detailed calculation showing the flow from the historic test year to the adjusted historic test, along with an explanation and supporting justification and documentation of what the adjustment to the historic test year is for.
7. Please provide the following for each insurance policy charged to the Company in support of the 'Adjusted Book Amounts' of \$6,406,683 as shown on Exhibit __ (RRP-2), schedule 34, sheet 7.
 - a) The Declaration page(s) for showing the term / dates of coverage.
 - b) The total premium amount.
 - c) The listing showing the Insured covered by each policy.
 - d) The allocation methodology as it applies to each policy and breakdown among all affiliates / service companies covered by the policy.
8. With reference to the insurance coverage purchased on behalf of Company 36, please provide copies of all current insurance brokerage agreements that show the brokerage fee, and term of agreement as well as originating organization for each.
9. Exhibit RRP-2, schedule 34, sheet 7, and workpaper #185 from Exhibit __ (RRP_10) outlines the Company's Historical Claim and presents historical averages for 3, 4, 5, and 6 year averages. Please provide the reasoning behind the Company's ultimate selection of a 3 year average (versus a 4 or 5 year average, etc) in its presentation of claim data and for use in for forecasting rate year claims expense.

Response:

1. Attachment 1 provides information for the summary of Claims paid in the format similar to workpaper page 185 as per conversation with the David Shahbazian. Attachments 2 to 13 provides a list of all claims paid for the periods requested. The amounts do not reconcile to the electric amounts shown on work paper #185. This is because payment information queries are run for cases closed in the period only, as of a specific point in time. We ran the queries for the historical test period data, at 11/16/09, the information gathered was for total payments for the various time periods based on close date. The new reports provide data at 3/18/10. Differences arise from the fact that claims can be reopened after being closed. When this happens the claim retains the original close date in the system.

2. Attachment 14 presents the a schedule similar to workpaper 183 and 184(Exhibit ___ RRP -10) for the 12 month periods ended 9/30/05 to 9/30/08. The identical page 186 was not available for these years. Per conversation with PSC requestor David Shahbazian I am providing similar actual recorded information for those periods by the same insurance premium categories. 9/30/04 data was not available due to the transition to a new accounting system in that year.
3. The \$3,760,357 on workpaper 185 represents total claims paid in the period as detailed in response to question 1 above. The \$4,005,827 represents the total booked expense for claims that contains various accounting accruals. The Company is forecasting claims expenses on a three year average of actual claims paid during the periods. This is the same methodology applied in the Company's Gas filing in Case 08-G-0609.
4. Please see Attachment 15 for the supporting workpaper.
5. There are three insurance carriers that provide coverage to Company 36 that may provide continuity credits based on successive annual renewals or a dividend based on claims paid out. These continuity credits or dividends are not guaranteed or contractual and are subject to the insurance carrier's determination to declare and pay them.

The insurance carriers are Global Aerospace Underwriting Managers Ltd., Associated Electric & Gas Insurance Services (AEGIS) and Energy Insurance Mutual (EIM)
6. The \$6,406,683 represents both the Electric and Gas portion of the adjusted Book amounts. The Electric allocated amount is \$4,811,899 as referenced on Schedule 34. This amount is also referenced in the table at the top of workpaper 186 and is compared with the actual Electric booked amounts in the column to the left. The adjustments to the historical year as presented on workpapers 186 and 187 represent the annualization of the most current premiums of \$75,995 and an adjustment to normalize for a prior period charge related to premium tax payments of (\$709,587).
- 7 a) See Attachment 16 for copies of insurance policy Declaration pages.
b, c, d) See Attachment 17 for a table listing insurance policies, premium amounts, percentage and amount allocated to Niagara Mohawk and Billing Pool reference; see Attachment 18 for copies of insurance premium invoices and payment requests. Attachment 19 provides copies of insurance premium tax payments.
8. See the attachment 20 for the McGriff, Seibels and Williams, Inc.:
BSA below is for the period 12/01/09 to 12/01/10.
The agreement with Marsh USA BSA is not finalized and will be provided when it is completed.
9. The Company selected the 3-year average for forecasting rate year claims expense because the period is more representative of recent claims activity. At present, there are seven cases on the books with potential for excessive settlements or verdicts.

Also recent trends in increased asbestos litigation and Verizon lawsuits are some of the reasons for increased claims in recent years.

The Company did not select the 5-year average (\$4,816,882), 6-year average (\$4,816,882) or average of averages (\$5,167,094) because each is less representative of current claims activity. It is believed that each scenario understates recent activity.

Name of Respondent:
James Molloy/Pete Luvera

Date of Reply:
3/26/2010

Insurance Premium Tax 10/1/08 - 9/30/09

Request No. DKS-6
NMPC Req. No. NM 196 DPS 126
Response to RFI No. 4

From Schedule 34, Sheet 7:

Category	Description	Niagara Mohawk
Ins Premium Tax	2009	173,455
	2009	149,141
	2008	854,825
		\$ 1,177,520
Removal of 2008 Tax adjustment		(854,925)
Adjusted Ins Premium Tax		\$ 322,595

Reconcile Insurance Premium Tax to Workpapers
and Schedule 34, sheet 7

Federal Excise Tax (FET)

NY Surplus Line Tax

Total Tax

BUSI	UNIT	SEG	EXP	ORIG DEPT	CHG DEPT	ORIG BUSI	STATE	Allocation Code:					Direct				10/1/08 - 9/30/09
								AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	
00036	DIST	400	12230	12230	00099	NY		\$5,620.96	\$44,771.01	\$38.76	\$9,550.47	\$1,025.24	\$103,251.62	\$41,733.00	\$39,276.00	\$3,361.00	\$248,828.06
00036	GAS	400	12230	12230	00099	NY		\$1,308.99	\$8,539.27	\$9.03	\$2,223.98	\$195.55	\$24,044.90	\$7,960.00	\$8,332.00	\$783.00	\$53,396.72
00036	TRAN	400	12230	12230	00099	NY		\$769.99	\$5,985.38	\$5.31	\$1,308.38	\$137.06	\$14,144.06	\$5,579.00	\$5,317.00	\$460.00	\$33,706.18
TOTAL								\$7,699.94	\$59,295.66	\$53.10	\$13,082.83	\$1,357.85	\$141,440.58	\$55,272.00	\$52,925.00	\$4,604.00	\$335,730.96

- (a) Tax Filed Jan-09: \$14,519.70 FET for 12/1/08-09 D&O for legacy NG (\$13,950.30 legacy KS; total tax \$28,470.00).
- (b) Tax Filed Apr-09: \$187,924.00 FET for 4/1/09-10 NGICL insurance.
- (c) Tax Filed May-09: \$100.69 FET interest on year 2000-2007 filings.
- (d) Tax Filed Jul-09: \$24,812.86 FET interest on year 2000-2007 filings.
- (e) Tax Filed Sep-09: \$4,309.39 Additional FET for 12/1/08-09 D&O.
- (f) Tax Filed Jan-09: \$141,440.58 NYS interest on year 2002-2006 filings.
- (g) Tax Filed Aug-09: \$108,777.00 NYS surplus line tax for 4/1/09-10 Ex GL.
- (h) Tax Filed Aug-09: \$101,209.00 NYS surplus line tax for 4/1/09-10 NGICL insurance.
- (i) Tax Filed Aug-09: \$8,185.00 NYS surplus line tax for 4/1/09-10 Property Terrorism.

Reconcile to WP Final Exhibit	
(b+c+d+e)	(g+h+i)
\$59,295.66	
\$53.10	\$55,272.00
\$13,082.83	\$52,925.00
\$1,357.85	\$4,604.00
\$73,789.44	\$112,801.00

Reconcile to WP 3 Insurance	
AG0278	AG0275
(b+e+g+h+i)	(a+f)
\$59,295.66	
\$1,357.85	
\$55,272.00	
\$52,925.00	\$7,699.94
\$4,604.00	\$141,440.58
\$173,454.51	\$149,140.52

Niagara Mohawk Power Corporation
 Historical Claim Data
 Electric Distribution and Transmission only

Valued as of 11/16/09

Request No. DKS-6
NMPC Req. No. NM 196 DPS 126
Response to RFI No. 1 - Provide Detailed Info.
Variance explanation of Historical Claim Payments
(11/16/09 reports) to Detail Reports (3/18/10 reports)

See Notes

Witness: Revenue Requirement Panel

Claim Payments

Period	General Liability		Automobile Liability		Total	Total	Grand Total	Claim Pmts GL & Auto	Variance from 11/15/09 Rpts Over / (Under) (z) = (y) - (x)
	Litigated	Non-Litigated	Litigated	Non-Litigated	Gen Liab	Auto Liab			
Distribution & Transmission:									
10/01/03 - 09/30/04	46,689.77	1,183,142.66	1,080.96	200,486.94	1,229,832.43	201,567.90	1,431,400.33	1,403,792.24	(27,608.09)
10/01/04 - 09/30/05	163,366.57	1,257,423.25	4,620.92	290,450.62	1,420,789.82	295,071.54	1,715,861.36	1,761,978.38	48,117.02
10/01/05 - 09/30/06	1,216,872.92	1,270,876.23	1,664,661.79	195,973.60	2,487,749.15	1,860,635.39	4,348,384.54	4,319,030.21	(29,354.33)
10/01/06 - 09/30/07	5,967,910.91	2,007,200.27	153,583.14	475,965.61	7,975,111.18	629,548.75	8,604,659.93	8,941,964.12	337,304.19
10/01/07 - 09/30/08	2,584,804.58	1,802,614.78	937,054.86	330,673.45	4,387,419.36	1,267,728.31	5,655,147.67	5,995,334.59	340,186.92
10/01/08 - 09/30/09	285,320.20	1,447,542.13	1,631,378.03	396,116.54	1,732,862.33	2,027,494.57	3,760,356.90	3,683,790.66	(76,566.24)
3 Yr Avg - Electric	2,946,011.90	1,752,452.39	907,338.68	400,918.53	4,698,464.29	1,308,257.21	6,006,721.50	6,207,029.79	200,308.29
4 Yr Avg - Electric	2,513,727.15	1,632,058.35	1,096,669.46	349,682.30	4,145,785.51	1,446,351.76	5,592,137.26	5,735,029.90	142,892.64
5 Yr Avg - Electric	2,043,655.04	1,557,131.33	878,259.75	337,835.96	3,600,786.37	1,216,095.71	4,816,882.08	4,940,819.59	123,937.51
6 Yr Avg - Electric	1,710,827.49	1,494,799.89	732,063.28	314,944.46	3,205,627.38	1,047,007.74	4,252,635.12	4,351,315.03	98,679.91
Avg. of Averages - Electric	2,303,555.39	1,608,118.49	893,582.79	359,245.31	3,912,465.89	1,256,425.11	5,167,891.00	5,308,568.58	141,454.59

Rate Case base year

2009

Notes: Claim Payment values from the database are specific to a given point in time. Therefore, the values run on 11/16/09 differ from those run on 3/18/10. This is because Claims Paid can only be run for claims with a Closed status. It is, however, possible for a claim to be re-opened, if warranted, for new charges of liability or if a lawsuit is filed.

Number of Claims

Period	General Liability		Automobile Liability		Total	Total	Grand Total	Claim Pmts GL & Auto	Variance from 11/15/09 Rpts (z) = (y) - (x)
	Litigated	Non-Litigated	Litigated	Non-Litigated	Gen Liab	Auto Liab			
Distribution & Transmission:									
10/01/03 - 09/30/04	10	1,289	1	114	1,299	115	1,414	1,395	(19)
10/01/04 - 09/30/05	16	1,027	4	129	1,043	133	1,176	1,142	(34)
10/01/05 - 09/30/06	24	861	5	96	885	101	986	979	(7)
10/01/06 - 09/30/07	21	901	2	330	922	332	1,254	1,237	(17)
10/01/07 - 09/30/08	22	844	6	161	866	167	1,033	1,031	(2)
10/01/08 - 09/30/09	16	1,011	5	135	1,027	140	1,167	1,142	(25)
3 Yr Avg - Electric	20	919	4	209	938	213	1,151	1,137	(15)
4 Yr Avg - Electric	21	904	5	181	925	185	1,110	1,097	(13)
5 Yr Avg - Electric	20	929	4	170	949	175	1,123	1,106	(17)
6 Yr Avg - Electric	18	989	4	161	1,007	165	1,172	1,154	(17)
Avg. of Averages - Electric	20	925	4	180	955	184	1,139	1,124	(15)

Rate Case base year

2009

NMPC
Summary of Claims and Insurance Premiums
Charged in Expense type 400 to Company 36
By Electric and Gas

Fiscal Yr	(All)	Injuries and Damages
Period	(All)	HTY ending Sept 30, 2005
Regulatory Acct Des	(All)	
Regulatory Acct	(All)	
Business Unit	00036	
Jrnl Id	(All)	
Expense Type	400	
Chrg Dept L3	(All)	
Chrg Dept L2	(All)	

Sum of Posted Jrnl \$		Segment				Electric			Gas			Total		
Orig Business Unit	Activity	Chrg Dept L4	Activity Descr	DIST	GAS	TRAN	Grand Total	Costs associated with Insurance	Costs associated with Claims	Costs associated with All Other	Costs associated with Insurance	Costs associated with Claims	Costs associated with All Other	Total
00036	AG0235	LEGAL SERVICES	General Legal Claims		2,425.95		2,425.95		2,425.95					2,425.95
	AG0485	CORPORATE COMM	Provide Safety & Health Se		1,867.25		1,867.25							1,867.25
		INTEGRATED HEALTH	Provide Safety & Health Se		16,551.03	1,825.50	1,421.99	19,798.52					1,825.50	19,798.52
		LEGAL SERVICES	Provide Safety & Health Se		300.00		300.00							300.00
		SAFETY SERVICES	Provide Safety & Health Se		32,839.99	4,428.86	2,605.78	39,975.63						39,975.63
	AG0271	INSURANCE	U.S. Insurance-Liability		1,254,318.82	574,068.61	358,058.82	2,186,444.05	1,612,377.44			574,068.61		2,186,444.05
	AG0278	INSURANCE	U.K. Insurance-Property		686,508.00	283,229.45	168,605.55	1,136,343.00	853,113.55			283,229.45		1,136,343.00
	AG0281	CUST OPERATIONS	Claims-Liability - Excl. Auto		9,461.76		9,461.76		9,461.76					9,461.76
		IS ELEC DIST GEN RTB	Claims-Liability - Excl. Auto		2,181.26		2,181.26		2,181.26					2,181.26
		US TREASURY	Claims-Liability - Excl. Auto		563.14	470.19	1,033.33					470.19		1,033.33
		CLAIMS	Claims-Liability - Excl. Auto		1,596,315.39	146,842.75	10,081.17	1,753,239.31		1,606,396.56		146,842.75		1,753,239.31
	AG0282	US TREASURY	Claims-Liability - Auto Only		2,565.11		2,565.11		2,565.11					2,565.11
		CLAIMS	Claims-Liability - Auto Only		380,540.66	18,432.48		398,973.14		380,540.66		18,432.48		398,973.14
	AG0283	CLAIMS	Claims-Accrual (Reserve)		1,041,913.45	264,893.25	459,148.30	1,765,955.00		1,501,061.75		264,893.25		1,765,955.00
	AG0289	FLEET MGMT	Claims Group-Dept Operat		(308.14)	(71.85)	(42.00)	(421.80)		(350.14)		(71.66)		(421.80)
		INSURANCE	Claims Group-Dept Operat		60.00			60.00		60.00				60.00
		REWARDS OE LABOR RE	Claims Group-Dept Operat		(562,226.28)			(562,226.28)		(562,226.28)				(562,226.28)
		INVESTMENT RECOVERY	Claims Group-Dept Operat		(101.68)	(23.64)	(13.86)	(139.18)		(115.54)		(23.64)		(139.18)
		INVENTORY MGMT	Claims Group-Dept Operat		(335.41)	(77.98)	(45.72)	(459.11)		(381.13)		(77.98)		(459.11)
	AG1050	INSURANCE	Claims		(0.00)			(0.00)		(0.00)				(0.00)
		REWARDS OE LABOR RE	Claims		5,061.90			5,061.90		5,061.90				5,061.90
		NON DEPARTMENTAL	Claims		36,472.83			36,472.83		36,472.83				36,472.83
00036 Total					4,507,074.83	#####	987,820.03	6,798,911.67	2,465,490.99	2,983,717.83	55,686.04	857,295.06	430,465.39	6,255.36
00049	AG0282	CLAIMS	Claims-Liability - Auto Only		49.00		49.00		49.00					49.00
00049 Total					49.00		49.00		49.00					49.00
00099	AG0485	CORPORATE COMM	Provide Safety & Health Se		3,557.36	828.40	467.31	4,853.07				4,044.67		828.40
		HR BUS PARTNERS	Provide Safety & Health Se		568.10	132.27	77.83	778.20				645.93		132.27
		INTEGRATED HEALTH	Provide Safety & Health Se		8,408.54	1,609.08	1,108.82	11,126.44				9,517.36		1,609.08
		SAFETY SERVICES	Provide Safety & Health Se		14,568.49	3,392.90	1,995.85	19,958.24				16,565.34		3,392.90
	AG0271	INSURANCE	U.S. Insurance-Liability		293,393.01	68,325.35	40,191.09	401,909.45	333,584.10			68,325.35		401,909.45
	AG0278	INSURANCE	U.K. Insurance-Property		18,685.00	(4,854.00)	(2,855.00)	10,976.00	15,830.00			(4,854.00)		10,976.00
	AG0281	CLAIMS	Claims-Liability - Excl. Auto		2,917.66	679.50	399.58	3,996.74		3,317.24			679.50	3,996.74
	AG0283	CLAIMS	Claims-Accrual (Reserve)		24,800.19	5,728.85	3,370.22	33,699.26		27,970.41		5,728.85		33,699.26
	AG0289	ENERGY SOLUTION SERV	Claims Group-Dept Operat		28.17	6.56	3.86	38.59		32.03			6.56	38.59
		INSURANCE	Claims Group-Dept Operat		7,186.54	1,668.97	981.67	9,817.18		8,148.21		1,668.97		9,817.18
		CLAIMS	Claims Group-Dept Operat		83.37	19.42	11.42	114.21		94.79			19.42	114.21
00099 Total					373,977.43	77,537.30	45,772.65	497,287.38	349,414.10	39,562.88	30,773.30	63,471.35	8,103.30	5,962.65
Grand Total					4,881,052.26	#####	1,043,592.68	7,296,248.05	2,814,905.09	3,023,328.51	86,459.34	920,766.41	438,568.69	12,218.01

NMPC
Summary of Claims and Insurance Premiums
Charged in Expense type 400 to Company 36

By Electric and Gas	
Fiscal Yr	(All)
Regulatory Act	(All)
Regulatory Act	(All)
Period	(All)
Business Unit	00036
Jrnl Id	(All)
Expense Type	400
Chrg Dept L3	(All)
Chrg Dept L2	(All)

Injuries and Damages

Sum of Posted Jrnl \$	Orig Business	Activity	Chrg Dept L4	Activity Descr	Segment			Grand Total	Electric			Gas			Total
					DIST	GAS	TRAN		Costs associated with Insurance	Costs associated with Claims	Costs associated with All Other	Costs associated with Insurance	Costs associated with Claims	Costs associated with All Other	
	00010	AG1050	REWARDS OE LABOR REL	Claims	44,248.28	10,304.38	6,061.41	60,614.05							60,614.05
	00010 Total				44,248.28	10,304.38	6,061.41	60,614.05							60,614.05
	00036	AG0235	LEGAL SERVICES	General Legal Claims	46,038.54	122.98	72.34	46,231.86		46,108.88			122.98		46,231.86
		AG0485	INTEGRATED HEALTH	Provide Safety & Health Serv	16,185.11	2,063.20	1,213.62	19,461.93			17,398.73			2,063.20	19,461.93
			LEGAL SERVICES	Provide Safety & Health Serv	300.00			300.00			300.00				300.00
			PUBLIC AFFAIRS	Provide Safety & Health Serv	36.45	7.47		43.92			36.45			7.47	43.92
			SAFETY SERVICES	Provide Safety & Health Serv	5,128.30	1,126.61	662.75	6,917.66			5,791.05			1,126.61	6,917.66
		AG0271	ENVIRONMENTAL	U.S. Insurance-Liability	4,118.59			4,118.59	4,118.59						4,118.59
			INSURANCE	U.S. Insurance-Liability	1,924,406.20	494,101.32	302,615.49	2,721,123.01	2,227,021.69				494,101.32		2,721,123.01
		AG0276	INSURANCE	U.K. Insurance-Property	720,849.60	167,869.08	98,746.50	987,465.18	819,596.10				167,869.08		987,465.18
		AG0281	NETWORK STRAT ELEC	Claims-Liability - Excl. Auto	337.56			337.56		337.56					337.56
			OPS & CONSTRUCT-NYUP	Claims-Liability - Excl. Auto		137.70		137.70					137.70		137.70
			US TREASURY	Claims-Liability - Excl. Auto	5,644.15			5,644.15		5,644.15					5,644.15
			CLAIMS	Claims-Liability - Excl. Auto	1,327,417.74	171,621.19	8,063.38	1,507,102.31		1,335,481.12			171,621.19		1,507,102.31
		AG0282	US TREASURY	Claims-Liability - Auto Only	(1,264.47)			(1,264.47)		(1,264.47)					(1,264.47)
			CLAIMS	Claims-Liability - Auto Only	296,693.93	29,512.53		326,206.46		296,693.93			29,512.53		326,206.46
		AG0283	CLAIMS	Claims-Accrual (Reserve)	2,056,805.00	523,425.00	907,270.00	3,489,500.00		2,968,075.00			523,425.00		3,489,500.00
		AG0288	INSURANCE	Claims Group-Dept Operations	696.61			696.61		696.61					696.61
	00036 Total				6,405,391.31	1,389,987.08	1,318,644.08	9,114,022.47	3,050,736.38	4,649,772.78	23,528.23	681,970.40	724,819.40	3,197.28	9,114,022.47
	00099	AG0485	CORPORATE COMM	Provide Safety & Health Serv	2,455.02	571.89	338.31	3,363.02			2,791.33			571.89	3,363.02
			CUST OPERATIONS	Provide Safety & Health Serv	57.25	13.33	7.84	78.42			65.09			13.33	78.42
			HR BUS PARTNERS	Provide Safety & Health Serv	51.65	12.02		70.75			58.73			12.02	70.75
			INTEGRATED HEALTH	Provide Safety & Health Serv	1,305.49	289.48	170.29	1,765.26			1,475.78			289.48	1,765.26
			NETWORK STRAT ELEC	Provide Safety & Health Serv	208.90	48.65	28.62	286.17			237.52			48.65	286.17
			SAFETY SERVICES	Provide Safety & Health Serv	9,607.85	2,237.41	1,316.12	13,161.38			10,923.97			2,237.41	13,161.38
			TRANS PLANNING	Provide Safety & Health Serv	67.03	15.61	9.16	91.82			76.21			15.61	91.82
		AG0234	DISTRIBUTION SUPPORT	Environmental Safety Audit	291.94	67.99	39.99	399.92			331.93			67.99	399.92
		AG0271	INSURANCE	U.S. Insurance-Liability	165,968.66	(495.90)	(291.47)	165,182.29	165,678.19			(495.90)			165,182.29
		AG0276	INSURANCE	U.K. Insurance-Property	89,589.46	23,192.59	13,641.85	136,423.90	113,231.31				23,192.59		136,423.90
		AG0283	CLAIMS	Claims-Accrual (Reserve)	502.05	122.20	69.50	693.75		571.55			122.20		693.75
		AG0289	INSURANCE	Claims Group-Dept Operations	4,299.97	950.14	588.92	5,839.03		4,888.89			950.14		5,839.03
			CLAIMS	Claims Group-Dept Operations	29.04	6.77	3.98	39.79		33.02			6.77		39.79
	00099 Total				284,435.31	27,031.68	15,928.21	327,395.50	278,909.50	5,493.46	15,960.58	22,696.69	1,079.11	3,256.18	327,395.50
	Grand Total				6,734,074.88	1,427,323.44	1,340,633.70	9,502,032.02	3,329,645.88	4,855,266.24	69,796.46	694,667.09	725,898.51	16,757.84	9,502,032.02

NMPC
Summary of Claims and Insurance Premiums
Charged in Expense type 400 to Company 36
By Electric and Gas

Period	(All)
Fiscal Yr	(All)
Regulatory Acct Descr	(All)
Regulatory Acct	(All)
Business Unit	00036
Jrnl Id	(All)
Expense Type	400
Chrg Dept L3	(All)
Chrg Dept L2	(All)

Injuries and Damages
MTY ending Sept 30, 2007

Sum of Posted Jrnl \$					Electric			Gas			Total			
Orig Business Unit	Activity	Chrg Dept L4	Activity Descr	Segment			Costs associated with Insurance	Costs associated with Claims	Costs associated with All Other	Costs associated with Insurance	Costs associated with Claims	Costs associated with All Other	Total	
				DIST	GAS	TRAN								Grand Total
00001	AG0271	INSURANCE	U.S. Insurance-Liability	(13,752.09)	(3,202.54)	(1,883.85)	(18,838.48)						(18,838.48)	
00001 Total				(13,752.09)	(3,202.54)	(1,883.85)	(18,838.48)						(18,838.48)	
00005	AG0282	CLAIMS	Claims-Liability - Auto Only	2,431.00			2,431.00						2,431.00	
00005 Total				2,431.00			2,431.00						2,431.00	
00010	AG0271	INSURANCE	U.S. Insurance-Liability	(2,390.54)			(2,390.54)						(2,390.54)	
00010 Total				(2,390.54)			(2,390.54)						(2,390.54)	
00036	AG0235	LEGAL SERVICES	General Legal Claims	50,546.93	215.16	25.68	50,787.77						50,787.77	
	AG0485	INTEGRATED HEALTH	Provide Safety & Health Serv	13,157.00	2,524.87	1,485.16	17,166.83			14,642.16		2,524.67	17,166.83	
		LEGAL SERVICES	Provide Safety & Health Serv	219.00	51.00	30.00	300.00			249.00		51.00	300.00	
		SAFETY SERVICES	Provide Safety & Health Serv	12,341.59	1,567.31	921.97	14,830.87			13,263.58		1,567.31	14,830.87	
	AG0271	INSURANCE	U.S. Insurance-Liability	711,465.20	243,147.30	154,130.47	1,108,742.97	665,595.67			243,147.30		1,108,742.97	
	AG0273	INSURANCE	U.S. Insurance-Workers Comp	521,400.72	121,422.09	71,424.78	714,247.59	592,825.50			121,422.09		714,247.59	
	AG0275	INSURANCE	U.K. Insurance-Liability	233,410.37	54,636.51	32,139.15	320,186.03	265,549.52			54,636.51		320,186.03	
	AG0276	INSURANCE	U.K. Insurance-Property	874,126.69	98,143.47	57,731.44	1,030,001.60	931,858.13			98,143.47		1,030,001.60	
	AG0281	CUST OPERATIONS	Claims-Liability - Excl. Auto	1,870.65	1,064.50		2,935.15		1,870.65			1,064.50	2,935.15	
		OPS & CONSTRUCT-N	Claims-Liability - Excl. Auto		1,064.50		1,064.50					1,064.50	1,064.50	
		US TREASURY	Claims-Liability - Excl. Auto	3,738.09	75.00		3,813.09					75.00	3,813.09	
		CLAIMS	Claims-Liability - Excl. Auto	1,300,533.32	106,426.92	7,382.28	1,414,322.52	1,307,895.60			106,426.92		1,414,322.52	
	AG0282	US TREASURY	Claims-Liability - Auto Only	1,030.94			1,030.94						1,030.94	
		CLAIMS	Claims-Liability - Auto Only	484,842.82	6,214.32	500.00	471,357.14				6,214.32		471,357.14	
	AG0283	CLAIMS	Claims-Accrual (Reserve)	6,136,500.00	652,500.00	960,599.76	7,749,599.76				652,500.00		7,749,599.76	
	AG1050	PUBLIC AFFAIRS	Claims	54.75	12.75	7.50	75.00					12.75	75.00	
00036 Total				10,325,036.07	1,289,065.50	1,286,358.19	12,900,459.76	2,655,828.82	8,927,410.72	28,154.72	517,349.37	767,573.15	4,142.98	#####
00099	AG0485	CUST OPERATIONS	Provide Safety & Health Serv	160.80	37.47	22.04	220.41						182.94	
		EMPL SERV & ADMIN	Provide Safety & Health Serv	1,029.58	239.76	141.04	1,410.39					1,170.63	239.76	
		HR BUS PARTNERS	Provide Safety & Health Serv	349.27	81.35	47.85	478.47					397.12	81.35	
		INTEGRATED HEALTH	Provide Safety & Health Serv	388.36	42.43	24.97	455.76					413.33	42.43	
		LEARNING DEVELOP	Provide Safety & Health Serv	3,953.70	920.70	541.60	5,416.00					4,495.30	920.70	
		SAFETY SERVICES	Provide Safety & Health Serv	29,003.74	8,656.69	3,915.84	39,576.27					32,919.58	6,656.69	
	AG0271	INSURANCE	U.S. Insurance-Liability	838,236.55	230,223.94	103,347.30	1,171,807.79	941,583.65			230,223.94		1,171,807.79	
	AG0273	INSURANCE	U.S. Insurance-Workers Comp	84,049.63	19,572.37	11,513.55	115,135.55	95,563.18			19,572.37		115,135.55	
	AG0275	INSURANCE	U.K. Insurance-Liability	794,451.58	184,998.57	108,825.43	1,088,275.58	903,277.01			184,998.57		1,088,275.58	
	AG0276	INSURANCE	U.K. Insurance-Property	76,207.51	17,745.72	10,439.02	104,392.25	86,646.53			17,745.72		104,392.25	
	AG0281	CLAIMS	Claims-Liability - Excl. Auto	30,219.24	4,176.47	159.25	34,554.96					4,176.47	34,554.96	
	AG0282	US TREASURY	Claims-Liability - Auto Only	(10,658.39)	(75.00)		(10,733.39)					(75.00)	(10,733.39)	
		CLAIMS	Claims-Liability - Auto Only	2,783.93	219.54		3,003.47					219.54	3,003.47	
	AG0283	CLAIMS	Claims-Accrual (Reserve)	751,960.00	175,120.00	103,020.00	1,030,120.00	655,000.00			175,120.00		1,030,120.00	
	AG0289	INSURANCE	Claims Group-Dept Operations	3,044.96	685.45	301.48	4,031.89					685.45	4,031.89	
		CLAIMS	Claims Group-Dept Operations	112.80	28.27	15.45	156.52					28.27	156.52	
00099 Total				2,805,313.37	840,871.73	342,314.82	3,588,299.92	2,027,070.57	880,978.72	39,578.90	452,540.60	180,152.73	7,978.40	3,588,299.92
Grand Total				12,916,637.81	1,928,534.69	1,626,769.16	16,469,961.66	4,964,872.81	9,810,820.44	67,733.62	966,687.43	947,725.88	12,121.38	#####

NMPC
Summary of Claims and Insurance Premiums
Charged in Expense type 400 to Company 36
By Electric and Gas

Fiscal Yr	(All)	Injuries and Damages
Regulatory Acct Des	(All)	HTY ending Sept 30, 2005
Regulatory Acct	(All)	
Business Unit	00036	
Jrnl Id	(All)	
Expense Type	400	
Chrg Dept L3	(All)	
Chrg Dept L2	(All)	

Sum of Posted Jrnl \$	Orig Business Unit	Activity	Chrg Dept L4	Activity Descr	Segment				Electric			Gas			Total
					DIST	GAS	TRAN	Grand Total	Costs associated with Insurance	Costs associated with Claims	Costs associated with All Other	Costs associated with Insurance	Costs associated with Claims	Costs associated with All Other	
	00005	AG0485	INTEGRATED HEALTH	Provide Safety & Health Serv	191.63	44.63	26.25	262.51							262.51
			SAFETY SERVICES	Provide Safety & Health Serv	(191.63)	(44.63)	(26.25)	(262.51)							(262.51)
		AG0281	CLAIMS	Claims-Liability - Excl. Auto	(316.50)			(316.50)		(316.50)					(316.50)
	00005 Total				(316.50)			(316.50)							(316.50)
	00036	AG0235	LEGAL SERVICES	General Legal Claims	23,481.13			23,481.13		23,481.13					23,481.13
		AG0485	CUST_OPERATIONS	Provide Safety & Health Serv	1,205.66	167.24	98.38	1,471.48							1,471.48
			INTEGRATED HEALTH	Provide Safety & Health Serv	8,488.51	1,551.92	912.89	10,953.32			1,304.24			187.24	1,471.48
			NETWORK STRAT ELEC	Provide Safety & Health Serv	43.80	10.20	6.00	60.00			9,401.40			1,551.92	10,953.32
			SAFETY SERVICES	Provide Safety & Health Serv	11,178.06	1,805.08	1,061.81	14,044.95			49.80			10.20	60.00
											12,239.87		1,805.08	14,044.95	
		AG0271	INSURANCE	U.S. Insurance-Liability	(277,702.09)	(129,540.00)	(39,697.39)	(446,939.48)	(317,399.48)			(129,540.00)			(446,939.48)
		AG0276	INSURANCE	U.K. Insurance-Property	274,328.38	169,304.97	98,581.16	542,214.51	373,919.54			169,304.97			542,214.51
		AG0281	CUST_OPERATIONS	Claims-Liability - Excl. Auto	7,128.94	647.59		7,776.53		7,128.94			647.59		7,776.53
			OPS_ & CONSTRUCT-NY	Claims-Liability - Excl. Auto		135.00		135.00					135.00		135.00
			US TREASURY	Claims-Liability - Excl. Auto	5,575.86	506.83	298.14	6,380.83		5,874.00			506.83		6,380.83
			CLAIMS	Claims-Liability - Excl. Auto	#####	64,226.26	4,030.80	1,426,277.30		#####		64,226.26		#####	1,426,277.30
		AG0282	CUST_OPERATIONS	Claims-Liability - Auto Only		650.00		650.00					650.00		650.00
			CLAIMS	Claims-Liability - Auto Only	221,504.43	21,502.15	24.90	243,031.48		221,529.33		21,502.15		24.90	243,031.48
		AG0283	CLAIMS	Claims-Accrual (Reserve)	#####	65,000.00	(500,000.00)	3,533,870.32		#####		65,000.00		#####	3,533,870.32
		AG0289	INSURANCE	Claims Group-Dept Operation	129.20	6.80	4.00	140.00			133.20		6.80		140.00
			CLAIMS	Claims Group-Dept Operation	832.20	193.80	114.00	1,140.00			946.20		193.80		1,140.00
		AG1050	REWARDS_OE_LABOR_R	Claims	(9,934.50)	(2,313.51)	(1,360.89)	(13,608.90)		(11,295.39)		(2,313.51)		(1,360.89)	(13,608.90)
	00036 Total				#####	193,854.33	(434,916.20)	5,355,188.47	56,520.06	#####	22,995.31	39,764.97	150,554.92	3,534.44	#####
	00048	AG0281	CLAIMS	Claims-Liability - Excl. Auto		(16,811.95)		(16,811.95)					(16,811.95)		(16,811.95)
	00048 Total					(16,811.95)		(16,811.95)					(16,811.95)		(16,811.95)
	00099	AG0485	CONSTRUCT_DELIVERY	Provide Safety & Health Serv	12.57	2.93	1.72	17.22						2.93	17.22
			CORPORATE_COMM	Provide Safety & Health Serv	2,270.25	528.73	311.00	3,109.98			14.29			528.73	3,109.98
			CUST_OPERATIONS	Provide Safety & Health Serv	4,436.04	911.96	536.44	5,884.44			4,972.48		911.96	5,884.44	
			ENERGY SOLUTION SE	Provide Safety & Health Serv	969.85	225.85	132.85	1,328.55			1,102.70		225.85	1,328.55	
			INTEGRATED HEALTH	Provide Safety & Health Serv	978.63	(50.55)	(29.73)	898.35			948.90		(50.55)	898.35	
			LEARNING DEVELOP	Provide Safety & Health Serv	1,030.65	240.00	141.18	1,411.83			1,171.83		240.00	1,411.83	
			REWARDS_OE_LABOR_R	Provide Safety & Health Serv	34.04	7.93	4.66	46.63			38.70		7.93	46.63	
			SAFETY SERVICES	Provide Safety & Health Serv	44,867.81	8,137.87	4,912.45	57,918.13			49,780.26		8,137.87	57,918.13	
		AG0271	INSURANCE	U.S. Insurance-Liability	#####	523,003.99	263,529.91	2,710,273.65		#####		523,003.99		#####	2,710,273.65
		AG0273	INSURANCE	U.S. Insurance-Workers Comp	789,916.29	183,720.30	108,070.73	1,080,707.32	896,987.02			183,720.30		#####	1,080,707.32
			REWARDS_OE_LABOR_R	U.S. Insurance-Workers Comp											
		AG0275	INSURANCE	U.K. Insurance-Liability	589,573.66	137,305.97	80,786.88	807,666.51	670,340.54			137,305.97		807,666.51	
		AG0276	INSURANCE	U.K. Insurance-Property	661,487.86	158,699.79	93,353.29	913,540.94	774,841.15			158,699.79		913,540.94	
		AG0279	INSURANCE	Insurance Group-Dept Operat	18.39	4.28	2.52	25.19			20.91		4.28	25.19	
		AG0281	CLAIMS	Claims-Liability - Excl. Auto	9,301.19	1,654.58		10,955.77		9,301.19			1,654.58		10,955.77
		AG0282	CLAIMS	Claims-Liability - Auto Only		4,414.95		4,414.95					4,414.95		4,414.95
		AG0283	CLAIMS	Claims-Accrual (Reserve)	22,556.40	5,253.60	3,090.60	30,900.60		25,850.00		5,253.60		3,090.60	30,900.60
		AG0289	INSURANCE	Claims Group-Dept Operation	1,214.08	243.55	120.81	1,578.44			1,334.89		243.55		1,578.44
			CLAIMS	Claims Group-Dept Operation	338.19	76.37	34.66	449.22			372.85		76.37		449.22
		AG1050	REWARDS_OE_LABOR_R	Claims	9,934.50	2,313.51	1,360.89	13,608.90		11,295.39		2,313.51		1,360.89	13,608.90
	00099 Total				#####	#####	556,340.86	5,664,719.62	#####	52,369.27	60,810.41	#####	9,541.61	10,004.72	#####
	00431	925010	INSURANCE	Om-A&G-Emp Inj&Dam	22,997.52	6,381.07	3,532.83	32,791.22	26,430.15				6,381.07		32,791.22
	00431 Total				22,997.52	6,381.07	3,532.83	32,791.22	26,430.15				6,381.07		32,791.22
	Grand Total				#####	#####	124,957.29	11,035,570.86	#####	#####	63,605.72	#####	143,284.58	13,539.16	#####

Date of Request: March 10, 2010
Due Date: March 22, 2010

Request No. AAE-14
NMPC Req. No. NM 200 DPS 130

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Allison Esposito

TO: Revenue Requirement Panel

Request:

1. Pages 79-80 of the Revenue Requirements Panel testimony discuss the Company's inclusion of non-utility plant costs in the SIR deferral account. Please provide a list of non-utility properties for which the Company has included remediation costs in the SIR deferral. For each property, please provide the following:

- A. The location of the property
- B. The total amount of costs that have been included in the SIR deferral, broken out by expense type and acquisition cost.
- C. The specific wording within each Commission Order that allows the Company to defer these incremental costs associated with remediation including current O&M and remediation.
- D. The cost/benefit analysis showing that the reduction in overall remediation expenses associated with the purchase exceed the costs of the purchase and on-going remediation and maintenance of the property.

2. Page 79, lines 16-17 of the RRP testimony state that certain non-utility remediation costs were included in the SIR deferral account "pursuant to agreements with Staff." Please fully explain what these agreements with Staff are and when they were reached. In addition, please provide copies of every such agreement.

Response:

Responses to Items 1.A, 1.B, and 1.D are provided by site below.

1. C. For clarity and in reference to SIR projects, O&M is a technical term which refers to "Operations and Maintenance" of a site remedy after remediation is completed (sampling, repair of soil caps, maintenance of groundwater treatment systems, etc.) rather than accounting terminology.

The Commission Order allows recovery of costs associated with site investigation and remediation. Pursuant to environmental laws and Orders on Consent with the NYS DEC and US EPA, Niagara Mohawk is required to address contamination associated with former utility operations, regardless of where the contamination is currently located. For example, former MGP plants operated by Niagara Mohawk and its predecessors operated in a period spanning the 1840's to 1960's. The formerly owned properties were either sold after the plants were decommissioned or were converted to other utility use, such as gas regulator stations, operations centers, etc. Contamination from the plants may have migrated onto adjacent properties or water bodies; were transported to remote locations; and/or were deposited on other properties, or water bodies. Therefore, Niagara Mohawk is required to address contamination from the former MGP operations located on property owned by Niagara Mohawk (utility and non-utility property), as well as property not owned by Niagara Mohawk.

During the investigation of a property that is not owned by Niagara Mohawk, the property is initially evaluated (following soil and/or water sampling results) to determine if the current use can be maintained. The NYS DEC has generic concentration thresholds that are protective of industrial, commercial, restricted residential, and unrestricted residential use. If the sampling indicates that concentrations in excess of unrestricted use are attributable to former MGP operations, the future (or current) property use will need to be restricted. Property owners are often either unwilling to place deed restrictions on their property (as required by the NYS DEC in the event that impacted material will remain following remediation), or unable to, considering the current property use (i.e., existing residence). Since the Company has no legal power to enforce a deed restriction on an unwilling property owner, the Company must remediate the site to unrestricted use levels. In those situations, a purchase analysis is conducted to determine if it is cost effective to purchase the property from the owner, and remediate the site to a lower cleanup level (such as commercial or industrial), or to compensate the property owner (typically the property value) to maintain a deed restriction on the land.

1. A, B, and D

The non-utility properties listed, for which the Company has charged related remediation costs in the SIR deferral, are listed below along with responses to questions A., B., and D. The total costs that have been included in the SIR deferral are listed below by Expense Type for each non-utility property, and are total deferral costs-to-date charged to the SIR site. The Company tracks SIR spending by site, not by individual parcels of land within the site.

Cohoes

A. Address: 0 Linden Street

B. Costs: Acquisition cost \$442,577

Deferral Costs: See Attachment - "Site Expense Type Totals Report.xls"

D. Purchase Analysis: See Attachment - "Site Expense Type Totals Report.xls"

Fort Edward

- B. Cost: Acquisition cost \$70,000
Deferral Costs: See Attachment - "Site Expense Type Totals Report.xls"
- D. Purchase Analysis: See attached

Rome (Kingsley Ave)

- A. Address: Voci and Vecchio Properties, adjacent to the site
- B. Cost: Acquisition costs: \$80,000 (Voci) and \$74,000 (Vecchio) respectively.
Note: The recent Vecchio property purchase cost is currently residing in the SIR deferral, and is temporarily included in the SIR Rome (Kingsley Ave) spending total. A copy of the JE Request to move this cost to FERC 121000 is attached.
Deferral Costs: See Attachment - "Site Expense Type Totals Report.xls"
- D. Purchase Analysis: See attached

Rome (Jay & Madison) MGP

- A. Address: Woodrow Avenue
- B. Cost: Acquisition cost \$190,000
Deferral Costs: See Attachment - "Site Expense Type Totals Report.xls"
- D. Purchase Analysis: See attached

Saratoga Springs

- A. Address: Excelsior Avenue
- B. Cost: Acquisition cost \$1,003,000
Deferral Costs: See Attachment - "Site Expense Type Totals Report.xls"
- D. Purchase Analysis: Due to the presence of contamination relating to past MGP operations, Niagara Mohawk was required to remediate the property. The property was purchased in order to lower the cleanup standards to commercial standards (agreed to by US EPA) and enable Niagara Mohawk to retain control of the property during the remedial program versus a more expensive remedy which would have involved cleanup to residential standards had the property not been purchased.

Note D: For those sites identified above, the purchase analysis documentation is provided as Attachment "PSC AAE-14 Item 1 Cost-Benefit.pdf".

2. The "agreements with Staff" mentioned in the RRP testimony in connection with certain non-utility remediation costs included in the SIR deferral account refer to the following:

1993 Final Commission Order

In the 1993 Final Commission Order (cases 93-G-0162, 93-E-0376, and 93-E-0378) it is stated "Judge Lynch endorsed staff's proposal that Niagara Mohawk be required in all future rate cases to justify affirmatively in pre-filed direct testimony and exhibits the recovery of site investigation and remediation (SIR) costs for non-utility (also known as "other physical property") sites."

November 6, 2003 meeting with PSC staff and Email Correspondence Spanning June 2004 through April 2008

In the November 2003 meeting, Niagara Mohawk identified its legal obligations to remediate contaminated sites and requested PSC Staff guidance as to which property purchase costs should be included in the deferral. The email correspondence presents a dialogue between Niagara Mohawk and PSC staff, culminating with a suggestion regarding land purchases for the SIR program and use of the deferral for those purchases. In summary, the April 21, 2008 email from Mr. Visalli to Mr. Fletcher suggests that the Company put “qualifying” land costs in the SIR deferral. Mr. Visalli also goes on to suggest that along with each purchase, that a cost/benefit analysis be documented (and therefore in the Company’s opinion based on cost effectiveness is deemed a qualifying cost).

An excerpt of the 1993 Final Commission Order (relating to the statement above) the above-referenced emails between Niagara Mohawk and PSC Staff are provided in Attachment “PSC AAE-14 Item 2 Agreement.pdf”.

Name of Respondent:

Brian Stearns
Michael Bogan

Date of Reply:

March 22, 2010



David H. King
Executive Director, Environmental Affairs

Phone (315) 428-5127
FAX (315) 428-3549
E-mail kingD@nimo.com

September 23, 1998

Mr. George B. Waters
President and Editor
Rome Sentinel Company
333 W. Dominick Street
P.O. Box 471
Rome, N.Y. 13440-0471

Re: Proposed AutoZone, Inc. Redevelopment Project on Rome Sentinel Property

Dear Mr. Waters:

I have been asked to respond to your letter of September 10, 1998 letter to Mr. William Davis, Chairman and CEO of Niagara Mohawk, regarding the above-referenced project.

It is unfortunate that Rome Sentinel's property has been impacted by residual byproducts or constituents associated with the former coal gas manufacturing plant (MGP) which operated many decades ago on Niagara Mohawk's adjacent property. As you may be aware, this former MGP site is one of twenty-three such sites located within my company's service territory which are subject to a multi-site Order on Consent with the New York State Department of Environmental Conservation (NYSDEC).

As is the case for most of Niagara Mohawk's other MGP sites, this former Rome MGP site is subject to an ongoing site investigation effort which, depending upon the results of investigations, remedial evaluations, and reviews by affected landowners, the public, and the NYSDEC/New York State Department of Health (NYSDOH), will likely lead to remedial actions. Please be assured that we have attempted to expedite the traditional regulatory process in order to support AutoZone, Inc.'s proposed redevelopment of Rome Sentinel's property.

The NYSDEC provided us with comments on our proposed Interim Remedial Measures Excavation Plan for Rome Sentinel's property on September 15, 1998. We will share these comments with your legal counsel, Ms. Doreen Simmons, Esq. of Hancock & Estabrook, quickly respond to the NYSDEC, finalize the work plan, and competitively procure the services of a remedial contractor to implement the plan. If we receive timely approval of these plans, we should be able to perform the excavation work at your property in mid- to late October, 1998.

In an attempt to further address Rome Sentinel's and AutoZone, Inc.'s concerns about the environmental impacts identified on your property, we asked the NYSDEC (via a July 20, 1998 letter) to issue a letter indicating that the NYSDEC will rely upon our commitment (and obligations) to address MGP contamination on the subject property and hold harmless Rome Sentinel or the prospective purchaser.

Even after we perform the proposed excavation activities, some residual groundwater contamination will likely remain on the property and, per NYSDEC requirements, the site will be subjected to long-

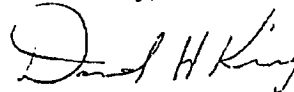
George B. Waters
Rome Sentinel Company
September 23, 1998
Page 2

term monitoring, deed restrictions, and, as required, potential additional remedial actions aimed at addressing groundwater contamination. AutoZone, Inc. or any other prospective owners of this property would need to adhere to deed restrictions on the property to prevent potential future use of site groundwater and residential use. This should not technically nor legally prohibit AutoZone, Inc.'s proposed commercial use of this property. This situation is similar to those experienced by the developers of most brownfield sites.

At the close of your letter to Mr. Davis, you suggested that "There should be no further delay in the purchase of it..." (your property) "...by NMPC plus reimbursement of our legal and other costs." Neither Rome Sentinel nor your counsel has made any prior, formal requests for Niagara Mohawk to purchase your property. Should Rome Sentinel wish to pursue such a transaction, we are willing to consider it on the basis of achieving fair and reasonable economic and legal terms, and on the basis of continuing to promote the property's redevelopment by AutoZone, Inc. or by some other commercial developer. Should Rome Sentinel not desire to pursue such a transaction with Niagara Mohawk, we will continue to respond to your concerns and to promote the proposed redevelopment effort the very best that we can.

To move this process forward, I suggest that you have your counsel call Mr. Charles Sullivan, Esq. of the NYSDEC and Niagara Mohawk's Mr. William Weiss, Esq. to discuss how best to continue promoting AutoZone, Inc.'s proposed project at your property.

Sincerely,



David H. King
Executive Director, Environmental Affairs

JAN-06-95 FRI 18:21

NMPC ENVIRO AFFAIRS

FAK NO. 315 428 3549

P. 02

Final Commission Order

CASES 93-G-0162, 93-E-0376, and 93-E-0378

Henceforth, Niagara Mohawk will have the same obligation as other New York utilities to quantify how implementation of management audit recommendations has affected rate year revenue requirement.¹

Site Investigation and Remediation Cost

Judge Lynch endorsed staff's proposal that Niagara Mohawk be required in all future rate cases to justify affirmatively in prefiled direct testimony and exhibits the recovery of site investigation and remediation (SIR) costs ~~for~~ ~~non-utility~~ ~~(also known as "other physical property")~~ sites.² He also agreed with Niagara Mohawk that SIR costs for these sites should be recovered in full when the property is actually used for utility purposes, even if it is otherwise recorded on the company's books. Finally, the Judge recommended against CPB's proposal that Niagara Mohawk be required to absorb 20% of all SIR costs.²

Niagara Mohawk asks for clarification that it will be required only to file such documentation as is reasonably available to it at the time of its rate case filing and that

¹ See Cases 92-E-1055 et al., Central Hudson Gas & Electric Corporation - Rates, Opinion No. 94-3 (issued February 11, 1994), mimeo p. 66 and Case 93-G-0002, Long Island Lighting Company - Rates, Opinion No. 92-23 (issued December 23, 1993), mimeo p. 31.

² R.D., pp. 105.

Willard, Charles F.

From: Fletcher, James J.
Sent: Thursday, June 03, 2004 3:42 PM
To: Willard, Charles F.
Subject: RE: SIR property purchases

No. I would keep a copy of the email that I copied Bob on. If he has a concern he should express it upon receiving the e-mail.

-----Original Message-----

From: Willard, Charles F.
Sent: Thursday, June 03, 2004 9:33 AM
To: Fletcher, James J.
Subject: RE: SIR property purchases

Jim,

Will we receive anything in writing back from Bob? If so, any idea on timing?

Chuck

-----Original Message-----

From: Fletcher, James J.
Sent: Wednesday, June 02, 2004 9:53 AM
To: Willard, Charles F.
Cc: 'denise_gerbsch@dps.state.ny.us'; robert_visalli@dps.state.ny.us
Subject: RE: SIR property purchases

Talked to Bob Visalli. He said that the Staff agreed with the idea of purchasing sites to mitigate clean up costs, **as long as the purchase is cost justified.**

-----Original Message-----

From: Willard, Charles F.
Sent: Wednesday, May 26, 2004 8:19 AM
To: Fletcher, James J.
Subject: SIR property purchases

Jim,

Any word back from the PSC regarding the purchase of property by SIR? We are currently evaluating the purchase of two properties.

Chuck

Stearns, Brian M.

Subject: FW: land purchases for the SIR program / SIR deferral

From: robert_visalli@dps.state.ny.us [mailto:robert_visalli@dps.state.ny.us]
Sent: Monday, April 21, 2008 10:34 AM
To: Fletcher, James J.
Cc: Willard, Charles F.; denise_gerbsch@dps.state.ny.us
Subject: RE: land purchases for the SIR program / SIR deferral

Jim,

Sorry for the delays. I think part of the delay is that we are not really sure what you are looking for from us. If it's for some kind of blanket pre-approval that all future land purchases for the SIR program are "good" deferral \$\$\$ and not subject to future audit and possible disallowance, I don't think that will happen. I also don't think the Company or Staff wants a petition filed every time the Company wants to purchase land for SIR program purposes.....my suggestion is for the Company to just put "quallfying" land costs in the SIR deferral, and either attach the cost/benefit as part of that month's Attachment 11 filing or simply provide us the cost/benefit analysis separate from the Attachment 11 filing but at the same time the costs are recorded in the deferral account.

Personally, I think the timing of each cost/benefit analysis is important. I think it would be problematic for the Company to wait to see if we ask for the cost/benefit analyses as part of some future SIR deferral account audit, and, if we do, then the Company puts together some sort of cost/benefit analysis after the fact for these land purchases. Again, just an observation / suggestion.

Bottom line is that the Company has the burden of proof to show that each such purchase of land included in the SIR deferral account is cost beneficial. As such, the Company should do whatever it believes is the best course of action to protect its interests / investments.

Bob V

"Fletcher, James J."
<James.Fletcher@us.ngrid.com>

To <denise_gerbsch@dps.state.ny.us>

cc <robert_visalli@dps.state.ny.us>, "Willard, Charles F." <Charles.Willard@us.ngrid.com>

04/19/2008 08:39 PM

Subject RE: land purchases for the SIR program / SIR deferral

I know everyone is much busier than we should be, and I'm trying not to be a pest - any word?

From: Fletcher, James J.
Sent: Wednesday, April 09, 2008 9:32 AM
To: 'denise_gerbsch@dps.state.ny.us'
Cc: 'robert_visalli@dps.state.ny.us'; Willard, Charles F.
Subject: RE: land purchases for the SIR program / SIR deferral

I believe the last time this was discussed, you were going to talk to Jane about how to proceed. If this is correct, can you bring us up to speed?

From: Fletcher, James J.
Sent: Monday, March 10, 2008 10:28 AM
To: 'denise_gerbsch@dps.state.ny.us'
Cc: 'robert_visalli@dps.state.ny.us'; Willard, Charles F.
Subject: RE: land purchases for the SIR program / SIR deferral

03/15/2010

We purchased 3 properties for \$624K. See my SIR analysis (the Excel spreadsheet)> Go to the tab called "prop pur". Two of the purchases were removed from the deferral, as shown on this tab. They were removed because in NE, they don't record purchases into a deferral, until the land is sold. A purchase of \$65K remained in the deferral but should have been removed since my analysis.

I would like to talk about this. This issue is due to my inexperience in regulatory matters. As you can see from the attached email, I had the impression that we had "permission" to utilize this strategy. Since we talked several weeks ago, I contacted Rob Hoaglund, and asked him to talk to Jane about a potential filing. Jane was on vacation when I had this conversation.

Let me know when you want to talk.

From: denise_gerbsch@dps.state.ny.us [mailto:denise_gerbsch@dps.state.ny.us]
Sent: Friday, March 07, 2008 4:15 PM
To: Fletcher, James J.
Cc: robert_visalli@dps.state.ny.us
Subject: land purchases for the SIR program / SIR deferral

I'm looking over JEs now, and I came across this JE. We need to discuss this, as I'm not aware that you were given permission from the PSC to do land purchases as part of your SIR program / SIR deferral. Mike Bogan's e-mail dated 1/26/2007 indicates the company had recently received approval from the PC to charge SIR land purchases to the deferral. I don't know how many of these land purchases you have done, you might want to find out.

Denise A. Gerbsch
Office of Accounting, Finance and Economics
NYS Dept of Public Service
300 Erie Blvd West
Syracuse, NY 13202
Office: (315) 428-5308
Fax: (315) 428-5460
e-mail: denise_gerbsch@dps.state.ny.us

**** For your information: KeySpan is now part of National Grid. ****

This e-mail and any files transmitted with it, are confidential to National Grid and are intended solely for the use of the individual or entity to whom they are addressed. If you have received this e-mail in error, please reply to this message and let the sender know.

Date of Request: March 10, 2010
Due Date: March 22, 2010

Request No. RAV-55
NMPC Req. No. NM 202 DPS 132

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Robert Visalli

TO: Rate Design, Customer and Markets Panel

Request:

Per Exhibit RDCM-4, Schedule 1, historic test year late payment charges (LPCs) were \$15,093,100 and service classification (SC) revenues were \$2,856,854,394. This results in an historic test year LPC:SC revenue ratio of 0.005283. Per Exhibit RDCM-4, Schedule 2, rate year 2011 LPCs are only forecasted to be \$14,579,172 despite the fact that SC revenues are forecasted to increase to \$3,046,063,116. This results in a rate year LPC:SC revenue ratio of only 0.004786.

A. Fully explain why the Company has assumed LPC will decline by 3.4% from the historic test year to the rate year even though SC revenues are forecasted to increase by 6.6% from the historic test year level to the rate year level.

1. Is the Company assuming customer will pay their bills in a more timely manner? If so, what is the basis for this assumption and what is the expected rate year cash flow enhancement?
2. Is the Company making some kind of normalization adjustment to the historic test year LPCs? If so, fully explain what the normalization adjustment is, why it is needed and provide documentary support from the Company's books which quantify the amount of the normalizing adjustment.

B. Fully explain why the rate year 2011 LPC forecast should not be 6.6% higher than the historic test year amount (\$16,089,244 versus \$15,093,100) considering SC revenues are forecasted to increase by 6.6% from the historic test year level to the rate year level.

C. Fully explain why the Company's 2012 LPC forecast on Exhibit RDCM-4, Schedule 3 increases from 2011 forecasted levels by the % increase in 2012 forecasted SC revenues over 2011 forecasted SC revenues, while the same relationship does not hold true for: (1) 2011 LPCs (i.e., by the % increase in 2011 forecasted SC revenues over historic test year SC revenues); or, depending on your answer to part A, (2) 2011 LPCs (i.e., by the % increase in 2011 forecasted SC revenues over normalized historic test year SC revenues).

Response:

A&B The historic test year LPC:SC revenue ratio is equal to .004786 as shown on Exhibit ___ RDCM-4, Schedule 5, Sheet 7. This ratio was developed using (in \$000's) SC revenues of \$2,834,349.1 as shown in Exhibit ___ RLW-5, plus Purchase of Receivables (POR) of \$287,904.5 as shown in Exhibit ___ RLW-5, for total revenue of \$3,122,253.7 as shown in Exhibit ___ RDCM-4, Schedule 5, Sheet 7.

C The SC revenues shown in Exhibit ___ RDCM-4, Schedule 1 in the amount of \$2,856,854,394 include disputed station service and Borderline revenues, whereas, the SC revenues used to calculate the historic test year LPC:SC revenue ratios does not include disputed station service or Borderline revenues. The disputed station service revenues are not included in the calculation of the LPC:SC revenue ratio because although the Company was still billing these accounts during the historic test year, a monthly journal entry reversed both principal and late payment charges associated with these accounts. The borderline revenues are not included in the calculation of the LPC:SC revenue ratio because these revenues are deemed to be fully collectible by the Company. The historic test year revenues compared to the 2011 forecast revenues shown on Attachment A, increased by 7.47%, at the same rate as LPC's increased. The forecast LPCs for rate years 2012 and 2013 increased by 1.2% and 1.75%, respectively, at the same rate as revenues increased, as shown on Attachment A.

Name of Respondent:
Pamela B. Dise

Date of Reply:
March 22, 2010

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID
Historical Test Year Ending September 30, 2009 and Rate Year Ending 12/31/11, 2012, 2013
Miscellaneous Revenue - Late Payment Charges
(\$000's)

<u>Line</u>	<u>Late Payment Charges</u>	<u>Source</u> <u>Ref.</u>	<u>Test Year</u> <u>Ending Sep 30, 2009</u>	<u>Normalized</u> <u>Adjustments</u>	<u>Rate Year</u> <u>Ending 2011</u>	<u>Normalized</u> <u>Adjustments</u>	<u>Rate Year</u> <u>Ending 2012</u>	<u>Normalized</u> <u>Adjustments</u>	<u>Rate Year</u> <u>Ending 2013</u>
1	Total Electric Retail Revenue (excl Disp Station Svc)	\$	2,834,349.1	\$ 211,713.6	\$ 3,046,062.7	\$ 34,155.6	\$ 3,080,218.3	\$ 53,789.1	\$ 3,134,007.4
2	ESCO Electric Commodity Revenue	\$	287,904.5	\$ (287,904.5)	\$ -	\$ -	\$ -	\$ -	\$ -
3	Total	\$	3,122,253.7	\$ (76,190.9)	\$ 3,046,062.7	\$ 34,155.6	\$ 3,080,218.3	\$ 53,789.1	\$ 3,134,007.4
4	Late Payment Charges (Less Disp Station Svc)	\$	14,943.8	\$ (364.7)	\$ 14,579.2	\$ 163.5	\$ 14,742.6	\$ 257.4	\$ 15,000.1
5	LPC adjustments disputed Station Svc	\$	149.2	\$ (149.2)	\$ -	\$ -	\$ -	\$ -	\$ -
6	Total	\$	15,093.1	\$ (513.9)	\$ 14,579.2	\$ 163.5	\$ 14,742.6	\$ 257.4	\$ 15,000.1
7	LPC as a % of retail revenues (including ESCO Commodity)		0.4786%		0.4786%		0.4786%		0.4786%
8	Total Electric Retail Revenue (excl Disp Station Svc)	\$	2,834,349		\$ 3,046,063		\$ 3,080,218		\$ 3,134,007
9	LPC re: Electr Retail Revenues	\$	13,566		\$ 14,579		\$ 14,743		\$ 15,000
10	% Difference in Revenues				7.47%		1.12%		1.75%
11	% Difference in LPC's				7.47%		1.12%		1.75%

Date of Request: March 11, 2010
Due Date: March 22, 2010

Request No. CVB-8
NMPC Req. No. NM 223 DPS 134

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Christian Bonvin

TO: Infrastructure and Operations Panel

Request:

1. For each inspection code contained in the tables in Exhibit__IOP-14, Schedule 1, pages 308 through 315, please indicate whether the repair is typically capitalized or expensed.
2. Please explain how the information provided in response to the previous question supports the following statements made in the Infrastructure Panel Testimony:
 - Level II deficiencies, which must be addressed within 12 months of identification, are expected to lead to remediation efforts which will be more evenly balanced between expense activities and capital expenditures (page 213 line 20).
 - Typically, Level III-type of situations would be less likely to be addressed through maintenance activities, and instead more likely to be remedied through capital expenditures (page 214 line 8).
3. Please provide the actual O&M expenses incurred for repairs made in response to the inspection findings listed in the tables in Exhibit__IOP-14, Schedule 1, pages 308 through 315, and the number of findings addressed. The expenses and number of repairs should be separated for level I, level II and level III activities.
4. Please provide the workpapers for how the Company determined the forecasted incremental expense levels indicated in Exhibit IOP-8, Schedule 1.

Response:

- 1) See attachment 1 (CVB-8_Attach 1_Inspection Code Expense Type) for a listing of the maintenance codes and the default capital or expense charge type.
- 2) The majority of Level II items found typically have 1 year time frame to perform the maintenance, whereas level III items have a 3 year time frame. Most of the larger capital items such as pole or transformer replacements are captured as a Level 3. The inspection

system is designed such that when replacing a pole all the expense items captured at that pole location will automatically be closed out when the pole is replaced.. For example in Exhibit __ (IOP-14) Schedule 1, Sheet 310 of 315 in the overhead distribution table we have collected 909 poles to be replaced as Level 2 and 3,990 as Level 3. This example supports the statement that Level 3 derives more capital work when compared to level 2, which results in a higher percentages of level 3 expenses being capitalized.

3) The actual O&M expenses incurred for repairs made in response to the inspection findings listed on the tables in Exhibit __ IOP-14 Schedule 1 are shown in the table below. Please refer to attachment 2 (CVB-8_Attach 2_completed repair to date for items in Exhibit IOP_14) for the number of repairs completed. The O&M cost corresponds to all Level II and Level III repairs completed as of 03/14/2010 for all the inspection findings between 12/01/2008 – 08/10/2009. Please note that some of Level III work automatically rolls into a Level II if both priorities are at the same locations except for street light bonding code, which will impact the actual cost Level II repairs. Level I repairs are carried out under Damage/Failure blanket projects and are not tracked or budgeted separately.

	Priority	Actual Operating Expenses
Distribution OH	Level 2	\$1,060,026
	Level 3	\$1,344,491
Distribution OH IM Total		\$2,404,517
Underground	Level 2	\$179,408
Underground IM Total		\$179,408
Sub-Transmission	Level 2	\$3,285
Sub-Transmission IM Total		\$3,285
Grand Total		\$2,587,210

4) Please refer to attachment 3 (CVB-8_Attach 3_NY Expense Estimates Work Paper) for the forecasted incremental expense levels provided in Exhibit __ (IOP-8), Schedule 1. The strategy estimate plan was developed in 2009 with the Level III scheduled as shown in table1 in Attachment 3. As part of a recent budget revaluation, the Level III work plan schedules have changed based on actual costs, work plan and forecast, which was submitted in data request NM 183 DPS 113 RAV-46 for austerity measures.

Name of Respondent:
John Gavin

Date of Reply:
March 21, 2010

CVB-8
Attachment 1

Note: Some codes such as damaged handholes will be assigned to the local design group for evaluation and an expense or capital order can be created at that time.

code	Description	Exp/Cap
98	Street Light Hazard Condition	E
99	Street Light - Not Bonded	E
100	Street Light - Not Bonded to Standards	E
101	Pole - Osmose Priority	C
102	Pole - Osmose Reject	C
103	Pole - Down Ground & Rod Present	E
106	Pole - Double Wood - NG transfer req'd	C
107	Pole - Double Wood - Tel transfer req'd	C
108	Pole - Double Wood - CATV transfer req'd	E
110	Pole - Broken / Severely damaged	C
111	Pole - Visual rotting ground line	C
113	Pole - Cu Nap Treated Birth Mark Yr	C
114	Pole-Woodpecker Holes	C
115	Pole - Riser guard required	E
116	Pole - Visual rotting pole top	C
117	Pole - Leaning pole	E
118	Pole - Stencil / Correction Req'd	E
119	Pole - Birds nest (Osprey)	E
120	Crossarm - Damage arm	E
121	Crossarm - Loose/defective pins	E
122	Crossarm - Wooden pins 13.2 kv	E
123	Crossarm - Loose brace, hardware	E
124	Crossarm - Damage double crossarm	E
125	Crossarm - Damage alley arm	E
126	Crossarm - Wood Brace Required/BIL	E
127	Primary on Crossarm	E
130	Insulator - Broken/Cracked/Flashed	E
131	Insulator - Floating	E
132	Insulator-I-7 aluminum caps	E
133	Insulator - non standard for voltage	E
134	Insulator - AL cap assoc with switch/fus	E
135	Insulator - Covered Wire on Porcelain	E
139	Insulator - Other (use comments)	E
140	Primary - Insuff. grnd clearance	E
141	Primary - Dmgd. cond/brkn strands	E
142	Primary - Limbs on Primary	E
145	Primary - Damaged stirrups/Connector	E
146	Primary - Improper Sag	E
147	Primary - L.A. Missing Transition	E
148	Primary - L.A. Missing End of Line	E
149	Primary-LA Blown	E
150	Transformer - Oil weeping	C
151	Transformer - Bushings brkn/cracked	C
152	Transformer - Missing ground wire	E
153	Transformer - LA blown/missing/improper	E

155	Transformer - Animal guards required	E
156	Transformer - NonStd Installation of Gap	E
157	Transformer - Improper/missing Bond	E
160	Capacitor - Oil weeping	C
161	Capacitor - Bulging	C
162	Capacitor - Bushings brkn/cracked	C
163	Capacitor - Missing ground wire	E
164	Capacitor - Blown fuse	E
165	Capacitor - Improper/missing Bond	E
166	Capacitor - Animal Guard Missing	E
167	Capacitor - L.A.blown/missing/improper	E
168	Capacitor - Control Cab Height/ground	E
169	Capacitor - Out of Service	E
170	Regulator - Oil weeping	C
171	Regulator - Bushings brkn/cracked	C
172	Regulator - Missing ground wire	E
174	Regulator Control Cab. height/ground	E
175	Regulator - Improper/missing Bond	E
176	Regulator - Animal Guard Missing	E
177	Regulator - L.A. blown/missing/improper	E
180	Sectionalizer - oil weeping	C
181	Sectionalizer - Bushings brkn or crack	C
182	Sectionalizer - Missing ground wire	E
183	Sectionalizer - Control Cab Height/Grnd	E
184	Sectionalizer - Improper/missing bond	E
185	Sectionalizer - Animal Guard Missing	E
186	Sectionalizer - LA blown/miss/improper	E
190	Recloser - Oil weeping	C
191	Recloser - Bushings brkn or crack	C
192	Recloser - Missing ground wire	E
193	Recloser - Control Cab Height/Ground	E
194	Recloser - Improper/missing bond	E
195	Recloser - Animal Guard Missing	E
196	Recloser - L.A. blown/missing/improper	E
203	Switch - Gang Operated defective	C
204	Switch - Single phase defective	C
205	Switch - Improper/missing bond	E
207	Switch - L.A. blown/missing/improper	E
208	Switch - Handle Not Bonded	E
210	Ground - Ground wire broken/loose	E
211	Ground - Hazard condition	E
212	Ground - Guard Req'd	E
213	Ground - non standard	E
214	Ground - Not Bonded to Neutral	E
220	Guy - Guy Wire marker	E
221	Guy - Guy Insulator Required	E
222	Guy - Excessive slack in guy	E
223	Guy - Broken guy wire	E
225	Guy - non standard bonding or insulation	E
226	Anchor req'd - joint owned	E
227	Anchor req'd - sole NG	E
231	Secondary - limb on secondary	E

232	Secondary - Improper sag	E
234	Secondary - Floating	E
240	Service - Ins. loose from house	E
241	Service - limb on service	E
243	Service - non std or unsecured NG action	E
250	ROW - Brush/Tree/Washout	E
260	GIS map doesn't match field	E
261	GIS Pole/line numbering in error on GIS	E
262	GIS Equipment/hardware missing in GIS	E
263	GIS Equip removed in fld, remv from GIS	E
269	GIS Other GPS/GIS errors	E
270	Spacer Cable - Damaged/Missing spacer	E
271	Spacer Cable - Bracket Damage	E
272	Spacer Cable - Bracket not bonded	E
273	Spacer Cable - Messenger not bonded	E
274	Spacer Cable - Messenger Guard Missing	E
276	Spacer Cable - Uncovered Splice	E
280	Cutout - Defective cutout	E
281	Cutout - Potted Porcelain	E
282	Cutout - Banded Porcelain	E
283	Cutout - Enclosed	E
284	Cutout - Non Porcelain	E
285	Cutout-Potted Hybrid	E
286	Spur Tap - Not Fused	E
289	Cutout - Other - Use Comments	E
290	Riser - Improper cable support/terminate	E
291	Riser - Improper/missing bond	E
292	Riser - Animal Guard Missing	E
293	Riser - L.A. blown/missing/improper	E
400	Infrared- Problem-Switch	E
401	Infrared- Problem-Cutout	E
402	Infrared-Problem- Splice	E
403	Infrared-Problem- Other	E
600	Handholes - Broken/damaged/unsecured	C
602	Handholes - Missing nomenclature	E
603	Handholes - Secondary needs repair	E
604	Handholes - Other (use comments)	E
651	Switchgear - Barrier broken/damaged/unse	C
652	Switchgear - Base broken/damaged	C
654	Switchgear - Cable Not Bonded	E
656	Switchgear - Door Broken/Damaged	E
657	Switchgear - excessive vegetation	E
659	Switchgear - Missing ground	E
660	Switchgear - Missing Nomenclature	E
661	Switchgear - Other	E
662	Switchgear - Rusted/Paint peeling	E
673	PM Transf - Door Broken/damaged/unsecu	E
675	PM Transf - Elbows/Terminator tracking/burn	E
676	PM Transf - Excessive Vegetation	E
680	PM Transf - Missing Ground	E
681	PM Transf - Missing Nomenclature	E
682	PM Transf - Mud/Debris	E

684	PM Transf - Oil Weeping	C
685	PM Transf - Pad broken/damaged	E
686	PM Transf - Protection (ballards) dama	E
687	PM Transf - Rusted/ Paint peeling	E
688	PM Transf - Pad Pushed off Base	E
740	Enclosures - Base Broken/Cracked	C
741	Enclosures - Door Broken/damaged/unsec	E
742	Enclosures - Elbows Tracking/Burned	E
743	Enclosures - Excessive Vegetation	E
745	Enclosures - Missing Nomenclature	E
746	Enclosures - Rusted/Paint Peeling	E
801	Osmose - Identified Priority Pole	C
802	Osmose - Identified Reject Pole	C
803	Osmose - Excessive Chkg (NR) offrd	N/A
804	Osmose - Climbing Insp Req'd(not reject)	N/A
	Total	

code	Description	Exp/Cap
260	GIS map doesn't match field	E
261	GIS Pole/line numbering in error on GIS	E
262	GIS Equipment/hardware missing in GIS	E
263	GIS Equip removed in fld, remv from GIS	E
269	GIS Other GPS/GIS errors	E
600	Handholes - Broken/damaged/unsecured	C
602	Handholes - Missing nomenclature	E
603	Handholes - Secondary needs repair	E
604	Handholes - Other (use comments)	E
610	Manhole - Ground Rods Missing	E
611	Manholes - Cable/Joint leaking	E
612	Manholes - Cables bonded/Grid defective	E
614	Manholes - Cracked/broken	C
615	Manholes - Fire proofing	E
616	Manholes - Improper grade	E
617	Manholes - Missing nomenclature	E
620	Manholes - Rerack	E
621	Manholes - Ring/cover repair/replace	E
622	Manholes - Roof Condition - Use Comments	C
623	Manholes - Chimney Condition - Comments	C
624	Manholes - Manhole Needs Cleaning	E
625	Manhole - Secondary Needs Repair	E
626	Manholes - No Holes in Manhole Cover	E
630	Network Protector - Barriers broken/dama	C
632	Network Protector - Oil leak	E
633	Network Protector - Worn/damaged gasket	C
635	Network transformer - Bushing Broken/Cra	C
637	Network transformer - Low oil	E
638	Network transformer - Missing Ground	E
639	Network transformer - Missing nomenclatu	E
642	Network transformer - Oil Weeping	C
643	Network transformer - Rusted/ Paint peel	E
651	Switchgear - Barrier broken/damaged/unse	C
652	Switchgear - Base broken/damaged	C
654	Switchgear - Cable Not Bonded	E
656	Switchgear - Door Broken/Damaged	E
657	Switchgear - excessive vegetation	E
659	Switchgear - Missing ground	E
660	Switchgear - Missing Nomenclature	E
661	Switchgear - Other	E
662	Switchgear - Rusted/Paint peeling	E
672	Transformer - Bushing Broken/Cracked	C
673	Transformer - Door Broken/damaged/unsecu	E
675	Transformer - Elbows/Terminator tracking/burned	E
676	Transformer - Excessive Vegetation	E
680	Transformer - Missing Ground	E
681	Transformer - Missing nomenclature	E
682	Transformer - mud/debris	E
684	Transformer - Oil Weeping	C
685	Transformer - Pad broken/damaged	C
686	Transformer - Protection (ballards) dama	C

687	Transformer - Rusted/ Paint peeling	E
690	Trench - Exposed Cable	E
692	Trench Path - Sunken	E
700	Vaults - Cable missing bond	E
702	Vaults - Cracked/broken	C
703	Vaults - Damaged/broken cover	E
704	Vaults - Damaged/broken door	E
705	Vaults - Damaged/broken ladder	E
706	Vaults - Improper grade	E
707	Vaults - Improper nomenclature	E
708	Vaults - Light not working	E
712	Vaults - Sump pump broken	C
713	Vault - Secondary Needs Repair	E
720	Submersible equip. - Excess corrosion	C
721	Submersible equip. - Physical damage	C
722	Submersible equip. - Leaking	C
730	Anodes - Missing	E
731	Anodes - Need replacement	E
	Unknown	E
	Total	

code	Description	Exp/Cap
510	POLE - Broken	C
511	POLE - Visual Rotting	C
512	POLE - Leaning	E
513	POLE - Replace Single Arms	C
514	POLE - Replace Double Arms	C
515	POLE - Repair Braces	E
516	POLE - Replace Braces	E
517	POLE - Replace Anchor	E
518	POLE - Install Anchor	C
519	POLE - Repair/Replace Guy Wire	E
521	POLE - Tighten Guy Wire	E
522	POLE - Replace/Install Guy Shield	E
524	POLE - Guy Not Bonded	E
525	POLE - Lightning Damage	C
526	POLE - Woodpecker Damage	E
527	POLE - Insects	E
528	POLE - Aerial Number Missing	E
531	TOWER - Tower Legs Broken	E
532	TOWER - Numbers Missing	E
534	TOWER - Loose Bolts/Hard	E
535	TOWER - Repair Anti-Climb	E
536	TOWER - Vegetation on Tower	E
537	TOWER - Structure Damage	E
538	TOWER - Straighten Tower	E
539	TOWER - Arms Damaged	E
541	CONDUCTOR - Conductor	E
542	CONDUCTOR - Static	E
543	CONDUCTOR - Ground Wire	E
544	CONDUCTOR - Sleeve/Conn	E
546	CONDUCTORS - Under 25 ft	E
547	Infrared Problem Identified	E
551	LINE HDW - Insulators/Dam	C
552	LINE HDW - Insulator Plumb	E
553	LINE HDW - Hardware Dam	E
555	LINE HDW - Lightning Arrestor	C
563	FOUNDATION - Erosion	E
571	RIGHT OF WAY - Erosion	E
572	RIGHT OF WAY - Encroachments	E
573	RIGHT OF WAY - Debris	E
574	RIGHT OF WAY - Danger Tree	E
575	RIGHT OF WAY - Gate Broke	E
576	RIGHT OF WAY - Oil/Gas Leak	E
581	MISC - Stencil Structure	E
582	MISC - Switch Damaged	E
583	MISC - Damaged Switch Ground	E
584	MISC - Install Warning Sign	E
585	MISC - Replace Signs	E
586	MISC - Remove Steps	E
587	MISC - Add Dirt and Tamp	E
760	GIS map doesn't match field	E
761	GIS Equipment stenciling in error on GIS	E

762	GIS Equipment/hardware missing in GIS	E
763	GIS Equip removed in fld, remv from GIS	E
769	GIS Other GPS/GIS errors	E
901	Osmose - Identified priority pole	C
902	Osmose - Identified reject pole	C
903	Osmose - Insp excessive check (not rej)	C
904	Osmose - Climbing Insp re'q (not rej)	C
	Totals	

Date of Request: March 11, 2010
Due Date: March 22, 2010

Request No. RAV-57
NMPC Req. No. NM 224 DPS 135

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Robert Visalli

TO: Rate Design, Customer and Markets Panel

Request:

In response to IR RAV-40, Part B, a schedule showing the baseline number of employees assumed as the starting point for measuring KeySpan merger savings, was provided, as was a schedule for the savings initiative in place at the start of the Narragansett Gas merger. For each schedule, provide the exact date these attached schedules were produced. Include supporting documentation for the exact date (e.g., internal e-mail correspondence sending the schedules to senior management, etc).

Response

In response to RAV-40, a schedule was provided representing that the baseline number of employees assumed as the starting point for the Keyspan merger initiatives was 17,763. In addition, a second schedule was provided to show that the actual level of employees at the merger date was 17,760, demonstrating that the Narragansett initiatives had been realized. Both of these schedules were derived from a larger excel file created on September 24, 2007 which is create date/time-stamped on the file. Not included in the Company's initial response is a word document which details how the baseline number was derived. This file has a create date/time stamp of October 26, 2008 and was attached to an internal e-mail of the same date.

Also included in our initial response to RAV-40 was a schedule of savings initiatives. This data was taken from an excel file with a create date/time stamp of January 16, 2004. Although this date is more than two years prior to the Narragansett Gas merger, the Company believes that this was an original Mercer consulting template created by Mercer in 2004 and then used for the Narragansett Merger purpose at a later date. This file has a create date/time stamp of April 1, 2007. There is also a print date time/stamp on the file of October 31, 2006. It is the Company's belief that these later dates are indicative of work specific to the Narragansett Gas merger.

Name of Respondent:
James Molloy

Date of Reply:
March 20, 2010

Date of Request: March 12, 2010
Due Date: March 22, 2010

Request No. DAG-4
NMPC Req. No. NM 227 DPS 138

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirement Panel

Request: Expense Type #400 – Other Expenses

1. In the workpapers for Other Expenses (Book 16 of Exhibit __ (RRP-10)), pages #10-37 show a listing of costs by project for the HYE 9/30/09. The label at the top of page states, “Other Expense Type 400, General Ledger Review by Project.”

a. Please explain in detail what this project and cost listing is supposed to represent, and if all the costs for the HYE 9/30/09 that are identified by the “difference” column are contained as part of the total Expense type #400 costs per book for the HYE 9/30/09 of (\$8,199,600) – electric allocation is (\$15,025,400); gas allocation is (\$6,825,800). If the costs in their entirety are not part of Expense type #400, please provide details as to what expense types (and/or construction accounts) the projects relate to and associated amounts.

b. Workpaper pages #10-37 contains almost 2,000 listed projects. Please provide both a detailed explanation of the process the Company undertook, as well as any and all analyses done, to determine what projects and the associated costs should either be removed or left in the historic test year base, and what normalizing adjustments were required from the historic test year to the rate years.

c. Referencing workpaper pages #10-37, please provide the following:

- (1) Explain and provide details on Project #X00078 – Misc Project Support;
- (2) Explicitly identify the adjustments made in the rate case filing to remove historic year charges for Project #X05684 – KeySpan Integration in the amount of \$21,203,514;
- (3) Explicitly identify the adjustments made in the rate case filing to remove historic year charges for Project #E00802 – SIR Program costs in the amount of \$19,160,251;
- (4) Explicitly identify the adjustments made in the rate case filing to remove historic year charges for Project #X09545 – NM Management Audit 2008 in the amount of \$2,986,573;
- (5) Explicitly identify the adjustments made in the rate case filing to remove historic year charges for Project #X10407 – Global ERP Write-off in the amount of \$2,636,042;

- (6) (a) Explain and provide details on Project #X06704 – Transformation; (b) explicitly identify where in the workpapers, the historic year charges of \$9,154,185 can be found; and (c) why the costs for this should not be considered costs to achieve;
- (7) (a) Explain and provide details on Project #X08686 – INVP 1242; (b) explicitly identify where in the workpapers, the historic year charges of \$1,141,864 can be found; and (c) why the costs for this should not be considered costs to achieve, but instead should remain in the historic test year base;
- (8) (a) Explain and provide details on Project #X09966 – INVP 1185 - DMS; (b) explicitly identify where in the workpapers, the historic year charges of \$626,152 can be found; and (c) why the costs for this should remain in the historic test year base;
- (9) (a) Explicitly identify the adjustments made in the rate case filing to remove historic year charges for Project #X07264 – Non CTA Exceptional in the amount of \$258,799; (b) Explain and provide details on Project #X02771 – CSS Consolidation Project; (c) explicitly identify where in the workpapers, the historic year charges of \$117,297 can be found and (d) why the costs for should remain in the historic test year base;
- 11 (a) Explain and provide details on Project #X09465 – US T Global Transformation Project; (b) explicitly identify where in the workpapers, the historic year charges of \$98,507 can be found; and (c) why the costs for should remain in the historic test year base.

Response:

- 1.a. The listing at Exhibit __ (RRP-10), Schedule X, Sheets 10-37 represents the twelve months ended September 30, 2008 and the twelve months ended September 30, 2009 NMPC Electric departmental operating expenses, by PeopleSoft project number and description, for all expense types. The third column “Difference” represents the delta between the two periods. Please note the total of column “Total Sept 09” agrees to the total historical test year Electric departmental operating expenses shown at Exhibit __ (RRP-2), Summary, Sheet 1. These costs represent all expense types. Please refer to Exhibit __ (RRP-2), Summary, Sheet 1 for a breakdown of column “Total Sept 09” by expense type.
- b. Project descriptions were scrutinized for terms which may be neither NMPC nor Electric business related. For example, projects containing phrases such as KeySpan, MA, RI, or Gas were flagged to be removed from the Historical test year. The Company also investigated large or unexpected variances year over year.
- c. Please note, the amounts referenced in the above request at part (c) refer to the “Difference” column at Book 16, Exhibit __ (RRP-10), pages #10-37. Amounts reflected in the historical test year would be those shown in column “Total Sept 09”, and therefore the Company refers to the test year amounts in its response to part (c) below.
- (1) Project #X0078 Misc Project Support: This project relates to SBC, RPS and Energy Efficiency activities and the internal labor and overheads associated with those activities. Please refer to Attachment C1 for detail and workpaper references.

(2) Project #X05684 – KeySpan Integration: Of the project total (\$14,115,741), \$12,220,998 was excluded from the historical test year as cost to achieve. The remaining \$1,894,742 relates to non-VERO related internal labor and overhead costs incurred to deliver merger initiatives. Please refer to Attachment C2 for detail and workpaper references which identify adjustments made in the filing to remove these projects costs from the historical test year.

(3) Project #E00802 – SIR Program: SIR program costs were not removed from the Historical test year. Of the project total (\$37,484,707), \$36,825,249 is included as SIR costs at Exhibit __ (RRP-2), Schedule 40, Sheet 1, net of deferrals recorded to a blank project. Please refer to the detailed listing of project costs at Attachment C3. The remaining project amount of \$659,457 consists mainly of non-incremental labor & benefits charges related to SIR programs.

(4) Project #X09545 – NM Management Audit 2008: \$667,001 was removed from the historical test year expense, under expense type 400, at Exhibit __ (RRP-2), Schedule 7, Sheet 4, Line “To remove one time costs related to the Management Audit”. \$667,001 represents amounts expensed for NorthStar Consulting Group, who conducted the audit. Because the Company would not have incurred these costs had it not been for the Management Audit, and such an audit is not anticipated in the Rate Years, and the Company therefore removed NorthStar Consulting costs from the historical test year base. However, in responding to this request, the Company has discovered an additional \$139,878 in charges from NorthStar Consulting, which were not removed from the test year. The Company will include this reduction in its Corrections & Updates filing. The remaining costs (\$2,320,325) consist mainly of internal labor and benefits as well as external legal counsel expense. Those costs were considered normal and ongoing operating expenses, and therefore were not removed from the historic test year.

(5) X10407 Global ERP Writeoff \$2,636,042: This amount was removed from the Historical test year at Exhibit __ (RRP-2), Schedule 7, Sheet 4, Line “To remove one time costs related to the W/O of ERP System”.

(6) Project #X06704 – Transformation \$16,617,910: Please refer to the detailed listing of project costs at Attachment C6. \$10.97M of this project relates to the EDO Transformation. A description of the EDO Transformation project is included in the Infrastructure and Operations Panel (IOP) Testimony (Book 26) beginning on Page 44. \$4.8M of this project relates to the Global Procurement Transformation project. A description of this project is included in the IOP testimony at Book 26, pages 43-44. \$451k relates to a Station & Protection Standards project for Substation Engineering. Costs consist of consultant & contractor expenses. The goal of this project is to update & revise procedures surrounding the Project Management process for T&D project management groups, making standards as consistent as possible across the New York and New England regions. \$351K of Project X06704 relates to Shared Services Transformation, which seeks to identify opportunities to standardize processes and increase efficiencies across the US and UK Shared Services groups. Costs consist of consulting and legal expense, as well as internal labor and benefits expense. The

Company views all Transformation costs as ongoing business expense, as the Company will continue to seek more opportunities through the Rate Years to run its businesses more efficiently, in order to realize cost savings and productivity savings. Therefore, the Company believes such Transformation expenses should remain in the historical test year base.

(7) Project #X08686 – INVP 1242: This project relates to the requirements and design phase costs as well as software maintenance costs incurred with the build of the new Transformation KPI Reporting software. This software supports EDO Transformation initiatives. The Company believes these costs should remain in the historical test year as it expects to incur ongoing maintenance costs associated with the KPI Reporting system through the Rate Years. Please refer to the detailed listing of project costs at Attachment C7.

(8) Project #X09966 – INVP 1185: This project relates to the requirements and design phase costs incurred with the build of the new Distribution Management System (DMS). The Company believes these costs should remain in the historical test year as it expects to incur ongoing maintenance costs associated with the DMS system through the Rate Years. Please refer to the detailed listing of project costs at Attachment C8.

(9) Project #X07264 –Non CTA Exceptional: Costs under this project mainly relate to Transformation initiatives, such as the Call Center Improvement, Global Procurement and US Shared Services Transaction Delivery Center (TDC), as well as the Regulatory Cost Structure initiative. The Global Procurement Transformation project is described in the IOP testimony at Book 26, pages 43-44. The TDC is described in the testimony of Andrew F. Sloey at Book 5, pages 24-26. The Regulatory Cost Structure (RCS) project seeks to align regulatory and line of business views for more timely and effective reporting to both management and regulatory bodies. RCS also involves software development. The Company views all Transformation costs as ongoing business expense, as the Company will continue to seek more opportunities through the Rate Years to run its businesses more efficiently, in order to realize cost savings and productivity savings. Therefore, the Company believes such Transformation expenses should remain in the historical test year base. Likewise, the Company believes it is continuously aiming to improve its reporting mechanisms and expects it will incur ongoing maintenance costs associated with RCS software. Therefore, such RCS expenses should remain in the historical test year base. Please refer to the detailed listing of project costs at Attachment C9.

(10) Project #X02771 – CSS Consolidation: This Project consists of internal labor and benefits costs associated with maintaining the CSS system updates installed in conjunction with the NY CSS/ NE CIS consolidation project. As the related capital asset was projected to have a ten-year useful life beginning January 2008, the Company expects similar CSS operating & maintenance costs to continue into the Rate Years. Please refer to the detailed listing of project costs at Attachment C10.

(11) Project #X09465 – US T Global Transformation: This project relates to an initiative to share best practices and standardize processes across the US and UK Transmission businesses. The charges of \$112,280 allocated to NiMo Electric in the test year consist mainly of internal labor and benefits costs. The Company considers initiatives such as this one to be ongoing business expense, as the Company continues to seek to run the Transmission business more efficiently. Current examples of similar initiatives include Global Transmission Asset Management Workstreams: (1) Standardization of Engineering Design; (2) Strategic Resource Management; and (3) Virtual Design Center of Excellence. The Company therefore believes these costs should remain in the historical test year base and into the Rate Year. Please refer to the detailed listing of project costs at Attachment C11.

Workpaper References:

For those expense types listed in the Attachments to Part (c), please refer to the following workpapers:

Expense Type	Workpaper : Exhibit (RRP-10)
100 & 105- Consultants	Book 14, Schedule 1
110, 112 & 115 - Contractors	Book 14, Schedule 2
150 - Donations	Book 14, Schedule 3
200 – Employee expenses	Book 15, Schedule 4
300 – Hardware	Book 15, Schedule 5
350 – Software	Book 15, Schedule 6
400, 401 & 410 – Other	Book 16, Schedule 7
500, 505 & 510 – Rents	Book 16, Schedule 8
A10 through A65 – Overheads	Books 16 – 17, Schedules 9 - 17
A70 – Sales tax	Book 17, Schedule 18
B01 through B08 – Benefits	Book 17, Schedules 19-28
B09 – Payroll tax	Book 17, Schedule 27
M10 – M50 – Materials	Book 17, Schedules 28-30
P expense types – Labor	Book 18, Schedule 31
T10 – Transportation	Book 18, Schedule 32

Name of Respondent:
Melissa Little

Date of Reply:
March 23, 2009

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C1 to DAG-4

Sheet 1 of 1

Project X00078
For the Historical Test Year ended September 30, 2009

Bus Unit D | Niagara Mohawk Power Corp

Sum of Posted Jml \$							Segment		
Project	Project Descr	Rate Case Expense	Expense Type	Activity	Activity Descr	DIST	Grand Total		
X00078	Misc Project Support	Acctg Services Corp Overheads	A65	AG0080	Regulatory Filing Activities	36	36		
				AG0205	DSM Regulatory Related Activit	104	104		
		Acctg Services Corp Overheads Total				140	140		
		Benefits	B01	AG0080	Regulatory Filing Activities	109	109		
				AG0195	DSM General Evaluation Work	3,047	3,047		
				AG0200	DSM Planning	1,963	1,963		
				AG0205	DSM Regulatory Related Activit	1,351	1,351		
			B02	AG0080	Regulatory Filing Activities	4	4		
				AG0195	DSM General Evaluation Work	250	250		
				AG0200	DSM Planning	98	98		
				AG0205	DSM Regulatory Related Activit	83	83		
			B03	AG0080	Regulatory Filing Activities	72	72		
				AG0195	DSM General Evaluation Work	3,277	3,277		
				AG0200	DSM Planning	1,473	1,473		
				AG0205	DSM Regulatory Related Activit	1,117	1,117		
			B04	AG0080	Regulatory Filing Activities	11	11		
				AG0195	DSM General Evaluation Work	168	168		
				AG0200	DSM Planning	159	159		
				AG0205	DSM Regulatory Related Activit	161	161		
			B06	AG0080	Regulatory Filing Activities	51	51		
				AG0195	DSM General Evaluation Work	3,837	3,837		
				AG0200	DSM Planning	1,637	1,637		
				AG0205	DSM Regulatory Related Activit	494	494		
			B07	AG0080	Regulatory Filing Activities	21	21		
				AG0195	DSM General Evaluation Work	851	851		
				AG0200	DSM Planning	566	566		
				AG0205	DSM Regulatory Related Activit	426	426		
			B08	AG0080	Regulatory Filing Activities	(2)	(2)		
				AG0195	DSM General Evaluation Work	24	24		
				AG0200	DSM Planning	(2)	(2)		
				AG0205	DSM Regulatory Related Activit	(21)	(21)		
			Benefits Total				21,225	21,225	
			Employee Expenses	200	AG0205	DSM Regulatory Related Activit	747	747	
			Employee Expenses Total				747	747	
			Energy Efficiency	110	AG0200	DSM Planning	3,270	3,270	
				200	AG0195	DSM General Evaluation Work	351	351	
					AG0200	DSM Planning	781	781	
				400	AG0195	DSM General Evaluation Work	6,250	6,250	
				A65	AG0195	DSM General Evaluation Work	(130)	(130)	
					AG0200	DSM Planning	149	149	
			Energy Efficiency Total				10,672	10,672	a)
			Labor	P15	AG0080	Regulatory Filing Activities	736	736	
					AG0195	DSM General Evaluation Work	24,268	24,268	
					AG0200	DSM Planning	14,911	14,911	
					AG0205	DSM Regulatory Related Activit	10,393	10,393	
				P30	AG0080	Regulatory Filing Activities	226	226	
					AG0195	DSM General Evaluation Work	2,467	2,467	
					AG0200	DSM Planning	2,254	2,254	
					AG0205	DSM Regulatory Related Activit	1,059	1,059	
				P50	AG0080	Regulatory Filing Activities	129	129	
			AG0195	DSM General Evaluation Work	4,345	4,345			
			AG0200	DSM Planning	2,547	2,547			
			AG0205	DSM Regulatory Related Activit	1,652	1,652			
	Labor Total				64,989	64,989			
	Payroll taxes	B09	AG0080	Regulatory Filing Activities	71	71			
			AG0195	DSM General Evaluation Work	2,305	2,305			
			AG0200	DSM Planning	1,467	1,467			
			AG0205	DSM Regulatory Related Activit	998	998			
	Payroll taxes Total				4,841	4,841			
	System Benefits Charge	110	AG0205	DSM Regulatory Related Activit	-	-			
		400	AG0205	DSM Regulatory Related Activit	36,129,739	36,129,739			
			AG0207	DSM SBC NIMO	36,169,375	36,169,375			
	System Benefits Charge Total				72,299,114	72,299,114	b)		
	Renewable Portfolio Standard	400	AG0205	DSM Regulatory Related Activit	11,999,432	11,999,432			
			AG0207	DSM SBC NIMO	11,999,430	11,999,430			
	Renewable Portfolio Standard Total				23,998,862	23,998,862	c)		
Grand Total					96,400,590	96,400,590			

a) agrees to Exhibit (RRP-10), Schedule 33, Workpaper 2, Sheet 1

b) agrees to Exhibit (RRP-2), Schedule 43, Sheet 1

c) agrees to Exhibit (RRP-2), Schedule 39, Sheet 1

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C2 to RAV-38

Sheet 1 of 2

Project X05684

All charges

For the Historical Test Year ended September 30, 2009

Sum of Posted Jml \$			Segment			CTA Adjustment		X05684
Project	Project Descr	Expense Type	DIST	TRAN	Grand Total	Per Sheet 2	Remaining	
X05684	Keyspan Integration	100	(297,448)	(70,696)	(368,144)	(368,144)	(0)	
		110	1,260,968	129,345	1,390,314	1,390,314	-	
		150	2,208	348	2,556	2,556	-	
		200	244,563	14,294	258,857	258,857	-	
		300	21,680	2,970	24,650	24,650	-	
		350	1,406	-	1,406	1,406	-	
		400	(1,417,766)	(205,169)	(1,622,935)	(1,622,935)	-	
		401	15,599	2,462	18,061	-	18,061	
		410	19	3	22	-	22	
		500	10,567	-	10,567	10,567	-	
		A50	10,431	-	10,431	-	10,431	
		A60	-	-	-	-	-	
		A65	874	98	972	-	972	
		A70	205	0	206	-	206	
		B01	312,492	35,709	348,201	270,455	77,746	
		B02	1,784	233	2,017	-	2,017	
		B03	55,182	3,042	58,223	-	58,223	
		B04	2,044	261	2,305	-	2,305	
		B05	(0)	-	(0)	-	(0)	
		B06	10,629,898	1,447,126	12,077,024	12,021,477	55,547	
		B07	8,038	779	8,818	-	8,818	
		B08	(155)	(19)	(174)	-	(174)	
		B09	21,133	612	21,745	-	21,745	
		M10	229,795	1,900	231,695	231,695	-	
		M20	101	-	101	101	-	
		M50	21	-	21	-	21	
		P15	495,756	24,478	520,234	-	520,234	
		P20	26,735	-	26,735	-	26,735	
		P21	14,060	-	14,060	-	14,060	
		P25	8,085	-	8,085	-	8,085	
		P26	2,374	-	2,374	-	2,374	
		P30	743,579	235,171	978,750	-	978,750	
		P50	76,566	3,728	80,294	-	80,294	
		T10	7,564	708	8,272	-	8,272	
X05684 Total			12,488,358	1,627,383	14,115,741	12,220,998	1,894,742	
Grand Total			12,488,358	1,627,383	14,115,741			

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C2 to RAV-38

Sheet 2 of 2

Project X05684
Keyspan and NEG Integration Costs to Achieve
For the Historical Test Year ended September 30, 2009

Line	Sum of Posted Jrl \$	Segment CAT		ELECTRIC Total	Grand Total
		ELECTRIC	Project		
	Expense Type	X05683	X05684		
1	100		(368,144)	(368,144)	(368,144)
2	110		1,390,314	1,390,314	1,390,314
3	150		2,556	2,556	2,556
4	200	7,747	258,857	266,604	266,604
5	300		24,650	24,650	24,650
6	350		1,406	1,406	1,406
7	400,401,410	1,436	(1,622,935)	(1,621,499)	(1,621,499)
8	500,505,510		10,567	10,567	10,567
9	B01		270,455	270,455	270,455
10	B06		12,021,477	12,021,477	12,021,477
11	M10		231,695	231,695	231,695
12	M20		101	101	101
13	Grand Total	9,183	12,220,998	12,230,181	12,230,181

agrees to Sheet 1

- Line Notes: Source:
- 1 Exhibit__(RRP-2), Schedule 1 Sheet 4
 - 2 Exhibit__(RRP-2), Schedule 2 Sheet 4
 - 3 Exhibit__(RRP-2), Schedule 3 Sheet 4. Booked below the line.
 - 4 Exhibit__(RRP-2), Schedule 4 Sheet 4
 - 5 Exhibit__(RRP-2), Schedule 5 Sheet 4
 - 6 Exhibit__(RRP-2), Schedule 6 Sheet 4
 - 7 Exhibit__(RRP-2), Schedule 7 Sheet 4
 - 8 Exhibit__(RRP-2), Schedule 8 Sheet 4
 - 9 Exhibit__(RRP-2), Schedule 19 Sheet 4
 - 10 Exhibit__(RRP-2), Schedule 24 Sheet 4
 - 11 Exhibit__(RRP-2), Schedule 28 Sheet 4
 - 12 Exhibit__(RRP-2), Schedule 29 Sheet 4
 - 13 Sum (Lines 1 - 12)

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C3 to DAG-4

Sheet 1 of 3

Project E00802

For the Historical Test Year Ended September 30, 2009

Bus Unit Descr Niagara Mohawk Power Corp

Sum of Gl. Act \$					Rate Case Segment	
Project	Project Descr	Charged Dept	Chrg Dept Descr	Expense Type	ELECTRIC	Grand Total
E00802	SIR Program Costs - NY	11999	Acctg Services Corp Overheads	A65 P30	1,890 40,903	1,890 40,903
		11999 Total			42,793	42,793
		15550	Real Estate-NY Cent	I10 500	478 212	478 212
		15550 Total			690	690
		15890	NY Facilities-Frontier	I10 P10 P50	5,748 1,151 204	5,748 1,151 204
		15890 Total			7,103	7,103
		15900	NY Facilities-Southwest	A70 M10	5 54	5 54
		15900 Total			58	58
		15920	NY Facilities-Central	I10 A70 P10 P50 T10	284 22 278 50 23	284 22 278 50 23
		15920 Total			658	658
		15930	NY Facilities-Northern	M10 P10 P50 T10	6 132 24 16	6 132 24 16
		15930 Total			178	178
		15950	NY Facilities-Capital	M10	121	121
		15950 Total			121	121
		15960	NY Facilities-Northeast	I10 A70 P10 P50 T10	585 41 1,199 205 218	585 41 1,199 205 218
		15960 Total			2,248	2,248
		16999	Human Resources Corp Overhead	B01 B02 B03 B04 B06 B07 B08	16,883 957 13,436 1,443 12,662 4,707 (118)	16,883 957 13,436 1,443 12,662 4,707 (118)
		16999 Total			49,969	49,969
		18000	Legal Services	I00	(4,468)	(4,468)
		18000 Total			(4,468)	(4,468)
		18340	Ethics Risk & Compliance	P15 P50	290 53	290 53
		18340 Total			343	343
		26020	Gas Construction NY	I10	618	618
		26020 Total			618	618
		26050	Vegetation Management	I10	2,350	2,350
		26050 Total			2,350	2,350
		38320	Site Investig & Remed Admin-NY	200 400 P15 P50	485 173 15,067 2,625	485 173 15,067 2,625
		38320 Total			18,350	18,350
		38340	Site Investig & Remed Admin-NY	200 400 P15 P50	19,026 481 154,294 25,555	19,026 481 154,294 25,555
		38340 Total			199,356	199,356

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C3 to DAG-4

Sheet 2 of 3

Project E00802

For the Historical Test Year Ended September 30, 2009

Bus Unit Descr | Niagara Mohawk Power Corp

Sum of GL Act \$				Rate Case Segment		
Project	Project Descr	Charged Dept	Chrg Dept Descr	Expense Type	ELECTRIC	Grand Total
		38360	Site Investig & Remed-NY	100	10,164,511	10,164,511
				105	5,271	5,271
				110	22,835,209	22,835,209
				200	10,669	10,669
				300	188	188
				400	2,889,716	2,889,716
				402	113,430	113,430
				404	660,664	660,664
				500	800	800
				A70	530	530
				M10	143,816	143,816
				M20	194	194
				M50	43	43
				P10	1,636	1,636
				P15	281,128	281,128
				P50	47,427	47,427
				T10	209	209
				38360 Total	37,155,440	37,155,440
		62330	Trans Line Serv-NY	P15	440	440
				P50	80	80
				T10	52	52
				62330 Total	571	571
		62340	Trans Line Serv Construct-NY	200	789	789
				P10	661	661
				P50	124	124
				T10	139	139
				62340 Total	1,712	1,712
		62360	Distribution Construction-NY	110	618	618
				62360 Total	618	618
		83500	Travelling Operators-West	T10	113	113
				83500 Total	113	113
		83510	Power Delivery-Buffalo	200	84	84
				P10	3,684	3,684
				P20	573	573
				P21	286	286
				P50	737	737
				T10	523	523
				83510 Total	5,887	5,887
			SIR Program Costs - NY Total		37,484,707	37,484,707
			E00802 Total		37,484,707	37,484,707
			Grand Total		37,484,707	37,484,707

Sum 1\ = 36,825,249

NIAGARA MOHAWK POWER CORPORATION
d/b/a National Grid
Case 10-E-0050
Attachment C3 to DAG-4
Sheet 3 of 3

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Site Investigation Remediation
SIR Charged Department - 38360

Sum of Amount Posted				Segment		
Charged Dept	Project	Project Descr	Expense Type	ELECTRIC	Grand Total	
38360			100	4,005	4,005	
			110	(1,736)	(1,736)	
			200	-	-	
			300	(0)	(0)	
			400	(26,930,825)	(26,930,825)	
			A70	49	49	
			M20	-	-	
			M50	(10)	(10)	
		Total			(26,928,516)	(26,928,516)
		CAP036	Capital Overheads	400	28,142	28,142
		CAP036 Total			28,142	28,142
		E00802	SIR Program Costs - NY	100	10,164,511	10,164,511
				105	5,271	5,271
				110	22,835,209	22,835,209
				200	10,669	10,669
				300	188	188
				400	2,889,716	2,889,716
				402	113,430	113,430
				404	660,664	660,664
				500	800	800
				A70	530	530
				M10	143,816	143,816
				M20	194	194
			M50	43	43	
			T10	209	209	
	E00802 Total			36,825,249	36,825,249	
	F00252	Cash Reconciliations	110	1,612	1,612	
			A70	123	123	
	F00252 Total			1,736	1,736	
Grand Total				9,926,610	9,926,610	

a) agrees to Sheet 2

b) per Exhibit__(RRP-2), Schedule 40, Sheet 1

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C6 to DAG-4

Sheet 1 of 1

Project X06704

For the Historical Test Year Ended September 30, 2009

Bus Unit Descr Niagara Mohawk Power Corp

Sum of Posted Jml \$					Rate Case Segment					
Project	Project Descr	Work Order	Work Order Descr	Expense Type	ELECTRIC	Grand Total				
X06704	Transformation	9000064394	Project Management	A65	(4)	(4)				
				B01	105	105				
				B02	8	8				
				B03	96	96				
				B04	8	8				
				B06	128	128				
				B07	28	28				
				B08	1	1				
				P15	798	798				
				P30	109	109				
				P50	144	144				
				9000064394 Total					1,420	1,420
				9000064395	Station & Protection Standards	100		324,670	324,670	
						110		127,113	127,113	
				9000064395 Total					451,783	451,783
		9000076168	EDO Transformation-Phase 1, Ana			100	5,606,827	5,606,827		
						110	690,481	690,481		
						200	441,586	441,586		
						300	4,205	4,205		
						400	15,154	15,154		
						A60	0	0		
						A65	23,806	23,806		
						A70	253	253		
						B01	314,269	314,269		
						B02	14,561	14,561		
						B03	203,656	203,656		
						B04	22,838	22,838		
						B06	184,959	184,959		
						B07	68,178	68,178		
						B08	4,500	4,500		
						M10	60,734	60,734		
						P10	94,738	94,738		
						P15	2,192,400	2,192,400		
P20	9,573					9,573				
P21	5,271					5,271				
P25	7,546					7,546				
P26	3,279	3,279								
P30	587,295	587,295								
P50	388,771	388,771								
T10	26,997	26,997								
9000076168 Total					10,971,876	10,971,876				
9000082161	Global Procurement Transformat			100	247,504	247,504				
				110	3,249,765	3,249,765				
				200	41,315	41,315				
				300	1,102	1,102				
				400	1,066,754	1,066,754				
				A60	-	-				
				A65	2,436	2,436				
				A70	48	48				
				B01	19,583	19,583				
				B02	859	859				
				B03	12,979	12,979				
				B04	1,595	1,595				
				B06	13,322	13,322				
				B07	4,981	4,981				
				B08	(140)	(140)				
				M10	258	258				
P15	135,277	135,277								
P30	21,857	21,857								
P50	22,719	22,719								
9000082161 Total					4,842,215	4,842,215				
9000084515	Global Shared Services-BPO	100		321,888	321,888					
		200		28,728	28,728					
9000084515 Total					350,616	350,616				
X06704 Total					16,617,910	16,617,910				
Grand Total					16,617,910	16,617,910				

Project X08686
For the Historical Test Year Ended September 30, 2009

NIAGARA MOHAWK POWER CORPORATION
d/b/a National Grid
Case 10-E-0050
Attachment C7 to DAG-4
Sheet 1 of 1

Bus Unit Descr Niagara Mohawk Power Corp

Sum of Posted Jnl \$					Rate Case Segment	
Project	Project Descr	Expense Type	Charged Dept	Chrg Dept Descr	ELECTRIC	Grand Total
X08686	INVP 1242	100	17109	IS Elec Dist & Gen Projects	-	-
		100 Total			-	-
		110	17103	Inspection Maint Mgmt Systems	(3,334)	(3,334)
			17109	IS Elec Dist & Gen Projects	649,697	649,697
			17190	IS Customer & Markets-NM	1,842	1,842
		110 Total			648,204	648,204
		200	17109	IS Elec Dist & Gen Projects	6,139	6,139
			17190	IS Customer & Markets-NM	389	389
		200 Total			6,528	6,528
		300	17109	IS Elec Dist & Gen Projects	1,226	1,226
		300 Total			1,226	1,226
		350	17109	IS Elec Dist & Gen Projects	235,216	235,216
		350 Total			235,216	235,216
		A60	11999	Acctg Services Corp Overheads	-	-
		A60 Total			-	-
		A65	11999	Acctg Services Corp Overheads	2,635	2,635
		A65 Total			2,635	2,635
		A70	17109	IS Elec Dist & Gen Projects	148	148
		A70 Total			148	148
		B01	16999	Human Resources Corp Overheads	24,263	24,263
		B01 Total			24,263	24,263
		B02	16999	Human Resources Corp Overheads	1,288	1,288
		B02 Total			1,288	1,288
		B03	16999	Human Resources Corp Overheads	17,976	17,976
		B03 Total			17,976	17,976
		B04	16999	Human Resources Corp Overheads	2,133	2,133
		B04 Total			2,133	2,133
		B06	16999	Human Resources Corp Overheads	15,961	15,961
		B06 Total			15,961	15,961
		B07	16999	Human Resources Corp Overheads	6,285	6,285
		B07 Total			6,285	6,285
		B08	16999	Human Resources Corp Overheads	(74)	(74)
		B08 Total			(74)	(74)
		P10	17109	IS Elec Dist & Gen Projects	3,194	3,194
		P10 Total			3,194	3,194
		P15	17109	IS Elec Dist & Gen Projects	168,925	168,925
		P15 Total			168,925	168,925
		P30	11999	Acctg Services Corp Overheads	26,347	26,347
		P30 Total			26,347	26,347
		P50	17109	IS Elec Dist & Gen Projects	28,732	28,732
		P50 Total			28,732	28,732
X08686 Total					1,188,987	1,188,987
Grand Total					1,188,987	1,188,987

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C8 to DAG-4

Sheet 1 of 1

Project X09966
For the Historical Test Year Ended September 30, 2009

Bus Unit Descr	Niagara Mohawk Power Corp
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Sum of Posted Jml \$					Segment	
Project	Project Descr	Expense Type	Charged Dept	Chrg Dept Descr	DIST	Grand Total
X09966	INVP 1185 - DMS	100	17109	IS Elec Dist & Gen Projects	239,602	239,602
		100 Total			239,602	239,602
		200	17109	IS Elec Dist & Gen Projects	33,648	33,648
			17110	Customer Applications	280	280
			38050	Dist Disp Center Wbro Ctrl	489	489
			87300	Regional Control-West	1,341	1,341
		200 Total			35,759	35,759
		300	17109	IS Elec Dist & Gen Projects	138	138
			38050	Dist Disp Center Wbro Ctrl	39	39
		300 Total			177	177
		350	17109	IS Elec Dist & Gen Projects	305	305
		350 Total			305	305
		A60	11999	Acctg Services Corp Overheads	-	-
		A60 Total			-	-
		A65	11999	Acctg Services Corp Overheads	2,275	2,275
		A65 Total			2,275	2,275
		B01	16999	Human Resources Corp Overheads	35,804	35,804
		B01 Total			35,804	35,804
		B02	16999	Human Resources Corp Overheads	1,618	1,618
		B02 Total			1,618	1,618
		B03	16999	Human Resources Corp Overheads	19,925	19,925
		B03 Total			19,925	19,925
		B04	16999	Human Resources Corp Overheads	2,227	2,227
		B04 Total			2,227	2,227
		B06	16999	Human Resources Corp Overheads	21,876	21,876
		B06 Total			21,876	21,876
		B07	16999	Human Resources Corp Overheads	6,724	6,724
		B07 Total			6,724	6,724
		B08	16999	Human Resources Corp Overheads	172	172
		B08 Total			172	172
		M10	17109	IS Elec Dist & Gen Projects	723	723
		M10 Total			723	723
		P15	17109	IS Elec Dist & Gen Projects	169,196	169,196
			87000	Dispatch & Control Mgmt-NY	23,839	23,839
			87300	Regional Control-West	3,274	3,274
		P15 Total			196,309	196,309
		P30	11999	Acctg Services Corp Overheads	29,142	29,142
		P30 Total			29,142	29,142
		P50	17109	IS Elec Dist & Gen Projects	28,757	28,757
			87000	Dispatch & Control Mgmt-NY	4,081	4,081
			87300	Regional Control-West	452	452
		P50 Total			33,289	33,289
		T10	17109	IS Elec Dist & Gen Projects	226	226
		T10 Total			226	226
X09966 Total					626,152	626,152
Grand Total					626,152	626,152

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C9 to DAG-4

Sheet 1 of 1

Project X07264
For the Historical Test Year Ended September 30, 2009

Bus Unit Descr | Niagara Mohawk Power Corp

Sum of Posted Jnl \$					Segment					
Project	Project Descr	Work Order	Work Order Descr	Expense Type	DIST	TRAN	Grand Total			
X07264	Non CTA Exceptional	9000067940	KeySpan integration costs--Non	100	41,489	5,629	47,118			
				P30	26,321	3,602	29,923			
				KeySpan integration costs--Non Total		67,810	9,231	77,041		
		9000067940 Total					67,810	9,231	77,041	
		9000088118	Customer Transformation-Call C			100	195,030		195,030	
						110	61,022		61,022	
						200	1,819		1,819	
						Customer Transformation-Call C Total		257,870		257,870
		9000088118 Total					257,870		257,870	
		9000089267	Global Procurement Transformat			200	356	56	412	
						400	497	78	575	
						B01	2,827	446	3,273	
						B03	2,828	446	3,275	
						B05	0	0	0	
						B06	6,063	957	7,020	
						B07	653	103	756	
						B09	1,807	285	2,092	
						P15	20,003	3,157	23,160	
						P30	3,274	517	3,791	
						P50	3,171	500	3,671	
						Global Procurement Transformat Total		41,478	6,546	48,024
						9000089267 Total				
		9000089603	US Shared Services Transactio-			200	260	35	294	
						A60	-	-	-	
						A65	(1,379)	(197)	(1,576)	
						B01	14,001	1,787	15,787	
						B02	956	123	1,079	
						B03	13,245	1,710	14,955	
						B04	1,058	133	1,191	
						B06	14,390	1,876	16,266	
						B07	3,712	471	4,183	
						B08	108	14	122	
						P15	129,637	14,050	143,686	
P30	10,797					1,378	12,174			
P50	22,277					2,446	24,723			
US Shared Services Transactio- Total						209,059	23,824	232,884		
9000089603 Total					209,059	23,824	232,884			
9000093450	Regulatory Cost Structure			100	44,876		44,876			
				110	4,184	660	4,844			
				200	3,368	532	3,900			
				400	213	34	247			
				401	208	33	241			
				410	60	9	69			
				510	164	26	190			
				B01	2,441	385	2,826			
				B03	2,769	437	3,206			
				B05	-	-	-			
				B06	5,578	880	6,459			
				B07	535	84	620			
				B09	1,549	244	1,793			
				P15	17,838	2,815	20,654			
				P30	10,398	1,641	12,039			
				P50	2,830	447	3,276			
				Regulatory Cost Structure Total		97,011	8,228	105,238		
9000093450 Total					97,011	8,228	105,238			
X07264 Total					673,228	47,829	721,058			
Grand Total					673,228	47,829	721,058			

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C10 to DAG-4

Sheet 1 of 1

Project X02771
For the Historical Test Year ended September 30, 2009

Bus Unit Descr	Niagara Mohawk Power Corp
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Sum of Posted Jml \$				Rate Case Segment	
Project	Project Descr	Expense Type	Activity Descr	ELECTRIC	Grand Total
X02771	CSS Consolidation Project - Ex	200	Credit & Collections	58.09	58.09
			Miscellaneous Customer Account	2,976.83	2,976.83
		200 Total		3,034.92	3,034.92
		A60	IS Development - Customer Serv	-	-
			Operations Executive Services	-	-
		A60 Total		-	-
		A65	IS Development - Customer Serv	(0.33)	(0.33)
			Miscellaneous Customer Account	808.72	808.72
		A65 Total		808.39	808.39
		B01	IS Development - Customer Serv	15.43	15.43
			Miscellaneous Customer Account	2,056.90	2,056.90
			Operations Executive Services	5,855.70	5,855.70
		B01 Total		7,928.03	7,928.03
		B02	IS Development - Customer Serv	(0.07)	(0.07)
			Miscellaneous Customer Account	58.15	58.15
			Operations Executive Services	99.76	99.76
		B02 Total		157.84	157.84
		B03	IS Development - Customer Serv	(2.16)	(2.16)
			Miscellaneous Customer Account	998.67	998.67
			Operations Executive Services	748.19	748.19
		B03 Total		1,744.70	1,744.70
		B04	IS Development - Customer Serv	0.17	0.17
			Miscellaneous Customer Account	154.21	154.21
			Operations Executive Services	59.87	59.87
		B04 Total		214.25	214.25
		B06	IS Development - Customer Serv	2.33	2.33
			Miscellaneous Customer Account	1,083.31	1,083.31
			Operations Executive Services	2,493.89	2,493.89
		B06 Total		3,579.53	3,579.53
		B07	IS Development - Customer Serv	(0.36)	(0.36)
			Miscellaneous Customer Account	518.93	518.93
			Operations Executive Services	239.41	239.41
		B07 Total		757.98	757.98
B08	IS Development - Customer Serv	0.11	0.11		
	Miscellaneous Customer Account	(48.48)	(48.48)		
	Operations Executive Services	39.92	39.92		
B08 Total		(8.45)	(8.45)		
P10	IS Development - Customer Serv	-	-		
P10 Total		-	-		
P15	Miscellaneous Customer Account	66,451.37	66,451.37		
	Operations Executive Services	9,975.63	9,975.63		
P15 Total		76,427.00	76,427.00		
P30	IS Development - Customer Serv	(2.54)	(2.54)		
	Miscellaneous Customer Account	8,003.17	8,003.17		
	Operations Executive Services	528.61	528.61		
P30 Total		8,529.24	8,529.24		
P50	IS Development - Customer Serv	(0.22)	(0.22)		
	Miscellaneous Customer Account	10,559.39	10,559.39		
	Operations Executive Services	1,823.21	1,823.21		
P50 Total		12,382.38	12,382.38		
T10	Miscellaneous Customer Account	5,096.81	5,096.81		
T10 Total		5,096.81	5,096.81		
X02771 Total		120,652.62	120,652.62		
Grand Total		120,652.62	120,652.62		

NIAGARA MOHAWK POWER CORPORATION

d/b/a National Grid

Case 10-E-0050

Attachment C11 to DAG-4

Sheet 1 of 1

Project X09465
For the Historical Test Year Ended September 30, 2009

Bus Unit Descr	Niagara Mohawk Power Corp
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Sum of Posted Jrn'l \$			Rate Case Segment		
Project	Project Descr	Expense Type	Chrg Dept Descr	ELECTRIC	Grand Total
X09465	US T Global Transformation	110	Construction Strategy	6,433	6,433
		110 Total		6,433	6,433
		200	Asset Management	2,696	2,696
			Construction Strategy	2,623	2,623
			System Delivery	2,302	2,302
			System Delivery Construction	909	909
			Trans Line Engineering	3,545	3,545
		200 Total		12,074	12,074
		A65	Acctg Services Corp Overheads	1,014	1,014
		A65 Total		1,014	1,014
		B01	Human Resources Corp Overheads	7,621	7,621
		B01 Total		7,621	7,621
		B02	Human Resources Corp Overheads	430	430
		B02 Total		430	430
		B03	Human Resources Corp Overheads	6,047	6,047
		B03 Total		6,047	6,047
		B04	Human Resources Corp Overheads	863	863
		B04 Total		863	863
		B06	Human Resources Corp Overheads	3,023	3,023
		B06 Total		3,023	3,023
		B07	Human Resources Corp Overheads	2,236	2,236
		B07 Total		2,236	2,236
		B08	Human Resources Corp Overheads	(127)	(127)
		B08 Total		(127)	(127)
		P15	Asset Management	2,948	2,948
			Construction Strategy	1,899	1,899
			Oper Planning & Review	2,616	2,616
			System Delivery	2,468	2,468
			Trans Line Engineering	45,798	45,798
			Trans Line Services-NE	1,183	1,183
		P15 Total		56,910	56,910
		P30	Acctg Services Corp Overheads	6,667	6,667
		P30 Total		6,667	6,667
P50	Asset Management	486	486		
	Construction Strategy	315	315		
	Oper Planning & Review	416	416		
	System Delivery	410	410		
	Trans Line Engineering	7,266	7,266		
	Trans Line Services-NE	196	196		
P50 Total		9,088	9,088		
X09465 Total				112,280	112,280
Grand Total				112,280	112,280

Date of Request: March 12, 2010
Due Date: March 22, 2010

Request No. DAG-5
NMPC Req. No. NM 228 DPS 139

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirement Panel

Request: Expense Type #400 – Other Expenses

1. Please explain and provide details, invoices, and journal entries for the historic year charge of \$2,744,341 for Activity #AG0844 – IS Development A&G, as per “Other Expense Type #400” workpapers page 164.
2. Please explain and provide details, invoices, and journal entries for the historic year charge of \$776,500 for Activity #AG0730 – Accounting Services, as per “Other Expense Type #400” workpapers page 68.
3. Workpaper #38 shows SIR costs by provider company and expense type. Please provide a more detailed breakdown of the SIR costs for each expense type and by activity and vendor.

Response:

1. Please see Attachment A to this request for copies of the journal entries to Activity AG0844, Expense Type 400. Most of the charges in this activity relate to the write off of the Global ERP System which has been removed from the test year (See Workpaper 5 to Exhibit __ (RRP-2) Schedule 7). The remaining costs are expenses relating to the development of the enhanced Intranet.
2. Please see Attachment B to this request for the HSBC invoices. These charges are Payment and Controls Fees.
3. Please see Attachment C to this request for a breakdown of the SIR Cost.

Name of Respondent:
James Molloy

Date of Reply:
March 20, 2010

Journal Entry

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Header	Lines	Totals	Errors	Approval
Unit: 00099	Journal ID: 99404	Date: 03/31/2009		
Long Description:	Nov Mar True up Expat Bonus and March Actual for un billed Expat charges			
Ledger Group:	APPLIED	<input type="checkbox"/> Auto Generate Lines		
Ledger:		Adjusting Entry: <input type="checkbox"/> Non-Adjusting Entry		
Source:	IMP Q	Fiscal Year:	2009	
Reference Number:		Period:	12	
SJE Type:		Adj Date:	03/31/09	
Journal Class:		<input type="checkbox"/> Save Journal Incomplete Status		
Transaction Code:	GENERAL Q			
Currency Defaults: USD / CRRNT / 1	Created: 03/31/09 3:09:27PM	User ID:	ppatel	
Reversal Do Not Generate Reversal	Posted:	Updated:	03/31/09 4:22:56PM	
<input type="button" value="Save"/>	<input type="button" value="Return to Search"/>	<input type="button" value="Next In List"/>	<input type="button" value="Notify"/>	<input type="button" value="Refresh"/>
<input type="button" value="Add"/>				

Header | Lines | Totals | Errors | Approval

DATED BY: Prem DATE: 3/31/09
 CHECKED BY: CA DATE: 3/31/09
 CHIEF ACCOUNTANT: ✓ CHIEF OF EMIS: ✓
 COPED: ✓ PREPARED BY: ✓
 RESPONSIBILITY: ✓

Journal Entry

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Header	Lines	Totals	Errors	Approval								
Unit: 00099 Journal ID: 99404 Date: 03/31/2009 Process: Edit Journal Process												
Template List Search Criteria Change Values Inter/IntraUnit <input type="checkbox"/> Errors Only Line: 110												
Unit	Activity	Project	WQ	EXP Type	Orig Dept	Chrg Dept	Bill Pool	Segment	Account	Reg Acct	Amount	Journal Line Descri
00001	AG0740	X05085	9000080622	200	56900	56900		TRAV	25602	921000	17,333.01	Abeam, B
00099	AG0740			110	25044	25044	00203	OTH	256022	566000	11,156.70	Gossage, K
00099	AG09106			110	25044	25044	50200	OTH	256022	885000	2,798.93	Gossage, K
00099	AG0563			110	92269	92269	50200	OTH	256022	901000	7,477.57	Barker, L
00099	AG0563			110	92269	92269	00203	OTH	256022	501000	7,477.57	Barker, L
00099	AG0760			110	88050	88050	00231	OTH	256022	921000	13,705.00	Bingham, P.
00099	AG0685			110	12100	12100	00382	OTH	256022	921000	11,800.00	Bonar, D.
00099	AG0760			110	62000	62000	00233	OTH	256022	921000	379,775.18	Brett, S.
00099	AG0483			110	15480	15480	00236	OTH	256022	921000	92,300.90	Callaghan, J.
01459	AG0090			110	25250	25250		NREI	256022	921000	19,783.00	Connell, C.
01459	AG0760			110	25010	25010		NREI	256022	921000	7,338.03	Cook, M.
00099	AG0760			110	25010	25010	00200	OTH	256022	921000	7,338.03	Cook, M.
00099	AG0760			110	25010	25010	00203	OTH	256022	921000	7,338.04	Cook, M.
00099	AG0760			110	35040	35040	00231	OTH	256022	921000	10,626.73	Duan, M.
00036	TE1000	C03437	0005577251	110	62100	62110		TRAN	442016	163000	1,713.07	Desmond, L.
00036	TE1000	C03437	0005565289	110	62100	62110		TRAN	442016	163000	2,297.95	Desmond, L.
00099	T09000			110	62100	62100	00233	OTH	256022	566000	3,314.77	Desmond, L.
00099	AG0745			110	63000	63000	00233	OTH	256022	921000	27,314.99	Ferth, A.
00099	AG0040			110	19220	19220	00200	OTH	256022	926000	10,798.52	Handley, V.
00099	AG0245			110	18000	18000	00235	OTH	256022	930200	57,008.17	Henchley, M.
00099	DO9000			110	26050	26050	00231	OTH	256022	566000	32,315.84	Hewitt, L.

Journal Entry

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00001	Q	AG0770	Q	AG4502	Q	9000033848	Q	110	Q	56000	Q	56000	Q		Q	OTH	Q	256022	Q	566000	Q	132,279.30	Kinnis, L
00099	Q	AG0760	Q	AG6404	Q	9000070726	Q	110	Q	5A200	Q	56200	Q	00233	Q	OTH	Q	256022	Q	521000	Q	4,877.77	Liesimore, M
00099	Q	AG0405	Q		Q		Q	110	Q	16300	Q	16300	Q	00353	Q	OTH	Q	256022	Q	521000	Q	10,719.33	Mead, C
00001	Q	AG0600	Q		Q		Q	110	Q	10500	Q	10500	Q		Q	BEV	Q	256022	Q	521000	Q	15,948.50	McConnick, T
00099	Q	AG0410	Q		Q		Q	110	Q	20710	Q	20710	Q	00231	Q	OTH	Q	256022	Q	581000	Q	17,543.00	Mäer, D
00099	Q	AG0015	Q		Q		Q	110	Q	10100	Q	10100	Q	00230	Q	OTH	Q	256022	Q	521000	Q	8,608.82	Mostyn, C
01401	Q	AG0735	Q		Q		Q	110	Q	02433	Q	02433	Q		Q	CAS	Q	256022	Q	000000	Q	23,895.09	Nichols, W
00099	Q	AG0600	Q		Q		Q	100	Q	17275	Q	17275	Q	00300	Q	OTH	Q	256022	Q	521000	Q	9,541.05	Pearman, A, CMC
00099	Q	AG0760	Q		Q		Q	110	Q	20100	Q	20100	Q	00231	Q	OTH	Q	256022	Q	521000	Q	91,877.43	Petriglow, J
00099	Q	AG0700	Q	AG6704	Q	9000076168	Q	110	Q	37000	Q	26135	Q	00231	Q	OTH	Q	256022	Q	588000	Q	13,023.42	Pretyman, D
00099	Q	AG0760	Q		Q		Q	110	Q	26090	Q	26090	Q	00231	Q	OTH	Q	256022	Q	521000	Q	13,138.23	Proudman, N
00099	Q	AG0900	Q		Q		Q	110	Q	35040	Q	35040	Q	00231	Q	OTH	Q	256022	Q	588000	Q	16,306.75	Reeves, B
00036	Q	AG0900	Q	AG6706	Q	9000070550	Q	110	Q	62000	Q	62000	Q		Q	FRAN	Q	256022	Q	566000	Q	7,000.00	Rns, A
00099	Q	AG0900	Q		Q		Q	110	Q	62010	Q	62010	Q	00233	Q	OTH	Q	256022	Q	566000	Q	2,953.70	Ros, L
00099	Q	AG0760	Q		Q		Q	110	Q	10400	Q	10400	Q	00201	Q	OTH	Q	256022	Q	521000	Q	62,258.44	Ryan, L
00036	Q	AG0085	Q	AG0545	Q	9000083581	Q	110	Q	10400	Q	10400	Q	00101	Q	DIST	Q	256022	Q	528000	Q		Ryan, L (NM Mgmt)
00099	Q	AG0745	Q		Q		Q	110	Q	10610	Q	10610	Q	00382	Q	OTH	Q	256022	Q	521000	Q	97,088.77	Stoey, A
00099	Q	AG0847	Q		Q		Q	200	Q	17980	Q	17980	Q	00380	Q	OTH	Q	256032	Q	521000	Q	28,167.44	Smith, C
00099	Q	AG0270	Q		Q		Q	110	Q	13000	Q	13000	Q	00236	Q	OTH	Q	256022	Q	521000	Q	8,573.64	Stevens, A
00099	Q	AG0795	Q		Q		Q	110	Q	14200	Q	14200	Q	00201	Q	OTH	Q	256022	Q	521000	Q	57,382.33	Tilmer, H
00001	Q	AG0730	Q		Q		Q	110	Q	11900	Q	11900	Q		Q	OTH	Q	256022	Q	521000	Q	13,600.23	Vernon-Parry, J
00099	Q	AG0730	Q		Q		Q	110	Q	11200	Q	11200	Q	00382	Q	OTH	Q	256022	Q	521000	Q	89,477.74	Wheatcroft, M
00099	Q	AG0760	Q		Q		Q	110	Q	10850	Q	10850	Q	00233	Q	OTH	Q	256022	Q	521000	Q	123,488.76	Wanser, N
00082	Q	AG0760	Q		Q		Q	110	Q	10850	Q	10850	Q		Q	OTH	Q	256022	Q	521000	Q	61,744.38	Wanser, N
00001	Q	AG0760	Q		Q		Q	110	Q	10850	Q	10850	Q		Q	OTH	Q	256022	Q	521000	Q	61,744.38	Wanser, N
00089	Q	AG0844	Q	AG10735	Q	9000089439	Q	400	Q	17310	Q	17350	Q	00380	Q	OTH	Q	256026	Q	521000	Q	30,791.26	Invoices for Lars Hell
00099	Q	AG0844	Q	AG0838	Q	9000089440	Q	400	Q	17310	Q	17350	Q		Q	OTH	Q	524021	Q	174000	Q	21,482.28	Invoices for Lars Hell

Journal Entry

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00099	AG0844	203550	0000088503	400	17310	17350		OTH	524021	174000	13,896.55	Invoices for Lars Hei	
00099	AG0844	X13485	0000088502	400	17310	17350	00330	OTH	256026	521000	32,973.86	Invoices for Lars Hei	
00099	AG0844	006590	0000088615	400	17310	17350		OTH	524021	174000	204,797.71	Invoices for Lars Hei	
00099	AG0040				M10	10120	10120	00236	OTH	256020	926000	35,370.95	Invoices under Step
00099	AG0730			400	11999	11999	00999	OTH	256026	921000		Adjustment	
00099	232444							OTH	611063	232444	-1,981,393.48	Default Account Pre-	
00001	234099							OTH	611099	234099	-241,605.22	AP to Assoc Comp	
00099	146001							OTH	671099	146001	241,605.22	AR from Assoc Comp	
00099	146459							OTH	671099	146459	27,121.06	AR from Assoc Comp	
01459	234099							NREG	611099	234099	-27,121.06	AP to Assoc Comp	
00036	234099							DIST	611099	234099	-10,921.02	AP to Assoc Comp	
00099	146036							OTH	671099	146036	10,921.02	AR from Assoc Comp	
00099	146401							OTH	671099	146401	23,895.09	AR from Assoc Comp	
01401	234099							GAS	611099	234099	23,895.09	AP to Assoc Comp	
00082	234099							OTH	611099	234099	-61,744.38	AP to Assoc Comp	
00099	146082							OTH	671099	146082	61,744.38	AR from Assoc Comp	

Lines to add:

Unit	Total Lines	Total Debits	Total Credits	Journal Status
00001	6	241,605.22	241,605.22	✓
00036	5	10,921.02	10,921.02	✓
00082	2	61,744.38	61,744.38	✓
00099	46	1,981,393.48	1,981,393.48	✓
01401	2	23,895.09	23,895.09	✓
01459	3	27,121.06	27,121.06	✓

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Niagara Mohawk Power Corporation
d/b/a National Grid
Case 10-E-0050
Attachment A to DAG-5
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JE 99104

New - Major Turn-up, Equal Items and Major Annual for Expenditures that are not billed

Business Unit	Activity	Segment	Orig Dept	Chgd Dept	Using Fund	Exp. Type	Work Order	Project	Monthly Amount	Bonus Annual	Adjust	Total	Description	Comments
00001	AG0740	BMV	00000	00000		110			136.00	13,296.37		17,332.01	Aspen B	
00002	D01140	OTM	00044	00044	00203	110			2,390.21	8,795.49		11,185.70	Greystone K	50%
00003	AG0060	OTM	00044	00044	00006	110			1,129.38	2,126.11		3,255.49	Greystone K	50%
00004	AG0090	OTM	00044	00044	00006	110			968.39	6,082.28		7,050.67	Greystone K	50%
00005	AG0090	OTM	00044	00044	00011	110			382.37	6,082.28		6,464.65	Greystone K	50%
00006	AG0090	OTM	00044	00044	00011	110			10,100.00	3,495.96		13,595.96	Dagwood P	
00007	AG0090	OTM	00044	00044	00011	110			11,500.00			11,500.00	Dagwood P	
00008	AG0090	OTM	00044	00044	00011	110				1,035.08	177,800.81	178,835.89	Beast S	
00009	AG0090	OTM	00044	00044	00011	110				2,414.11	27,900.76	30,314.87	Collabor J	
00010	AG0090	OTM	00044	00044	00011	110				1,326.61	16,443.92	17,770.53	Collabor J	
00011	AG0090	OTM	00044	00044	00011	110			4,333.33	2,801.26		7,134.59	Collab M	50%
00012	AG0090	OTM	00044	00044	00011	110			5,322.12	2,801.26		8,123.38	Collab M	50%
00013	AG0090	OTM	00044	00044	00011	110			5,333.34	2,801.26		8,134.60	Collab M	50%
00014	AG0090	OTM	00044	00044	00011	110			3,182.96	6,111.77		9,294.73	Collab M	50%
00015	TR0100	TRAN	02100	02110	00211	110			1,213.02			1,213.02	Dormand T	50%
00016	TR0100	TRAN	02100	02110	00211	110			2,207.93			2,207.93	Dormand T	50%
00017	TR0100	TRAN	02100	02110	00211	110			2,275.08			2,275.08	Dormand T	50%
00018	TR0100	TRAN	02100	02110	00211	110			335.82			335.82	Dormand T	50%
00019	AG0215	OTM	00044	00044	00011	110			1,972.71	24,867.88		26,840.59	Smith A	
00020	AG0215	OTM	00044	00044	00011	110			1,860.8	24,867.88		26,728.68	Smith A	
00021	AG0215	OTM	00044	00044	00011	110			2,376.71	51,453.05		53,829.76	Hammill V	
00022	AG0215	OTM	00044	00044	00011	110			1,082.39	28,613.35		29,695.74	Hammill V	
00023	AG0770	OTM	00044	00044	00011	110			1,952.23	150,122.05		152,074.28	Krovet J	
00024	AG0770	OTM	00044	00044	00011	110			3,041.69	1,316.63		4,358.32	Liamstone M	
00025	AG0770	OTM	00044	00044	00011	110			1,454.84	9,264.72		10,719.56	Mead C	
00026	AG0770	OTM	00044	00044	00011	110			4,338.30	9,264.72		13,603.02	Mead C	
00027	D01110	OTM	00044	00044	00011	110			1,430.46	16,110.69		17,541.15	Muller D	
00028	AG0015	OTM	00044	00044	00011	110			1,008.82			1,008.82	Murray C	
00029	AG0015	OTM	00044	00044	00011	110			1,468.67	22,420.44		23,889.11	Nichols W	
00030	AG0015	OTM	00044	00044	00011	110			1,311.05			1,311.05	Palmer A 40%	
00031	AG0360	OTM	00044	00044	00011	110			24,561.80	17,170.61		41,732.41	Palmer A 40%	
00032	AG0360	OTM	00044	00044	00011	110			3,318.82	10,908.88		14,227.70	Palmer A 40%	
00033	AG0360	OTM	00044	00044	00011	110			5,332.84	1,818.19		7,151.03	Palmer A 40%	
00034	D00000	OTM	00044	00044	00011	110			451.01	15,931.74		16,382.75	Reese B	
00035	TR0000	TRAN	02000	02000	00201	110			2,000.00			2,000.00	Ross A	
00036	TR0000	TRAN	02000	02000	00201	110			117.24	1,891.26		2,008.50	Ross A	
00037	AG0760	OTM	00044	00044	00011	110			11,663.96	56,313.18		67,977.14	Walt J	50%
00038	AG0085	OTM	00044	00044	00011	110			16,402.82	86,061.35		102,464.17	Walt J (NAI Major Asset)	50%
00039	AG0085	OTM	00044	00044	00011	110			1,872.31	29,210.23		31,082.54	Walt J	50%
00040	AG0085	OTM	00044	00044	00011	110			472.59	7,641.03		8,113.62	Walt J	50%
00041	AG0705	OTM	00044	00044	00011	110			4,768.42	12,241.91		17,010.33	Tanner II	
00042	AG0710	OTM	00044	00044	00011	110			2,771.56	10,826.67		13,598.23	Vernon Park I	
00043	AG0710	OTM	00044	00044	00011	110			6,633.70	27,811.15		34,444.85	Wheatfield M	
00044	AG0701	OTM	00044	00044	00011	110				128,168.76		128,168.76	Winters N	50%
00045	AG0705	OTM	00044	00044	00011	110				62,113.18		62,113.18	Winters N	50%
00046	AG0705	OTM	00044	00044	00011	110				61,114.18		61,114.18	Winters N	50%
00047	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00048	AG0044	OTM	00044	00044	00011	110			21,483.28			21,483.28	Inventory for Lark, Heermann	50%
00049	AG0044	OTM	00044	00044	00011	110			13,496.85			13,496.85	Inventory for Lark, Heermann	50%
00050	AG0044	OTM	00044	00044	00011	110			13,496.85			13,496.85	Inventory for Lark, Heermann	50%
00051	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00052	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00053	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00054	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00055	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00056	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00057	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00058	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00059	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00060	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00061	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00062	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00063	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00064	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00065	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00066	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00067	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00068	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00069	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00070	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00071	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00072	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00073	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00074	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00075	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00076	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00077	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00078	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00079	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00080	AG0044	OTM	00044	00044	00011	110			30,721.26			30,721.26	Inventory for Lark, Heermann	50%
00081	AG0044	OTM												

Date of Request: March 15, 2010
Due Date: March 25, 2010

Request No. DAG-6
NMPC Req. No. NM 231 DPS 142

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO:

Request: collective bargaining agreements

1. Please provide a listing of (a) each labor agreement currently in effect between the Company and its union(s); (b) the effective date and period of each agreement; and (c) any extensions that have taken place since the initial agreement was negotiated.
2. Please provide copies of all current labor agreements currently in effect, including any extensions of the initial agreement.
3. Please provide a listing of any labor issues currently being discussed and/or negotiated with the Company's unions and the status of any agreements, memorandum of understandings, etc., that will result from these discussions / negotiations.
4. Please identify any labor issues and/or agreements that have been negotiated and agreed upon between the Company and the union subsequent to the start of the historic test year – i.e. October 2008.
5. For each labor issue and/or agreement listed in response to question #4 above, please explain, provide details, and identify where in the Company's electric rate case filing, the resulting impacts from each have been reflected.

Response:

- 1(a) A. Agreement Between Niagara Mohawk Power Corporation and Local Union 97
B. Agreement Between Niagara Mohawk Power Corporation and Local Union 97
(Gold Book)
 - 1(b) A. October 1, 2004 – March 31, 2008
B. November 6, 2007 – September 30, 2012
 - 1(c) A. Agreement extended from April 1, 2008 – March 31, 2011 and Agreement
extended from March 31, 2011 – March 31, 2014.
2. Please see attachments 1, 2, 3 and 4.

3. Labor issues currently being discussed are:

- Transmission Line Construction – Currently negotiating changes to the existing Memorandum of Agreement that applies separate work practices to the transmission construction workforce.
- Distribution Line Construction – Negotiations are completed and implementation is in process. The Memorandum of Agreement applies separate work practices to the distribution construction workforce.
- Gas crew configuration – Negotiations are ongoing regarding a dispute over the number of employees required for certain gas work.
- Doble Testing Job Flex – Negotiations are ongoing regarding a reclassification of work. This creates more flexibility around Doble (a company that manufactures power factor test instruments) testing in anticipation of additional substation work.
- Safety – Fire Retardant Clothing. Negotiations are completed and implementation is in process. This is required to comply with a new OSHA mandate.

4. Please see attachments 5, 6 and 7.

5. To the extent that new employees were added as a result of the agreements listed in response to question # 4, their costs are reflected in the test year for the period they were employed during the test year.

Name of Respondent:
Timothy Rosbrook

Date of Reply:
3/26/2010

Memorandum of Agreement
Niagara Mohawk Power Corporation
And
Local Union 97, IBEW
Regarding
Extension to Labor Agreement

Niagara Mohawk Power Corporation (the "Company") and IBEW Local Union 97 ("Local 97" or the "Union") are parties to an agreement made April 1, 2008 ("Existing Agreement") and have agreed to extend the Existing Agreement and have also agreed on other matters as hereinafter set forth. The terms of the Existing Agreement shall remain in effect for the duration of the extension except as amended below.

i. Duration of Contract

The Company and Union are entering into a three year extension of the Existing Agreement from March 31, 2011 through March 31, 2014.

ii. General Wage Increases

The following base wage increases will take effect:

Effective April 1, 2011 ----- 2.50%
Effective April 1, 2012 ----- 2.50%
Effective April 1, 2013 ----- 2.50%

iii. Employee Benefits

1. Employee Stock Purchase Plan (ESPP), as outlined in Attachment 1

- a. Eligibility – Regular or Part Time employee who works more than 20 hours per week.
- b. Purchase American Depository Shares (ADS) on monthly basis at 10% discounted price.
- c. Each ADS represents five ordinary shares in the Company and are listed on New York Stock Exchange.
- d. Contributions up to 20% of base pay each year.
- e. Plan design in accordance with National Grid ESPP

2. Cash Balance – Supplemental pay credits by Birth Year as outlined in Attachment 2 and temporary supplemental annuity in accordance with Attachment 3. Eligibility; employees not in the "transition group", as set forth in the Pension Plan and hired prior to July 1, 1998. Changes are effective October 1, 2009.

3. Post-retirement Medical for employees hired after ratification of this Agreement and current employees not in the "transition group".

a. Changes are effective October 1, 2009.

b. For Current employees, not in the "transition group":

Eligibility	No change
Pre – 65 plans	Active employee plans
Pre – 65 contribution	Current contribution rules from CBA
Post – 65 plan	Medicare Supplement
Post – 65 contribution	Current contribution rules from CBA

c. For New Hires on or after ratification of this Agreement:

Eligibility	Age 60 or older with 85 points or Age 61 with 10 years service
Pre – 65 plans	Active employee plans
Pre – 65 contribution	Company contributes 2.67% per year of service to a maximum of 80%
Post – 65 plan	Medicare Supplement
Post – 65 contribution	Company contributes \$4.50 per month per year of service (\$9.00 if married)

iv. Grievances. Open Grievances will be jointly reviewed no later than December 30, 2009 and any grievances that cannot be mutually resolved that have been approved by the Union to arbitration, will be scheduled to arbitrate on a "first-in, first-scheduled" basis, unless the open matter is related to an employee discharge, in which case it will be scheduled no later than December 30, 2009.

v. Printing. The Agreement will be reprinted and a joint committee will review the Agreement for the purpose of making edits, additions and deletions, including Schedule A, Appendix D and Appendix E.

vi. Annual Performance Evaluation – the form will be modified at Company discretion to allow for use of one evaluation form that is consistent with all bargaining units at National Grid and the target bonus percentage will be 3.5%.

vii. EDO Operating Model

This new operating model will provide viable improvements and efficiencies necessary to enhance customer service, reliability and cost reduction and includes job security for affected employees, which is further defined under the terms and conditions of this MOA.

Any and all issues that may arise that are not covered by this MOA will be reviewed by the joint committee with the full understanding that the Collective Bargaining Agreement will apply.

- I. Employee Impact Programs (EIP).
 - a. Programs are voluntary and will be offered to active employees who as of July 1, 2009 are occupying the positions in the following job series; Design Representative, Office Technician, Consumer Representative, Designer, Meter Mechanic (Lab only), Meter Shop Tester C, Lab Technician, Chief Tester and Installer, and Tree Trimmer at the time of this agreement, whose position is affected by EDO Transformation.
 - b. Offers will be made at least thirty days prior to the scheduled job reduction and will be made on the basis of division seniority to affected employees in the Eastern and Western divisions and on the basis of geographic area seniority as defined by Article IV 6(b) of the Labor Agreement, in the Central division. The number of eligible employees will be determined by the number of stated reductions associated with the operating model staffing.
1. Voluntary Separation
 - a. 2 weeks per year of service, capped at 52 weeks or the parties Separation Allowance benefit, whichever is better based on the individual's age and years of service;
 - b. An employee who elects to separate and is eligible for a pension benefit under the terms and conditions of the Collective Bargaining Agreement, will have this benefit paid through the pension asset;
 - c. Lump sum payment equal to six months of current Company contribution to medical/dental benefit;
 - d. Outplacement services; 30 days from start of service;
 - e. Any affected employees who are currently on "Security Clause" status will be eligible for voluntary separation;
 - f. Employees electing to separate may be held by the Company up to 18 months in the event the vacancy is to be filled and there are no EITs available for the specific position, or a training need exists.
2. Voluntary Relocation Allowance.
 - a. Eligibility: voluntarily accept a position that is located in a work headquarters greater than 50 miles from current. All monetary amounts are less applicable taxes and withholdings and will be paid within thirty business days following Company receipt of signed lease agreement or signed purchase sale agreement.
 - b. \$5,000 rental or \$15,000 primary residence
 - c. Any employee who elects to relocate to a non-primary residence and within one year from the start date of their new position and location secures a primary residence, will be eligible to receive the \$10,000 difference in benefit.
 - d. Lump sum \$2,000, paid in year one and year two within thirty days of starting at the new location and then one year after, assuming the employee continues in same or other eligible location.

3. Commuter Allowance. A lump sum of \$2,000 less applicable taxes and withholdings will be paid to an employee who commutes to a new location that is located in a work headquarters greater than 50 miles from the current. This payment will be made for the first year only and within thirty days of starting at the new location. The employee will remain eligible for the voluntary relocation allowance for one year from the start date of their new position and location.
4. Any employee whose work headquarters is greater than 50 miles, and who accepted an Office Technician position posted in February/March 2009 will be eligible for the voluntary relocation and commuter allowance.

II. Employee in Transition (EIT) Process. An EIT is an employee displaced as a result of implementing the EDO operating model. Unless modified by this Agreement, the seniority provisions of the Labor Agreement will apply. This is a transition pool and includes the following general provisions. More specific provisions regarding each affected job title are included in this document.

1. Placement into available vacancies in accordance with Article IV of the Labor Agreement.
2. EIT can bid posted positions without loss of wage protection. A successful award, sustaining the employee's rate of pay, will be allowed one time only and the employee status will be plus rated, but not subject to the terms and conditions of "security clause" administration (i.e. they are "made whole").
3. Placement into progression positions to allow for progression to higher level; principles of automatic progression will apply.
4. Transcending rights in accordance with Appendix A of the Labor Agreement.
5. The Company will continue to explore job opportunities for EITs and additional training options will be provided by the Company for consideration of longer term career opportunities at National Grid.

III. Bargaining Unit Positions

By April 1, 2010 the Company will conduct a joint review with IBEW Local 97, of EDO staffing for short term and mid term business planning. The review will include age, position and location of EDO field workforce employees and planned staffing needs for the business cycle.

IV. Design

1. EDO Distribution Design will be centralized to Syracuse. A certain number of Design Investigator positions will be assigned to divisional locations in accordance with the terms defined by this Agreement.
2. Contractors
 - a. For the term of the Labor Agreement, consignment type contractors will be discontinued in Distribution Design prior to the displacement of employees into the EIT pool through the implementation of centralized

Design. Gas Design contracting is addressed in the side letter regarding Gas Design Representatives.

- b. The model staffing number for the EDO Design Investigator position will be “protected” at East (16), Central (17) and West (17). While contractors (MSA type) are in use in the division, 10 Design Representatives will be retained as follows; 4 in the East, 2 in Central and 4 in the West.
- c. Protected means that these jobs will not be reduced so long as EDO Design Representatives remain as EIT in the geographic area.
- d. Article IV of the Labor Agreement applies to both centralized Design and Design Investigators. The provisions of the Article will be administered for Centralized Design as follows: the number of Design Representatives being offered overtime opportunities in the divisional roles will determine the number of employees offered overtime in the centralized role, but will not exceed the FTE equivalent of MSA contractors in use, in the division, at the time.
- e. If a design contractor is in use in a work location that no longer includes Design Representatives, the geographic area will be used to determine the application of contractor overtime described in Article IV of the Labor Agreement.

3. Employees in Transition (EIT)

- a. Design EITs will be temporarily assigned to a Design role and will be located within their original geographic area, to support the successful implementation of centralized Design.
- b. Employees assigned to these temporary roles will be a part of the transition pool and will be subject to the EIT process.
- c. Employees assigned to a Design Representative position at the time of this Agreement will continue job progression while in the EIT process as a result of the temporary design type work they are performing.
- d. EIT Design Representatives are eligible for contractor related overtime described in Article IV.
- e. Design vacancies will be filled by placing Design EITs based on seniority, from the same geographic area. If there are no Design EITs in the same geographic area, Design EITs in the division, then by system, can volunteer by seniority to fill the vacancy. If there are no volunteers, management will determine whether or not the vacancy is to be filled.

4. In full resolution of System Grievance 1-S-08, Design employees who were eligible as of 8/7/06 to progress to pay level 21.5 will be made whole for the step 1 time period they were required to serve. Employees occupying Design Representative Positions at the time this agreement is signed, and who are covered by Section 3 (d) of the Memorandum of Agreement Regarding Design Representatives (Design Representative MOA), who are assigned to staff divisional Design Investigator positions or who relocate to the Centralized Design office from a work location greater than 50 miles, will progress to PG 21.5 of the MOA and will serve step1 time period.

5. The Design Representative MOA will be amended to include the following provisions and as outlined in Attachment 4:
 - a. Provision for centralized design work.
 - b. Provision for a field investigator.
 - c. Employees may perform all functions of the Design Representative in accordance with the job specification and pay level.
 - d. Employees in EDO Design will become a separate work group from Gas Design.
 - e. New entrants to series must have 2 year degree in Electrical or Mechanical Technology. Electrical ICS courses are discontinued as a qualifying measure for new entrants to the series.
 - f. New entrants to series progress to B level only
 - g. C Level duties: services requiring 3 phase primary metering, underground networks, large circuit rebuilds, manholes and ducts, lashed cable, 3 phase UCD, large public works (underground and overhead) and relocations, complex DOT jobs and relocations.
 - h. Training for field function of the Design Investigator role will be provided by the Company and with input from Local 97, IBEW.
 - i. Concurrent with the centralization of Design, there will be an addition of 3 Right of Way Agent (ROW) A positions and 2 Office Technicians for Easement work. ROW; Watertown, Syracuse and Northeast region. Office Technician; Buffalo and Albany.
 - j. The "No - Site Visit" arbitration decision is set aside and the Company is not required to make site visits.

6. Joint Committee. The Company and Union will meet quarterly to review the implementation of the new Design model. The purpose of this meeting will be to ensure successful implementation of the model in cooperation with Local 97. The committee will meet for six quarters and then mutually determine if additional meetings are necessary.

V. Clerical

1. The Office Technician function in EDO Distribution Support Services will be centralized to Syracuse. A limited number of positions will remain staffed at management's discretion in the division operations. The number of positions staffed will be 8 in Central, 7 in West and 7 in the East. These divisional staffing numbers include the provision for five positions described in paragraph V(7) below.
2. Administrative Clerk A:
 - a. Pay Group 1 and covered by the Labor Agreement
 - b. New job specification is described in Attachment 5.
 - c. February 2009 posting of up to 20 positions will be completed by filling the remaining 7 positions as new hires, under the PG 1 job specification.

- d. 10 new positions at PG 1 will be posted immediately.
3. "Gold Book" job specification.
Company will post 5 new positions under Gold Book model to staff EDO Distribution Support. This new job specification is described in Attachment 6 and will remain as part of the EDO Distribution Support organization and as part of the labor agreement that covers "Gold Book" positions.
 4. Additional positions of Pay Group 1, Gold Book or Office Technician A-C, will be posted based on the job specifications and operational need.
 5. Two Senior Office Technician positions will be posted in Syracuse upon staffing 40 new centralized clerical positions. An additional two senior Office Technician positions will be posted to correspond with the expansion of clerical staff, as determined by the Company, but corresponding to the staffing of an additional 40 positions. Any employee currently occupying the Senior Office Technician job title, who remains staffed in the organization, will retain this job title until attrition.
 6. Contractors performing Office Technician work in Electric and Gas Distribution Support will be discontinued prior to displacing any active employees as a result of centralizing EDO clerical work into Syracuse and will only be further utilized while employees are in transition (EIT concept) if there is a compelling reason as determined by the Company.
 7. The Work Coordinator role is an integral part of the management team and is not structured as a role that performs bargaining unit work.
 - a. The Company will meet quarterly to conduct a joint review with Local 97 on the implementation of the Work Coordinator role and Centralized Clerical model.
 - b. A total of Five (5) additional Office Technician positions (2 East, 1 Central, 2 West) will be retained across the three divisions while EDO clerical employees remain in the EIT pool.
 - c. Disputes regarding bargaining unit work will be reviewed and discussed with the intent of creating mutually acceptable resolutions.
 - d. The Union will hold in abeyance, its grievances on Work Coordinator.
 - e. The joint committee will mutually agree whether or not to continue to meet after six quarters. Employees in Transition (EIT) will be temporarily assigned to a divisional Clerical role within their geographic area, to support the successful implementation of centralized Clerical. Employees assigned to these temporary roles will be placed into the transition pool and will be subject to the EIT process described in Section II above.
 8. Employees in EDO Office Technicians positions will be separate from Gas Office Technicians after canvassing to staff available jobs in accordance with the Falletta/Rosbrook letter dated March 2008, unless otherwise mutually agreed.

VI. Maps and Records. The job specifications are changed to create qualifications surrounding the use and application of current GIS technologies and are outlined in Attachment 7 with the Memorandum of Agreement describing the change.

1. MOA and Job Specification as addendum to Engineering Mutual Agreement.
2. New position requires 2 Year (AAS) degree in GIS/Computer Science or two years work experience in GIS. If the candidate in question was an incumbent employee at the time of this agreement, equivalent experience will be considered.
3. Five existing contractors will be replaced with the staffing of this new position over the next two years and will continue to be replaced as the new position is staffed at the qualified level. This does not change Article IV of the Labor Agreement.
4. Files and reproduction type work from the substations group in New England will be transferred to Syracuse in the fall of 2009.

VII. Customer Order Fulfillment. Functions in part, of the Design Representative, Customer Representative, Consumer Representative and Office Technician will be reassigned in the fall of 2009 to a centralized, affiliate workforce in Massachusetts. The centralized workforce will perform new and upgraded service requests, new lighting installations, and a limited variety of other non-service customer requests to provide a single point of accountability. In addition, the work group will review and monitor miscellaneous customer requests that require EDO investigation and involvement.

1. Up to seven Consumer Representatives will be affected across the three divisions. As a result, the Consumer Representatives in the Business Services Department will be eligible to participate in the EIP and EIT programs described in Sections I and II above. Geographic protection applies to affected employees.
2. Customer Representatives. There will be no reduction in occupied positions as a result of work being reassigned to Customer Order Fulfillment.
3. The impact on Office Technicians and Design Representatives is addressed separately above.

VIII. Work Readiness. This new job specification will be staffed to ensure the field force is able to successfully start and end their shifts and enable the execution of work. The Work Readiness job duties are outlined in the job specification of Attachment 8.

1. Locations. The Work Readiness position will be staffed in the following locations; Central 9, East 6, West 4.
2. 19 positions will be posted
3. Pay level of the position is 11

IX. Regional Control. Consolidation of the three operating centers is under review. The Company and Union will cooperatively bargain the impacts of consolidation, including changes to the existing job specifications. In the event that consolidation plans change, an Article XXIII review of the job specifications will continue.

X. Labs. Rubber Goods and Standards will be consolidated to Syracuse from New England and Long Island.

1. Memorandum of Agreement and new job specification relative to the Laboratory Technician A (Dielectric), Attachment 9
2. Revised spec for Lab Tech A (Electric), Attachment 10
3. New job spec for "Materials Handler", pay group 12, Attachment 11
4. All Lab employees will be offered separation in accordance with the EIP program described in section I. A total of four positions will be reduced; 2 Standards Labs and 2 Chem Labs. The four affected employees will be placed into other Lab positions and in accordance with Articles IV and XI of the Labor Agreement.

XI. Make Taps Permanent. Licensed electricians to complete the permanent connections using connectors provided by Company, for single phase, single meter, residential service upgrades up to 200 amps with the same point of attachment. Service Representative Completes the sealing of the meter and review of the site to ensure the service meets company standards. Electric Line Mechanics will be offered an additional 7 weeks of contractor related overtime (in accordance with Article IV); three weeks prior to May 1 and four weeks starting September 1. Upon ratification, employees will be eligible for the offer period to commence after September 1.

XII. Forestry. Effective April 1, 2011 the Company will discontinue in-house forestry work and utilize a fully outsourced model for this type of work.

1. Affected employees will have the voluntary option to choose other EDO jobs as outlined in Attachment 12.
2. Affected employees are eligible for separation allowance described above in EIP.
3. Forestry employees are eligible for the provisions listed in paragraphs 2 and 3 under Section II (EIT Process).
4. Employees who opt not to separate or transition to other EDO positions will remain in their job and geographic area performing forestry duties through March 31, 2011 at which time the in-house forestry work will discontinue.
5. Divisional security clause rules will apply and placement will be made into available jobs effective April 1, 2011.
6. This event will not result in the determination by the Company that no jobs are available.

XIII. Proficiency Checklist

The Memorandum of Agreement on the Role of Chief Line Mechanic in On-the-Job Training and Evaluation will be expanded to include the following Field Operation job series and the role of the applicable Chief position or higher level employee. Time will be assigned during the regular schedule to provide on-the-job training to other employees in

the apprentice role. A joint committee will develop a checklist of duties for the following job series:

- Electrician (Stations)
- Splicer
- Maintenance Mechanic (Stations)
- Maintenance Mechanic (UG)
- Mechanic (UG)
- Relay Tester
- Communications Tester
- Field Tester

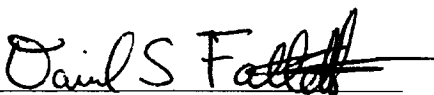
XIV. Niagara Falls

1. Combine displaced Buffalo EDO Office Technicians with Collections Service Associates to create a resource pool.
2. The EIT process will apply to all employees in this resource pool and geographic protections will apply.
3. The employees are eligible for the EIP programs.
4. Assignment of work can be within the Technical, Office and Clerical classifications and is at the discretion of management. The Universal Representative MOA applies to employees in this resource pool .
5. Virtual work model will be implemented for the Syracuse Contact Center including calls and WFM.


Signed and Agreed:

LOCAL Union 97, IBEW:

Niagara Mohawk Power Corporation:



David S. Falletta
President, Business Manager
And Financial Secretary



Timothy T. Rosbrook
Director, Employee and Labor Relations
Upstate New York

July 28, 2009

July 29, 2009

Date of Request: March 15, 2010
Due Date: March 25, 2010

Request No. DAG-9
NMPC Req. No. NM 234 DPS 145

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirement Panel

Request Legal Services Expense

1. Please provide both the HY actual amount for HYE 9/20/2009 and 9/30/2008, and also the RY forecasted amounts for legal services expense; identify where those stated amounts can be found in the Company's exhibits and workpapers. If the amounts cannot be explicitly derived from the exhibits and workpapers, please provide a listing of charges by expense type, originating business units, direct and indirect charges, and activity number with activity description, along with vendor names (see the Company's response to DAG-14 (NM-144), in Case 08-G-0609 if this question cannot be responded to in the exact format asked. As an alternative, Attachment 2 of DAG-14 could be updated for historic years 2008 and 2009).
2. Please (a) provide all normalizing adjustments the company made to HY legal services expense; and (b) explain and provide a copy of the analysis the Company undertook to determine the actual HY legal services expense that needed to be normalized, in forecasting RY levels.
3. If the answer to question 2 above is, "There are no normalizing adjustments made to the HY," please explain and provide a copy of the analysis the Company undertook to determine the actual HY legal services expense was reasonable and included no non-recurring items, in forecasting the RYs.

Response:

Part 1. 1. In accordance with regulatory policy, the Company's O&M expense exhibit RRP-2 is presented by functional group, subdivided between Operation and Maintenance, with separate schedules for different cost elements (i.e. expense types). The Revenue Requirement Panel testimony describes the exhibit in further detail. Legal Services are not defined by a single expense type (cost element) in the Company's general ledger, and therefore are not presented explicitly in the Company's exhibits or workpapers. Please see attached file DAG-9 Attachment 1 (Legal Services) for requested information on legal services costs as an update to the The Company's response to DAG-14 (NM-144), in Case 08-G-0609.

Part 2. As explained above in Part 1, the Company presented O&M expenses for the Historic Year, Historic Year Normalizing Adjustments and Rate Year Adjustments by expense type, not by organization or department (i.e. "Legal Services"). For example, Historic Year Adjustments were made to various expense types to remove non-recurring New England and KeySpan integration costs. Exhibit RRP-10, Workpaper to RRP-2, Schedule 1, Workpaper 3 show how these costs by expense type (supportive of RRP-2), regardless of what department was charged.

Part 3. To comply with regulatory policy, the Company's approach to the review of Historic Year data was organized principally by expense type. For each expense type, the Company queried Historic Year (HY) data generally including information deemed relevant to the specific expense type (i.e. Company, Department, Activity, Segment, Bill Pool, Project, etc). Exhibit RRP-10, Workpaper to RRP-2, Schedule 1, Workpaper 1 – 7 is the result of this work. As described in The Company's response to Part 1.a and .b of IR DPS 138 DAG-4 on March 23, 2009, an analysis was done on all expense types by project to analyze year over year variance and scrutinize projects for purposes of normalizing the historic test year. In addition, finance representatives from lines of business and shared service groups met regularly with regulatory personnel as part of the RCS process, described in the previous cited IR DAG-4, Part 9, to review year on year variance analysis between historic test year and forecasted rate year. These individuals were provided a high-level functional profile of the HY costs and asked to review this data and to address the following:

- Identify one time costs in the HY that may not be recurring in future years
 - Review prior period costs booked in the HY
 - Identify any corrections, transfers, adjustments etc.
 - Identify any new major initiatives (not in HY) excluding NE Gas and KeySpan Costs to Achieve and Synergy Savings that would be incurred in Calendar Years 2011 through 2013
 - Provide detailed descriptions of historic year costs and the impact on rate year.
- As a result of these processes there were no one-time costs identified specific to the legal group nor a specific document showing a normalization adjustment to legal expense is not warranted.

Name of Respondent:
James Molloy

Date of Reply:
March 26, 2010

**Niagara Mohawk Power Corporation (Gas) d/b/a National Grid
 Consultants - Expense Type 100, 105, 110 Legal Services**

Business Unit	Historic Year Ending September 30, 2009			3.21%	1.80%	1.90%
	Total	Electric	Gas	Rate Year 2011	Rate Year 2012	Rate Year 2013
				Electric	Electric	Electric
99 AP (see List)	267,044.58	243,738.66	23,305.92			
36 AP (see List)	7,513,397.76	6,439,523.14	1,073,874.62			
99 On Line JE	56,976.41	48,537.54	8,438.87			
36 On Line JE	26,311.32	42,654.41	(16,343.09)			
Total	7,863,730.07	6,774,453.74	1,089,276.33	6,992,223.42	7,118,083.44	7,253,327.02
Total Book	7,863,730.42	6,774,453.95	1,089,276.47			
	(0.35)	(0.21)	(0.14)			
Total A/P Report by Vendor	8,175,217.38	7,063,230.23	1,111,987.15			
Difference	(311,486.96)	(288,776.28)	(22,710.68)			
Difference Reconciled						
Net Legal Accrual for Year (Online JE 01089)	\$ (169,050.00)	\$ (151,020.30)	\$ (18,029.70)			
A/C Rec data	\$ (171,618.81)	\$ (161,843.33)	\$ (9,775.48)			
Other	29,181.85	24,087.35	5,094.51			
	\$ (311,486.96)	\$ (288,776.28)	\$ (22,710.68)			

Note

a) Includes \$394,775 of Keyspan A/P included in Vendor Report

Niagara Mohawk Power Corporation
d/b/a National Grid
Case 10-E-0050 Attachment 1 to DAG-9
Response to Part 1
Sheet 1 of 8

Outside Legal Services - Exp Type 100 Consultants and 110 Contractors
 Historic Years Ending September 2008 and 2009 - By Originating Business, By Vendor, By Activity
 Total Charged Through Accounts Payable System and Total Charged to Niagara Mohawk Electric & Gas
 (Whole \$)

Originating Business Unit Desc	Orig Business Unit	Vendor	Activity	Activity Descr	Business Unit	Segment	Billing Pool	Historic Test 1 Data								
								Ending Sept. 30, 2008			Ending Sept. 30, 2009					
								Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric	Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric			
Niagara Mohawk Power Corp	00036	ALSTON & BIRD LLP	AG0236	AGC General Litigation	00036	DIST	00100	143,375.60	24,373.85	119,001.75	285,507.93	48,536.35	236,971.58			
			AG0245	Corporate Matters/Contracts	00036	DIST	00100	17,157.97	2,916.85	14,241.12	7,956.60	1,352.62	6,603.98			
						TRAN			169,117.70	0.00	169,117.70	2,096.00	0.00	2,096.00		
			AG0253	AGC FERC	00036	DIST						16,858.80	0.00	16,858.80		
			AG0255	Regulatory Legal Services	00036	DIST			26,586.44	0.00	26,586.44	437,233.15	0.00	437,233.15		
									00100	2,080,183.53	353,631.20	1,726,552.33	947,431.48	161,063.35	786,368.13	
									00101				289,928.00	0.00	289,928.00	
									TRAN	853,536.79	0.00	853,536.79	608,005.40	0.00	608,005.40	
			ALSTON & BIRD LLP Total								3,289,958.03	380,921.91	2,909,036.12	2,595,017.36	210,952.32	2,384,065.04
					AMDURSKY PELKY FENNELL & WALLEN PC	AG0233	Legal Compl Manfc Gas Plant N	00036	GAS		351.00	351.00	0.00			
						AG0235	General Legal Claims	00036	DIST					1,080.00	0.00	1,080.00
			AMDURSKY PELKY FENNELL & WALLEN PC Total								351.00	351.00	0.00	1,080.00	0.00	1,080.00
					AMERICAN LEGAL SERVICES INC	AG0235	General Legal Claims	00036	DIST					700.00	0.00	700.00
			AMERICAN LEGAL SERVICES INC Total											700.00	0.00	700.00
					ANDERSON & KREIGER LLP	AG0232	Environ Legal Compl A&G NE	00036	DIST	00100				10,012.60	1,702.14	8,310.46
			ANDERSON & KREIGER LLP Total											10,012.60	1,702.14	8,310.46
					AT&T	AG0245	Corporate Matters/Contracts	00036	DIST	00100				207.41	35.26	172.15
			AT&T Total											207.41	35.26	172.15
					BOND SCHOENECK & KING PLLC	AG0236	AGC General Litigation	00036	DIST		5,766.51	0.00	5,766.51			
						AG0240	SVP US General Counsel	00036	DIST	00100	18,116.28	3,079.77	15,036.51	17,334.85	2,946.92	14,387.93
						AG0242	AGC Labor & Employment	00036	DIST		31,565.49	0.00	31,565.49	96,314.99	0.00	96,314.99
										00100	418,593.49	71,160.89	347,432.60	428,319.36	72,814.29	355,505.07
										00100				11,025.15	0.00	11,025.15
			BOND SCHOENECK & KING PLLC Total								474,041.77	74,240.66	399,801.11	580,214.10	80,388.57	499,825.53
					BOWDITCH AND DEWEY LLP	AG0235	General Legal Claims	00036	DIST		5,825.09	0.00	5,825.09	504.90	0.00	504.90
						AG0236	AGC General Litigation	00036	DIST		1,850.35	0.00	1,850.35			
										00100	229.92	39.09	190.83	8,461.42	1,438.44	7,022.98
			BOWDITCH AND DEWEY LLP Total								7,905.36	39.09	7,866.27	8,966.32	1,438.44	7,527.88
					CLOUGH HARBOUR & ASSOCIATES LLP	AG0236	AGC General Litigation	00036	DIST					3,175.21	0.00	3,175.21
			CLOUGH HARBOUR & ASSOCIATES LLP Total											3,175.21	0.00	3,175.21
					CULLEN AND DYKMAN LLP	AG0080	Regulatory Filing Activities	00036	GAS		95,981.17	95,981.17	0.00	290,808.26	290,808.26	0.00
			CULLEN AND DYKMAN LLP Total								95,981.17	95,981.17	0.00	290,808.26	290,808.26	0.00
					DAVID J MAGNARELLI	AG0235	General Legal Claims	00036	DIST		22,902.40	0.00	22,902.40	27,532.26	0.00	27,532.26
			DAVID J MAGNARELLI Total								22,902.40	0.00	22,902.40	27,532.26	0.00	27,532.26
					DRINKER BIDDLE & REATH LLP	AG0232	Environ Legal Compl A&G NE	00036	DIST	00100				32,292.00	5,489.64	26,802.36
			DRINKER BIDDLE & REATH LLP Total											32,292.00	5,489.64	26,802.36
					EDWARDS ANGELL PALMER & DODGE LLP	AG0245	Corporate Matters/Contracts	00036	DIST	00100	10,019.35	1,703.29	8,316.06	16,422.87	2,791.89	13,630.98
			EDWARDS ANGELL PALMER & DODGE LLP Total								10,019.35	1,703.29	8,316.06	16,422.87	2,791.89	13,630.98
					FINNEGAN HENDERSON FARABOW GARRETT &	AG0245	Corporate Matters/Contracts	00036	DIST	00100	1,008.60	171.46	837.14	1,222.27	207.79	1,014.48
			FINNEGAN HENDERSON FARABOW GARRETT & Total								1,008.60	171.46	837.14	1,222.27	207.79	1,014.48
					GREENBERG TRAUIG LLP	AG0236	AGC General Litigation	00036	DIST		1,327.50	0.00	1,327.50	3,325.00	0.00	3,325.00
			GREENBERG TRAUIG LLP Total								1,327.50	0.00	1,327.50	3,325.00	0.00	3,325.00
					GREENE HERSHDORFER & SHARPE	AG0235	General Legal Claims	00036	DIST		40,201.89	0.00	40,201.89	38,707.52	0.00	38,707.52
			GREENE HERSHDORFER & SHARPE Total								40,201.89	0.00	40,201.89	38,707.52	0.00	38,707.52
					HARRIS BEACH PLLC	AG0236	AGC General Litigation	00036	DIST		20,527.92	0.00	20,527.92	23,828.00	0.00	23,828.00
						AG0255	Regulatory Legal Services	00036	DIST	00100	150,459.10	25,578.05	124,881.05	50,000.00	8,500.00	41,500.00

Outside Legal Services - Exp Type 100 Consultants and 110 Contractors
 Historic Years Ending September 2008 and 2009 - By Originating Business, By Vendor, By Activity
 Total Charged Through Accounts Payable System and Total Charged to Niagara Mohawk Electric & Gas
 (Whole \$)

Originating Business Unit Desc	Orig Business Unit	Vendor	Activity	Activity Descr	Business Unit	Segment	Billing Pool	Historic Test 1 Data						
								Ending Sept. 30, 2008			Ending Sept. 30, 2009			
								Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Payables Electric	Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Payables Electric	
		HARRIS BEACH PLLC Total						170,987.02	25,578.05	145,408.97	73,828.00	8,500.00	65,328.00	
		HISCOCK & BARCLAY LLP	AG0233	Legal Compl Manfc Gas Plant NY	00036	DIST					4,219.27	0.00	4,219.27	
			AG0235	General Legal Claims	00036	DIST		314,746.71	0.00	314,746.71	347,921.53	0.00	347,921.53	
							00100	95,269.16	16,195.76	79,073.40	2,604.90	442.83	2,162.07	
								GAS			9,484.05	34,337.89	0.00	
									4,134.34	0.00	4,134.34	54,628.40	0.00	
			AG0236	AGC General Litigation	00036	DIST		585,611.89	99,554.02	486,057.87	783,759.65	133,239.14	650,520.51	
							00100				8,557.39	0.00	8,557.39	
								TRAN	8,813.08	0.00	8,813.08	102,930.28	17,498.15	85,432.13
			AG0245	Corporate Matters/Contracts	00036	DIST	00100	27,862.02	4,736.54	23,125.48	2,202.00	374.34	1,827.66	
			AG0252	DGC Federal and NY Regulatory	00036	DIST	00100				14,710.70	0.00	14,710.70	
			AG0254	AGC NY Regulatory	00036	DIST					610.00	0.00	610.00	
			AG0255	Regulatory Legal Services	00036	DIST		360,867.39	0.00	360,867.39	610,343.65	0.00	610,343.65	
							00100				42,450.30	7,216.55	35,233.75	
								TRAN	660.00	0.00	660.00	390.00	0.00	
			AG0260	AGC Real Estate	00036	DIST					40,818.42	0.00	40,818.42	
							00100	8,148.54	1,385.25	6,763.29	15,107.52	2,568.28	12,539.24	
		HISCOCK & BARCLAY LLP Total						1,415,597.18	131,355.62	1,284,241.56	2,064,981.90	195,677.18	1,869,304.72	
		JEANNE O'CONNELL RPR	AG0080	Regulatory Filing Activities	00036	DIST					3,674.74	0.00	3,674.74	
		JEANNE O'CONNELL RPR Total									3,674.74	0.00	3,674.74	
		JOHN SERTH JR PE	AG0236	AGC General Litigation	00036	DIST		610.00	0.00	610.00	125.00	0.00	125.00	
		JOHN SERTH JR PE Total						610.00	0.00	610.00	125.00	0.00	125.00	
		JOHN U H BLUMENSTOCK ESQ	AG0236	AGC General Litigation	00036	DIST					2,942.17	0.00	2,942.17	
							00100	141,989.99	24,138.30	117,851.69	154,790.90	26,314.45	128,476.45	
		JOHN U H BLUMENSTOCK ESQ Total						141,989.99	24,138.30	117,851.69	157,733.07	26,314.45	131,418.62	
		MORGAN LEWIS & BOCKIUS LLP	AG0255	Regulatory Legal Services	00036	DIST	00100	170,372.00	28,963.24	141,408.76	894,293.64	152,029.92	742,263.72	
		MORGAN LEWIS & BOCKIUS LLP Total						170,372.00	28,963.24	141,408.76	894,293.64	152,029.92	742,263.72	
		ORRICK HERRINGTON & SUTCLIFFE LLP	AG0236	AGC General Litigation	00036	DIST		2,775.75	0.00	2,775.75	2,761.50	0.00	2,761.50	
							00100	262.50	44.63	217.88	1,938.75	329.59	1,609.16	
		ORRICK HERRINGTON & SUTCLIFFE LLP Total						3,038.25	44.63	2,993.63	4,700.25	329.59	4,370.66	
		PRO UNLIMITED INC	AG0241	Manager of Operations	00036	DIST	00100				18,913.75	3,215.34	15,698.41	
			AG0245	Corporate Matters/Contracts	00036	DIST	00100				8,302.47	1,411.42	6,891.05	
		PRO UNLIMITED INC Total									27,216.22	4,626.76	22,589.46	
		RICE DOLAN & KERSHAW	AG0236	AGC General Litigation	00036	DIST					608.00	0.00	608.00	
		RICE DOLAN & KERSHAW Total									608.00	0.00	608.00	
		ROBERT L ADAMS ESQ	AG0235	General Legal Claims	00036	DIST		46,194.59	0.00	46,194.59	57,321.97	0.00	57,321.97	
								GAS	662.40	662.40	867.00	867.00	0.00	
							00100	1,824.98	0.00	1,824.98	697.00	0.00	697.00	
			AG0236	AGC General Litigation	00036	DIST		2,503.24	425.55	2,077.69	925.40	157.32	768.08	
		ROBERT L ADAMS ESQ Total						51,185.21	1,087.95	50,097.26	59,811.37	1,024.32	58,781.05	
		ROPES & GRAY LLP	AG0245	Corporate Matters/Contracts	00036	DIST	00100	4,457.50	757.78	3,699.73	11,397.70	1,937.61	9,460.09	
		ROPES & GRAY LLP Total						4,457.50	757.78	3,699.73	11,397.70	1,937.61	9,460.09	
		RUSSELL R JOHNSON III	AG0236	AGC General Litigation	00036	DIST	00100	48,528.61	8,249.86	40,278.75	9,704.63	1,649.79	8,054.84	
		RUSSELL R JOHNSON III Total						48,528.61	8,249.86	40,278.75	9,704.63	1,649.79	8,054.84	
		SEYFARTH SHAW ATTORNEYS LLP	AG0240	SVP US General Counsel	00036	DIST					1,560.09	0.00	1,560.09	
		SEYFARTH SHAW ATTORNEYS LLP Total									1,560.09	0.00	1,560.09	
		SOLOMON AND SOLOMON PC	AG0235	General Legal Claims	00036	DIST		261,371.00	0.00	261,371.00	177,711.06	0.00	177,711.06	
		SOLOMON AND SOLOMON PC Total						261,371.00	0.00	261,371.00	177,711.06	0.00	177,711.06	

Outside Legal Services - Exp Type 100 Consultants and 110 Contractors
 Historic Years Ending September 2008 and 2009 - By Originating Business, By Vendor, By Activity
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 (Whole \$)

Originating Business Unit Desc	Orig Business Unit	Vendor	Activity	Activity Descr	Business Unit	Segment	Billing Pool	Historic Test 1 Data					
								Ending Sept. 30, 2008			Ending Sept. 30, 2009		
								Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric	Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric
		THE ENERGY ASSOCIATION OF NY STATE	AG0255	Regulatory Legal Services	00036	TRAN		266,155.65	0.00	266,155.65	305,896.16	0.00	305,896.16
		THE ENERGY ASSOCIATION OF NY STATE Total						266,155.65	0.00	266,155.65	305,896.16	0.00	305,896.16
		THE SUBURBAN GROUP	AG0245	Corporate Matters/Contracts	00099	OTH	00235	3,643.37	0.00	0.00			
		THE SUBURBAN GROUP Total						3,643.37	0.00	0.00			
		UPDATE LEGAL INC	AG0245	Corporate Matters/Contracts	00099	OTH	00235	2,054.00	0.00	0.00			
		UPDATE LEGAL INC Total						2,054.00	0.00	0.00			
		WEST GROUP	AG0245	Corporate Matters/Contracts	00036	DIST	00100				710.50	120.79	589.72
		WEST GROUP Total									710.50	120.79	589.72
		WILDER & LINNEBALL LLP	AG0235	General Legal Claims	00036	DIST		117,810.88	0.00	117,810.88	62,054.76	0.00	62,054.76
		WILDER & LINNEBALL LLP Total						117,810.88	0.00	117,810.88	62,054.76	0.00	62,054.76
		STENGER & FINNERTY	AG0235	General Legal Claims	00036	DIST		1,386.50	0.00	1,386.50			
		STENGER & FINNERTY Total						1,386.50	0.00	1,386.50			
		MCCONNELL VALDES LLC	AG0236	AGC General Litigation	00036	DIST	00100	12,061.99	2,050.54	10,011.45			
		MCCONNELL VALDES LLC Total						12,061.99	2,050.54	10,011.45			
		BORDEN LADNER GERVAIS LLP	AG0245	Corporate Matters/Contracts	00036	DIST		742.31	0.00	742.31			
		BORDEN LADNER GERVAIS LLP Total						742.31	0.00	742.31			
		MARJAMA MULDOON BLASIAK & SULLIVAN LLP	AG0245	Corporate Matters/Contracts	00036	DIST	00100	3,147.74	535.12	2,612.62			
		MARJAMA MULDOON BLASIAK & SULLIVAN LLP Total						3,147.74	535.12	2,612.62			
Niagara Mohawk Power Corp Total								6,663,444.66	820,778.04	5,836,969.25	7,502,904.60	1,023,239.04	6,479,665.56
National Grid USA Service Co	00099	ALSTON & BIRD LLP	AG0245	Corporate Matters/Contracts	00099	OTH	00236	41,397.07	3,773.16	18,422.56			
		ALSTON & BIRD LLP	AG0255	Regulatory Legal Services	00099	OTH	00233	84,198.97	0.00	46,467.06	115,041.19	0.00	63,844.04
		ALSTON & BIRD LLP					00235	6,501.60	0.00	0.00			
		ALSTON & BIRD LLP					00236	57,520.70	5,244.29	25,605.40	89,834.34	8,195.22	40,013.38
		ALSTON & BIRD LLP Total						189,618.34	9,017.44	90,495.01	272,927.78	8,195.22	140,920.72
		AMERICAN GAS ASSOCIATION	AG0252	DGC Federal and NY Regulatory	00099	OTH	00382				825.00	37.49	222.82
		AMERICAN GAS ASSOCIATION Total									825.00	37.49	222.82
		BOND SCHOENECK & KING PLLC	AG0242	AGC Labor & Employment	00099	OTH	00382				3,407.25	154.83	920.26
		BOND SCHOENECK & KING PLLC Total									3,407.25	154.83	920.26
		BOSTON PROPERTIES LIMITED PARTNERSHIP	AG0245	Corporate Matters/Contracts	00099	OTH	00235	865.41	0.00	0.00	594.00	0.00	0.00
		BOSTON PROPERTIES LIMITED PARTNERSHIP	AG0256	AGC NE Regulatory	00099	OTH	00239				90.00	4.13	24.58
		BOSTON PROPERTIES LIMITED PARTNERSHIP Total						865.41	0.00	0.00	684.00	4.13	24.58
		BOWDITCH AND DEWEY LLP	AG0235	General Legal Claims	00099	OTH	00235	10,868.49	0.00	0.00	219.19	0.00	0.00
		BOWDITCH AND DEWEY LLP	AG0236	AGC General Litigation	00099	OTH	00230				2,477.80	0.00	0.00
		BOWDITCH AND DEWEY LLP					00235	1,669.40	0.00	0.00			
		BOWDITCH AND DEWEY LLP Total	AG0255	Regulatory Legal Services	00099	OTH	00235	18,700.50	0.00	0.00	7,869.25	0.00	0.00
		BOWDITCH AND DEWEY LLP Total						31,238.39	0.00	0.00	10,566.24	0.00	0.00
		CAPITAL RECORDS MANAGEMENT INC	AG0238	Information Records Management	00099	OTH	00235				970.80	0.00	0.00
		CAPITAL RECORDS MANAGEMENT INC	AG0245	Corporate Matters/Contracts	00099	OTH	00235				880.36	0.00	0.00
		CAPITAL RECORDS MANAGEMENT INC Total									1,851.16	0.00	0.00
		CURRY PRINTING	AG0253	AGC FERC	00099	OTH	00235				123.83	0.00	0.00
		CURRY PRINTING Total									123.83	0.00	0.00
		DAVID J GORMAN PC	AG0260	AGC Real Estate	00099	OTH	00236	36,847.54	3,348.47	16,349.11	46,019.24	4,183.97	20,428.49
		DAVID J GORMAN PC Total						36,847.54	3,348.47	16,349.11	46,019.24	4,183.97	20,428.49
		EDISON ELECTRIC INSTITUTE (EEI)	AG0493	Provide Administrative & Gener	00099	OTH	00236				12,000.00	1,095.00	5,346.36
		EDISON ELECTRIC INSTITUTE (EEI) Total									12,000.00	1,095.00	5,346.36

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 (Whole \$)

Originating Business Unit Desc	Orig Business Unit	Vendor	Activity	Activity Descr	Business Unit	Segment	Billing Pool	Historic Test \Data					
								Ending Sept. 30, 2008			Ending Sept. 30, 2009		
								Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric	Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric
		EDWARDS ANGELL PALMER & DODGE LLP	AG0240	SVP US General Counsel	00099	OTH	00235	4,434.53	0.00	0.00	21,290.47	0.00	0.00
			AG0245	Corporate Matters/Contracts	00099	OTH	00236	664.94	50.21	293.98	141.32	12.90	62.96
		EDWARDS ANGELL PALMER & DODGE LLP Total						5,099.47	60.21	293.98	21,431.79	12.90	62.96
		ETHICS & COMPLIANCE OFFICER ASSOCIATION	AG0493	Provide Administrative & Gener	00099	OTH	00236				4,500.00	410.63	2,004.89
		ETHICS & COMPLIANCE OFFICER ASSOCIATION Total									4,500.00	410.63	2,004.89
		FINNEGAN HENDERSON FARABOW GARRETT &	AG0245	Corporate Matters/Contracts	00099	OTH	00236	1,520.14	138.16	674.56	352.43	32.16	157.02
							00237				2,372.34	0.00	0.00
		FINNEGAN HENDERSON FARABOW GARRETT & Total						1,520.14	138.16	674.56	2,724.77	32.16	157.02
		GIBSON DUNN & CRUTCHER LLP	AG0245	Corporate Matters/Contracts	00099	OTH	00380				3,689.77	331.24	1,617.32
		GIBSON DUNN & CRUTCHER LLP Total									3,689.77	331.24	1,617.32
		GLENN E DAWSON ESQ	AG0240	SVP US General Counsel	00099	OTH	00232	16,655.99	0.00	0.00	11,971.20	0.00	0.00
							00233				3,408.22	0.00	1,865.57
							00235				1,225.26	0.00	0.00
		GLENN E DAWSON ESQ Total						16,655.99	0.00	0.00	16,604.68	0.00	1,865.57
		GOULSTON & STORRS	AG0260	AGC Real Estate	00099	OTH	00235	223,227.60	0.00	0.00	13,514.64	0.00	0.00
		GOULSTON & STORRS Total						223,227.60	0.00	0.00	13,514.64	0.00	0.00
		HISCOCK & BARCLAY LLP	AG0245	Corporate Matters/Contracts	00099	OTH	00382				752.00	34.17	203.11
			AG0255	Regulatory Legal Services	00099	OTH	00231	9,129.00	0.00	4,801.40	20,136.82	0.00	10,512.17
		HISCOCK & BARCLAY LLP Total						9,129.00	0.00	4,801.40	20,888.82	34.17	10,715.28
		INCISIVE MEDIA	AG0255	Regulatory Legal Services	00099	OTH	00380				600.00	54.09	264.10
		INCISIVE MEDIA Total									600.00	54.09	264.10
		INTERNAL REVENUE SERVICE	AG0245	Corporate Matters/Contracts	00099	OTH	00235				50,241.38	0.00	0.00
		INTERNAL REVENUE SERVICE Total									50,241.38	0.00	0.00
		IRON MOUNTAIN OFF-SITE	AG0238	Information Records Management	00099	OTH	00235				11,438.46	0.00	0.00
		IRON MOUNTAIN OFF-SITE Total									11,438.46	0.00	0.00
		IRON MOUNTAIN RECORDS MANAGEMENT	AG0238	Information Records Management	00099	OTH	00235				38,863.38	0.00	0.00
			AG0245	Corporate Matters/Contracts	00099	OTH	00235				131,857.15	0.00	0.00
		IRON MOUNTAIN RECORDS MANAGEMENT Total									170,720.53	0.00	0.00
		KELLER AND HECKMAN	AG0255	Regulatory Legal Services	00099	OTH	00231	24,779.25	0.00	13,020.21	21,280.11	0.00	11,133.27
		KELLER AND HECKMAN Total						24,779.25	0.00	13,020.21	21,280.11	0.00	11,133.27
		LANE4 MANAGEMENT GROUP	AG0240	SVP US General Counsel	00099	OTH	00382				10,518.70	477.97	2,841.00
		LANE4 MANAGEMENT GROUP Total									10,518.70	477.97	2,841.00
		LAWSON LEGAL RECRUITERS LLC	AG0245	Corporate Matters/Contracts	00099	OTH	00236				24,400.00	2,226.50	10,870.93
		LAWSON LEGAL RECRUITERS LLC Total									24,400.00	2,226.50	10,870.93
		MASSACHUSETTS DEPARTMENT OF REVENUE	AG0240	SVP US General Counsel	00099	OTH	00235				0.00	0.00	0.00
			AG0245	Corporate Matters/Contracts	00099	OTH	00235				4,958.30	0.00	0.00
		MASSACHUSETTS DEPARTMENT OF REVENUE Total									4,958.30	0.00	0.00
		MCCARTER & ENGLISH LLP	AG0242	AGC Labor & Employment	00099	OTH	00382				15,385.00	699.09	4,155.33
		MCCARTER & ENGLISH LLP Total									15,385.00	699.09	4,155.33
		MCLANE GRAF RAULERSON & MIDDLETON	AG0255	Regulatory Legal Services	00099	OTH	00237				118,905.60	0.00	0.00
			AG0256	AGC NE Regulatory	00099	OTH	00391				390.50	0.00	0.00
		MCLANE GRAF RAULERSON & MIDDLETON Total									119,296.10	0.00	0.00
		MORGAN LEWIS & BOCKIUS LLP	AG0255	Regulatory Legal Services	00099	OTH	00236				1,837.50	166.39	812.40
		MORGAN LEWIS & BOCKIUS LLP Total									1,837.50	166.39	812.40
		NOBLE & WICKERSHAM LLP	AG0255	Regulatory Legal Services	00099	OTH	00236	19,342.85	1,751.50	8,551.86	495.00	45.17	220.54
		NOBLE & WICKERSHAM LLP Total						19,342.85	1,751.50	8,551.86	495.00	45.17	220.54
		NOVA RECORDS LLC	AG0238	Information Records Management	00099	OTH	00235				2,865.45	0.00	0.00

Outside Legal Services - Exp Type 100 Consultants and 110 Contractors
 Historic Years Ending September 2008 and 2009 - By Originating Business, By Vendor, By Activity
 Total Charged Through Accounts Payable System and Total Charged to Niagara Mohawk Electric & Gas
 (Whole \$)

Originating Business Unit Desc	Orig Business Unit	Vendor	Activity	Activity Descr	Business Unit	Segment	Billing Pool	Historic Test Data						
								Ending Sept. 30, 2008			Ending Sept. 30, 2009			
								Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric	Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric	
		AG0245	Corporate Matters/Contracts	00099	OTH	00235					8,838.55	0.00	0.00	
		NOVA RECORDS LLC Total										11,704.00	0.00	0.00
		AG0235	General Legal Claims	00099	OTH	00235					1,450.06	0.00	0.00	
		AG0241	Manager of Operations	00099	OTH	00235					9,742.16	0.00	0.00	
		AG0245	Corporate Matters/Contracts	00036	DIST	00100	26,069.11	4,431.75	21,637.36		25,585.84	1,162.62	6,910.48	
				00101			304.20	0.00	304.20		5,854.05	995.19	4,858.86	
				00099	OTH	00235					49,340.77	0.00	0.00	
				00382							5,231.97	238.67	1,399.85	
		AG0259	NE Siting	00099	OTH	00235					295.22	0.00	0.00	
				00382							1,419.13	64.49	383.29	
		PRO UNLIMITED INC Total						26,373.31	4,431.75	21,941.56		98,919.20	2,460.97	13,552.49
		AG0245	Corporate Matters/Contracts	00036	DIST	00100	69,320.68	11,784.52	57,536.16		933.00	158.61	774.39	
				00101			691.20	0.00	691.20					
				00099	OTH	00235	10,668.38	0.00	0.00					
				00236			1,836.00	166.25	811.73					
		PROFESSIONALS INC Total						82,516.26	11,950.77	59,039.10		933.00	158.61	774.39
		AG0236	AGC General Litigation	00099	OTH	00235	6,616.44	0.00	0.00		8,672.90	0.00	0.00	
		RICE DOLAN & KERSHAW Total						6,616.44	0.00	0.00		8,672.90	0.00	0.00
		AG0240	SVP US General Counsel	00099	OTH	00236	37,314.50	3,404.95	16,624.73		14,314.48	1,306.20	6,377.53	
		ROPES & GRAY LLP Total						37,314.50	3,404.95	16,624.73		14,314.48	1,306.20	6,377.53
		AG0236	AGC General Litigation	00099	OTH	00231					195.00	0.00	101.60	
				00235			1,087.91	0.00	0.00		130.20	0.00	0.00	
				00236			867.16	78.98	385.61		450.61	41.12	200.76	
		RUSSELL R JOHNSON III Total						1,955.07	78.98	385.61		775.81	41.12	302.36
		AG0255	Regulatory Legal Services	00099	OTH	00236					15,675.00	1,430.34	6,983.68	
		SAPIRE SEARCH GROUP Total										15,675.00	1,430.34	6,983.68
		AG0245	Corporate Matters/Contracts	00099	OTH	00382					16,702.00	773.14	4,309.12	
		SKADDEN ARPS SLATE MEAGHER & FLOM Total										16,702.00	773.14	4,309.12
		AG0245	Corporate Matters/Contracts	00099	OTH	00235	97,767.72	0.00	0.00		1,672.32	0.00	0.00	
				00236			562.80	51.36	250.74		337.64	30.81	150.43	
		AG0260	AGC Real Estate	00099	OTH	00235	760.54	0.00	0.00					
		THE SUBURBAN GROUP Total						99,091.06	51.36	250.74		2,009.96	30.81	150.43
		AG0245	Corporate Matters/Contracts	00099	OTH	00235	99,159.45	0.00	0.00		22,869.79	0.00	0.00	
				00236			2,054.00	185.99	908.11					
		UPDATE LEGAL INC Total						101,213.45	185.99	908.11		22,869.79	0.00	0.00
		AG0760	Operations Executive Services	00099	OTH	00354					166.51	10.77	52.60	
				00382							1,242.59	57.52	320.59	
		YOUNG SAMUEL CHAMBERS LTD Total										1,409.10	68.29	373.19
		AG0085	Provide Regulatory Support	00099	OTH	00235	64.80	0.00	0.00					
		THE PROVIDENCE JOURNAL COMPANY Total						64.80	0.00	0.00				
		AG0240	SVP US General Counsel	00099	OTH	00236	7,100.18	642.92	3,139.13					
		SUTHERLAND ASBILL & BRENNAN LLP Total						7,100.18	642.92	3,139.13				
		AG0245	Corporate Matters/Contracts	00099	OTH	00235	88.41	0.00	0.00					
		THE AYCO COMPANY L P Total						88.41	0.00	0.00				
		AG0245	Corporate Matters/Contracts	00099	OTH	00235	680.00	0.00	0.00					
		JONES DAY Total						680.00	0.00	0.00				

Outside Legal Services - Exp Type 100 Consultants and 110 Contractors
 Historic Years Ending September 2008 and 2009 - By Originating Business, By Vendor, By Activity
 Total Charged Through Accounts Payable System and Total Charged to Niagara Mohawk Electric & Gas
 (Whole \$)

Originating Business Unit Desc	Orig Business Unit	Vendor	Activity	Activity Descr	Business Unit	Segment	Billing Pool	Historic Test 1 Data					
								Ending Sept. 30, 2008			Ending Sept. 30, 2009		
								Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Payables Electric	Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Payables Electric
		RICHARD C MOONEY	AG0255	Regulatory Legal Services	00099	OTH	00235	44,331.73	0.00	0.00			
		RICHARD C MOONEY Total						44,331.73	0.00	0.00			
		REGULATORY WATCH INC	AG0255	Regulatory Legal Services	00099	OTH	00235	216.25	0.00	0.00			
		REGULATORY WATCH INC Total						216.25	0.00	0.00			
		THE BRATTLE GROUP	AG0255	Regulatory Legal Services	00099	OTH	00236	36,481.73	3,328.96	16,253.71			
		THE BRATTLE GROUP Total						36,481.73	3,328.96	16,253.71			
		GE CORPORATE CARD SERVICES	AG0493	Provide Administrative & Gener	00099	OTH	00236	291.31	26.58	129.79			
		GE CORPORATE CARD SERVICES Total						291.31	26.58	129.79			
		RAINBOW MOVERS INC	AG0640	Moves & Relocations	00099	OTH	00235	598.00	0.00	0.00			
		RAINBOW MOVERS INC Total						598.00	0.00	0.00			
National Grid USA Service Co. Total								1,003,256.48	38,418.02	252,858.61	1,056,915.29	24,430.41	247,407.00
Narragansett Electric Company	00049	NOVA RECORDS LLC	AG0245	Corporate Matters/Contracts	00099	OTH	00235				144.68	0.00	0.00
		NOVA RECORDS LLC Total									144.68	0.00	0.00
		ORRICK HERRINGTON & SUTCLIFFE LLP	AG0236	AGC General Litigation	00036	DIST	00100	122.40	20.81	101.59	541.66	92.08	449.58
		ORRICK HERRINGTON & SUTCLIFFE LLP Total						122.40	20.81	101.59	541.66	92.08	449.58
		RUSSELL R JOHNSON III	AG0236	AGC General Litigation	00036	DIST					346.87	0.00	346.87
		RUSSELL R JOHNSON III Total									346.87	0.00	346.87
		SOLOMON AND SOLOMON PC	AG0235	General Legal Claims	00036	DIST		90.00	0.00	90.00	2,114.17	0.00	2,114.17
		SOLOMON AND SOLOMON PC Total						90.00	0.00	90.00	2,114.17	0.00	2,114.17
Narragansett Electric Company Total								212.40	20.81	191.59	3,147.38	92.08	2,910.62
Massachusetts Electric Company	00005	RUSSELL R JOHNSON III	AG0236	AGC General Litigation	00036	DIST					103.77	0.00	103.77
		RUSSELL R JOHNSON III Total									103.77	0.00	103.77
		EXPONENT INC	AG0255	Regulatory Legal Services	00099	OTH	00235	2,477.50	0.00	0.00	330.32	38.51	291.81
		EXPONENT INC Total						2,477.50	0.00	0.00	330.32	38.51	291.81
Massachusetts Electric Company Total								2,477.50	0.00	0.00	330.32	38.51	291.81
National Grid USA	00001	INTERNAL REVENUE SERVICE	AG0245	Corporate Matters/Contracts	00099	OTH	00235				9,680.46	0.00	0.00
		INTERNAL REVENUE SERVICE Total									9,680.46	0.00	0.00
		INTERNAL REVENUE SERVICE	DO9000	Misc Ops Supv and Admn	00099	OTH	00231				3,496.74	0.00	1,821.84
		INTERNAL REVENUE SERVICE Total									3,496.74	0.00	1,821.84
		MASSACHUSETTS DEPARTMENT OF REVENUE	AG0245	Corporate Matters/Contracts	00099	OTH	00235				3,629.70	0.00	0.00
		MASSACHUSETTS DEPARTMENT OF REVENUE Total									3,629.70	0.00	0.00
		RUSSELL R JOHNSON III	AG0236	AGC General Litigation	00036	DIST	00100				373.09	63.43	309.66
		RUSSELL R JOHNSON III Total									373.09	63.43	309.66
National Grid USA Total											17,179.99	63.43	2,131.50
Narragansett Gas Company	00048	CAPITAL RECORDS MANAGEMENT INC	AG0245	Corporate Matters/Contracts	00099	OTH	00235				1,046.21	0.00	0.00
		CAPITAL RECORDS MANAGEMENT INC Total									1,046.21	0.00	0.00
		IRON MOUNTAIN OFF-SITE	AG0245	Corporate Matters/Contracts	00099	OTH	00235				137.92	0.00	0.00
		IRON MOUNTAIN OFF-SITE Total									137.92	0.00	0.00
		IRON MOUNTAIN RECORDS MANAGEMENT	AG0238	Information Records Management	00099	OTH	00235				1,184.13	0.00	0.00
		IRON MOUNTAIN RECORDS MANAGEMENT Total									1,184.13	0.00	0.00
		IRON MOUNTAIN RECORDS MANAGEMENT	AG0245	Corporate Matters/Contracts	00099	OTH	00235				785.59	0.00	0.00
		IRON MOUNTAIN RECORDS MANAGEMENT Total									785.59	0.00	0.00
Narragansett Gas Company Total											2,095.30	0.00	0.00
New England Power Company	00010	ALSTON & BIRD LLP	AG0255	Regulatory Legal Services	00099	OTH	00236	353.62	32.27	157.55			
		ALSTON & BIRD LLP Total						353.62	32.27	157.55			
		PRO UNLIMITED INC	AG0245	Corporate Matters/Contracts	00099	OTH	00235				7,309.34	0.00	0.00
		PRO UNLIMITED INC Total									7,309.34	0.00	0.00
New England Power Company Total											321.13	29.30	143.07

Outside Legal Services - Exp Type 100 Consultants and 110 Contractors
 Historic Years Ending September 2008 and 2009 - By Originating Business, By Vendor, By Activity
 Total Charged Through Accounts Payable System and Total Charged to Niagara Mohawk Electric & Gas
 (Whole \$)

Originating Business Unit Desc	Orig Business Unit	Vendor	Activity	Activity Descr	Business Unit	Segment	Billing Pool	Historic Test Y Data						
								Ending Sept. 30, 2008			Ending Sept. 30, 2009			
								Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric	Sum of Total Payables \$	Sum of Total Payables Gas	Sum of Total Electric	
		PRO UNLIMITED INC Total	AG0255	Regulatory Legal Services	00099	OTH	00235	1,095.06			1,095.06	0.00		0.00
New England Power Company Total								353.62	32.27	157.55	8,725.53	29.30		143.07
KeySpan Corporate Services LLC	00431	CULLEN AND DYKMAN	923001	A&G-Outside Services Employed	00036	DIST		287,641.38			287,641.38	0.00		287,641.38
						GAS		64,094.37	64,094.37		64,094.37	64,094.37		0.00
						TRAN		43,039.29			43,039.29			43,039.29
		CULLEN AND DYKMAN Total						394,775.04	64,094.37		394,775.04	64,094.37		330,680.67
KeySpan Corporate Services LLC Total								394,775.04	64,094.37		394,775.04	64,094.37		330,680.67
Grand Total								7,669,744.66	859,249.14	6,090,176.99	8,988,043.17	1,111,987.15		7,063,230.23

Date of Request: March 16, 2010
Due Date: March 26, 2010

Request No. AJR-7
NMPC Req. No. NM 271 DPS 149

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Aric Rider

TO: Infrastructure and Operations Panel

Request

- A. Reference IOP Testimony page 180 of 266, line 20. The Company states that it oversees the operation and maintenance of 55 occupied locations – a main office, six specialty/non-operating sites, and 48 operating sites. Please quantify the number of sites the Company plans to oversee in FY 11, FY 12, FY 13 and FY 14, identifying any location changes for each period. In addition, identify the relocated/consolidated sites and the plans for each of these assets.
- B. Reference IOP Testimony page 183 of 266, lines 10-11. Please provide the actual historic levels of baseline capital expenditures for FY 06, FY 07, FY 08, FY 09 and FY 10. Identify the period of time used to develop the Company's forecast baseline capital expenditures.
- C. Reference IOP Testimony page 197, lines 1-3. Provide the work papers that show how the Company is fairly assessing the Reservoir Woods lease allocation costs to all of the businesses that are run from that facility.
- D. Reference IOP Testimony page 197, lines 1-3. What is the aggregated level of lease costs associated with the Reservoir Woods facility that is currently recovered from customers served by all National Grid owned companies?
- E. Reference IOP Testimony page 197, lines 1-3. What functions are conducted from Niagara Mohawk facilities that benefit National Grid businesses outside of the Niagara Mohawk service territory, and how are the benefits reflected in the rate filing?
- F. Reference IOP Testimony page 197, lines 13-20, and page 198, lines 1-2. Please provide the actual Fleet Service capital expenditures for FY 06, FY 07, FY 08, FY 09 and FY 10.

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G. Reference IOP Testimony page 197, lines 13-20, and page 198 lines 1-2. Please provide the budgeted Fleet Service capital expenditures for FY 06, FY 07, FY 08, FY 09 and FY 10.

H. Reference Exhibit ___(RRP-2) Schedule 45 Sheet 1 of 1, Row 14 – Facilities Rent Forecast. Please explain the \$3,496 normalization adjustment.

I. Reference Exhibit ___(RRP-2) Schedule 45 Sheet 1 of 1 Rows 14, 18 & 46. Please explain the rate year increases.

Where applicable in responding to questions A through I above, provide the response in fully accessible formats without restrictions; i.e., not pdf files, but excel or whatever program was used to provide the response.

Response:

- A. The Company's Property Services group currently oversees 55 facilities. In 2011, it intends to oversee 53 facilities, and 51 facilities in 2012. The Company proposes to close its locations at Troy (two locations), Glenmont, Saratoga-Federal Street, Syracuse (Beacon North), and Tonawanda. In addition, the Company will add a small crew location in the Troy area to ensure adequate response times are maintained. Further, the Company will not renew its lease of the "E" building at the Syracuse Office Complex (SOC) and has closed and will not renew the lease of its Star Lake, NY site. Both buildings are now vacant and retirements are reflected in Exhibit __ (IOP-5).
- B. The Company's baseline capital spend for facilities is as follows:
- i. FY 2006 \$2,957,542
 - ii. FY 2007 \$4,157,129
 - iii. FY 2008 \$5,159,937
 - iv. FY 2009 \$6,668,866
 - v. FY 2010 \$5,223,298 (to date of the response)

The Company utilized four years of data and applied a multiplier for FY11 through FY14 since it is expected that a lower level of baseline spend will be required due to the large construction projects that will be taking place at the SOC, North Albany and the Buffalo area. Please note these are fiscal year figures as requested whereas the figures in the testimony are calendar year.

- C. Attachment 1 (AJR-7_Attach 1_Reservoir Woods Sq Ft Summary With Co.xls) and Attachment 2 (AJR-7_Attach 2_Reservoir Woods Seating Chart.pdf) are the underlying work papers developed by Property Services for Bill Pool 603 which allocates Reservoir Woods Facilities related costs including its lease expense. Attachment 1 details the specific occupancy to allow development of Bill Pool 603. Attachment 2 depicts the allocated space by department used to populate the excel table in Attachment 1.

D. As shown in Workpaper 5 of Exhibit __ (RRP-2), Schedule 8, Sheet 1, column (e) (Book 16, page 178, column (e), line 32), the estimated CY11 aggregate costs of the Reservoir Woods facility is estimated to be \$17,713,648 allocated using bill pool 603 to both operating companies and non-operating companies. As the facility has only been in service for nine months, the costs have only been explicitly included in six of the operating companies' revenue requirements filings (Massachusetts Electric, Nantucket Electric, Narragansett Electric, New England Power, EnergyNorth Gas and Niagara Mohawk electric). The remaining operating companies are implicitly recovering these costs in current rates.

E. Functions conducted from Niagara Mohawk facilities that benefit other National Grid businesses include Accounts Payable, Investment Recovery, Human Resources, aircraft transportation, credit and collections, customer service, consumer advocacy and others. Facility costs incurred in support of these functions are allocated to other companies in the form of inter-company rent charges. The Rate filing reflects facility costs to Niagara Mohawk net of any allocation out to other National Grid entities.

F. Actual Fleet Services capital expenditures for FY06 through FY10 are provided below.

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Fleet NY - Co 36	\$240,375	\$192,341	\$225,736	\$162,523	\$567,604
	<i>(generally consists of shop tools & equipment)</i>				

G. Fleet Services capital budgets for FY06 through FY10 are provided below.

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Fleet NY - Co 36	\$ 238,000	\$ 238,000	\$ 238,000	\$ 238,000	\$ 430,000
	<i>(generally consists of shop tools & equipment)</i>				

H. The \$3,496 normalization adjustment is the net of two adjustments: one to annualize the amount of rent expense recorded for the Reservoir Woods facility in the test year, and a second to remove rent expense related to the Sacandaga Reservoir. These represent an increase to test year rent expense of \$3,952 and a decrease of test year rent expense of \$456, respectively. The books of the Company contained only five months of rent expense for Reservoir Woods (May 2009 – September 2009), and therefore an annualizing adjustment was needed to normalize the test year. Please refer to Exhibit __ (RRP-10), Schedule 8, Workpaper 6 for the calculation of the normalization entry, as well as the response to DKS-3 Part 3 which provides further support of the annual lease obligation. The Company has taken the position that as of July 2009, it is no longer obligated to pay the annual operating & maintenance expenses of the Sacandaga Reservoir, and therefore the amount of \$456 recorded in the test year was removed as a normalization adjustment.

I. Row 14 (Facilities Rent forecast) (amounts in 000s)
Please refer to Exhibit __ (RRP-2), Schedule 8, Sheets 8 & 9.

RY 2011 (\$3,306) - The decrease in rent expense in RY 2011 over the adjusted test year is due to the expiration of lease arrangements at Beacon North (\$1,153) and the SOC E Building (\$1,348) during Calendar Year 2011. The Company has decided to let these leases terminate due to Facilities consolidation initiatives.

RY 2012 (\$255) – The decrease in RY 2012 rent expense over RY 2011 rent expense represents the expiration of the Beacon North lease, as there are two months of rent expense included in RY 2011 and none in RY 2012.

RY 2013 (\$229) – The decrease in RY 2013 rent expense over RY 2012 rent expense represents the expiration of lease arrangements at Saratoga Wiebel and the SOC E Building Parking facility (\$83 and \$111, respectively). The Company has decided to let these leases terminate due to Facilities consolidation initiatives.

Row 18 (IT Rent forecast) (amounts in 000s)

Please refer to Exhibit ___ (RRP_2), Schedule 8, Sheets 10 & 11.

RY 2011 \$1,935 – The increase in RY 2011 rent expense over the test year is due to the net effect of the winding down of existing software lease agreements and new leased software assets coming online in the Rate Year. Existing lease expirations represent a decrease in expense of (\$2,944) over the test year, the largest portion being the PeopleSoft ERP system (\$1,991). New leased software represent an increase to rent expense of \$4,894, the largest projects being the Customer Systems Agent Desktop \$688, Datacenter Rationalization \$453, IVR Phase 2 \$603, and Transformation KPIs \$432.

RY 2012 \$5,447 – The increase in RY 2012 rent expense over the RY 2011 expense represents further software projects placed into service in RY 2012, the largest being the US SAP Back office \$3,798. There is only a relatively small decrease in RY 2012 for existing project leases terminating (\$431).

RY 2013 \$4,723 – The increase in RY 2013 rent expense over the RY 2012 expense represents the net effect of the Field Force Automation (FFA) lease terminating and further software projects placed into service. FFA will be fully amortized as of February 2013, resulting in a decrease in rent expense of \$2,768. The largest projects placed into service during RY 2013 are Distribution/Outage Management System \$2,354 and the Electric Distribution Legacy Grid Mobile Expansion \$1,316. In addition, RY 2013 contains a full year of SAP Back Office lease charges versus nine months in RY 2011, an increase of \$1,454.

Row 46 (Transmission Rent forecast) (amounts in 000s)

Please refer to Exhibit ___ (RRP-2), Schedule 8, Sheets 12 & 13

RY 2011 \$1,266 – The increase in RY 2011 rent expense over the test year represents annual increases in contractual lease payments for the Volney –Marcy Transmission line.

RY 2012 \$229 – The increase in RY 2012 rent expense over the RY 2011 expense represents the annual increase in contractual lease payments for the Volney –Marcy Transmission line.

RY 2013 \$250 - The increase in RY 2013 rent expense over the RY 2012 expense represents the annual increase in contractual lease payments for the Volney –Marcy Transmission line.

Name of Respondent:

Michael E. Guerin
James M. Molloy

Date of Reply:

March 29, 2010

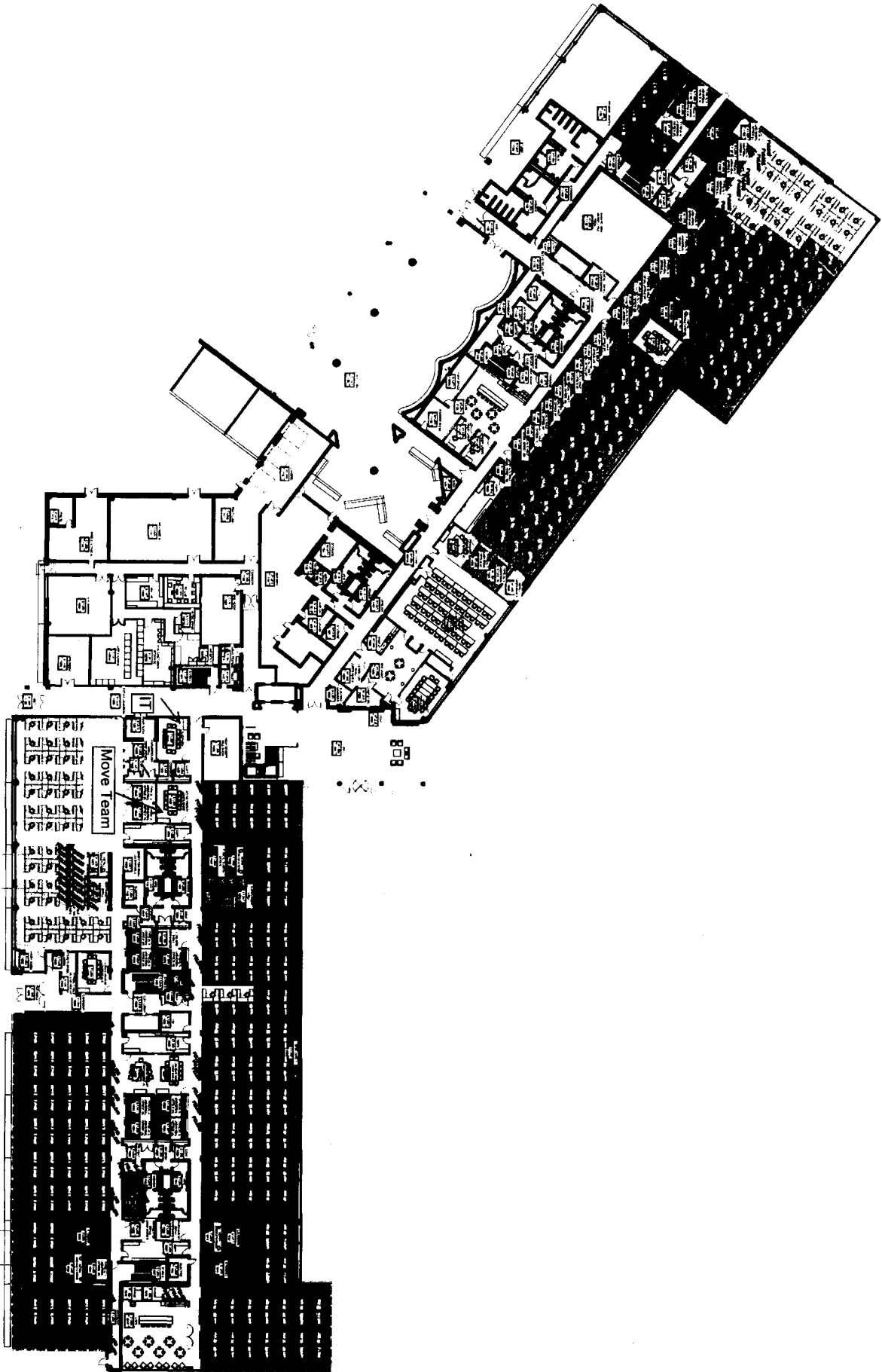
GROUP	% VALUE FROM TOTAL BILL 00382	Segmentation Methodology	DIST	GAS	TRAN	BOEV	NREG	INTE	GEN	OTH	Total
	100%	100% DIST	34.6%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	34.6%
SH&E	1.2%	FY09 Segment %	1.1%	0.8%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	1.8%
Supply Chain	1.2%	FY09 Segment %	0.7%	0.4%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	1.2%
Tom King	0.2%	100% DIST	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
TOTAL	100%		34.6%	1.0%	0.1%	0.0%	0.0%	0.0%	0.2%	0.1%	34.1%
BUILDING TOTALS											
TOTAL	100%		64.8%	28.2%	12.8%	0.6%	0.7%	0.0%	1.6%	1.2%	100.0%

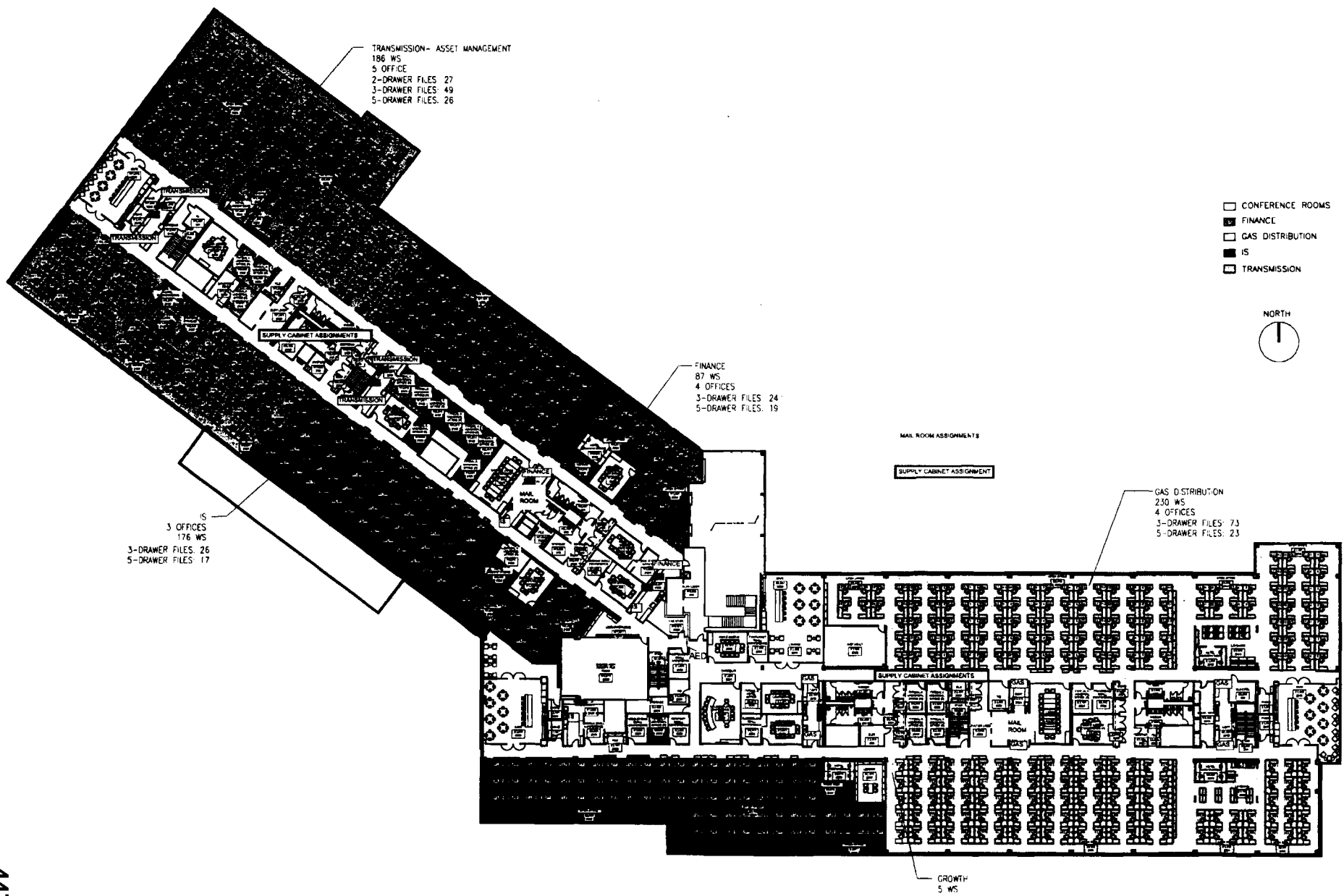
DIST	GAS	TRAN	BOEV	NREG	INTE	GEN	OTH	Total
24,435	13,376	768	-	214	8	3,707	844	43,352
6,850	4,961	813	-	95	164	844	383	14,110

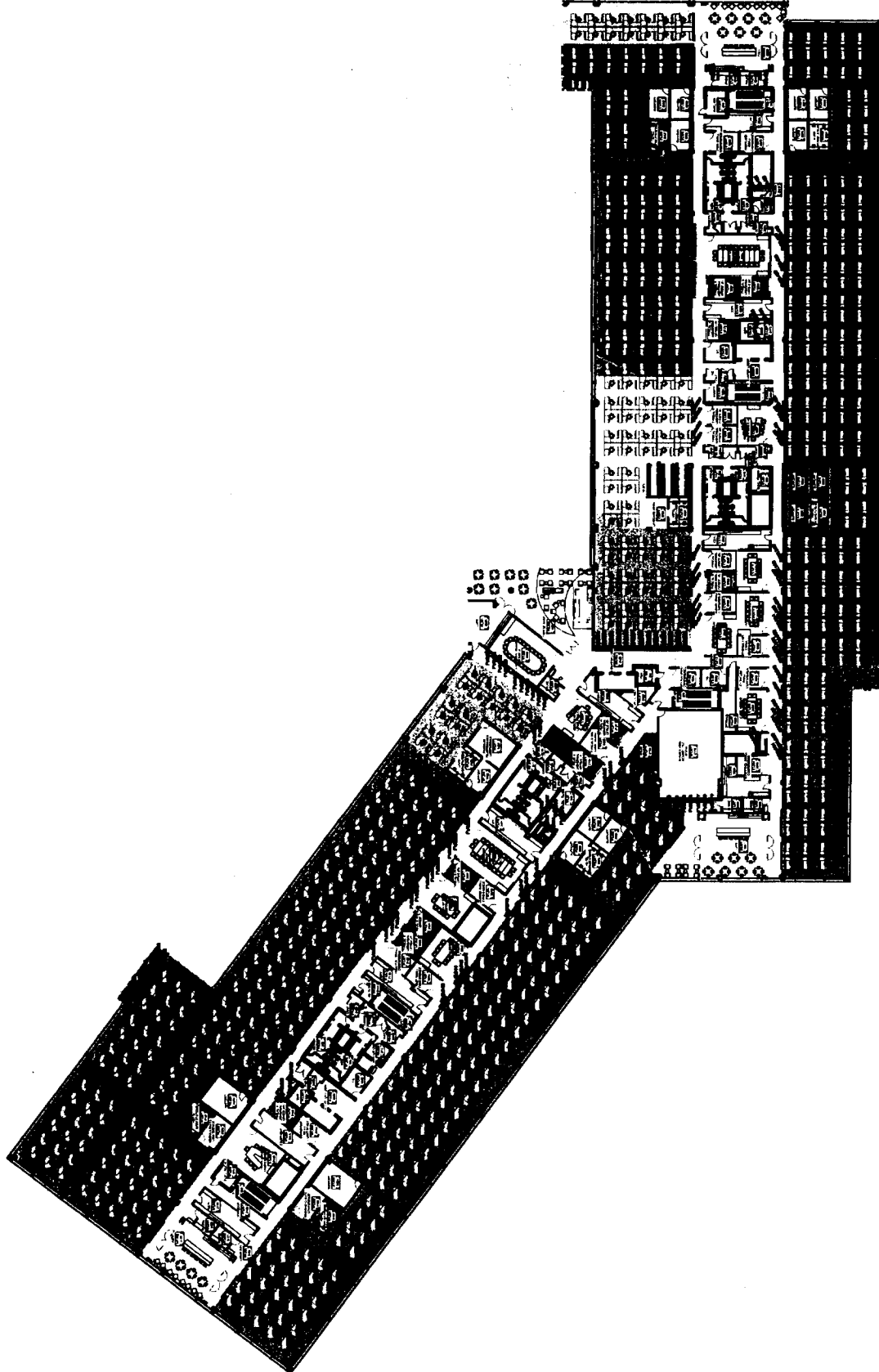
00004	Nantucket Electric	0.1240%
00005	Massachusetts Electric	15.5849%
00006	NEDTECS-MA Hydro	0.1818%
00008	NEDTC-NH Hydro	0.4271%
00010	New England Power	2.3887%
00020	NEET	0.0182%
00021	NOLSA Transmission	0.0016%
00030	Nagars Mohawk Power	31.5542%
00041	Granite State Electric	0.4444%
00048	Narragansett Gas	3.4887%
00049	Narragansett Electric	5.3206%
00070	Weyfinder	0.0011%
00071	VAMCO	0.0000%
01481	Beacon Gas Company	7.6577%
01482	Colonial Lowell Division	1.2588%
01483	EnergyNorth Company	0.6787%
01434	Keyspan Electric Services LLC	0.0352%
01435	Keyspan Generation Services LLC	0.0138%
01436	Keyspan Energy Development	0.0780%
01437	Keyspan Energy Delivery LI	5.8146%
01438	Keyspan Energy Delivery NY	11.3385%
01442	Keyspan Ravenswood Services, LLC	0.0000%
01448	Keyspan Glenwood Energy Center LLC	0.1062%
01449	Keyspan Port Jefferson Energy Center LLC	0.1101%
01488	Keyspan Energy Supply Inc	0.0000%
01489	Keyspan Services Inc	0.0065%
01471	Seneca Upstate Petroleum	0.3507%
01483	Keyspan E&P Joint Venture 80%	100.8800%

Company totals per Billing Pool 00382 were applied to the segment totals shown above to produce company total by segment shown below:

00004	Nantucket Electric	0.0679%	0.0340%	0.0180%	0.0000%	0.0000%	0.0001%	0.0016%	0.0015%	0.1240%
00005	Massachusetts Electric	8.5351%	4.3873%	2.0101%	0.1005%	0.1138%	0.0071%	0.2415%	0.1863%	15.5849%
00006	NEDTECS-MA Hydro	0.0886%	0.0458%	0.0209%	0.0010%	0.0012%	0.0001%	0.0025%	0.0020%	0.1818%
00008	NEDTC-NH Hydro	0.2339%	0.1202%	0.0561%	0.0028%	0.0031%	0.0002%	0.0066%	0.0052%	0.4271%
00010	New England Power	1.3082%	0.6724%	0.3081%	0.0154%	0.0175%	0.0011%	0.0370%	0.0290%	2.3887%
00020	NEET	0.0033%	0.0043%	0.0020%	0.0001%	0.0001%	0.0000%	0.0002%	0.0002%	0.0182%
00021	NOLSA Transmission	0.0004%	0.0004%	0.0002%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0016%
00030	Nagars Mohawk Power	17.2807%	8.8823%	4.0887%	0.2035%	0.2306%	0.0144%	0.4880%	0.3534%	31.5542%
00041	Granite State Electric	0.2434%	0.1261%	0.0573%	0.0029%	0.0032%	0.0002%	0.0089%	0.0064%	0.4444%
00048	Narragansett Gas	1.9108%	0.9821%	0.4500%	0.0225%	0.0255%	0.0018%	0.0541%	0.0424%	3.4887%
00049	Narragansett Electric	2.9136%	1.4978%	0.6862%	0.0343%	0.0389%	0.0024%	0.0823%	0.0646%	5.3206%
00070	Weyfinder	0.0008%	0.0003%	0.0001%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0011%
00071	VAMCO	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
01481	Beacon Gas Company	4.1837%	2.1507%	0.9877%	0.0484%	0.0580%	0.0035%	0.1187%	0.0830%	7.6577%
01482	Colonial Lowell Division	0.6884%	0.3544%	0.1624%	0.0081%	0.0092%	0.0006%	0.0195%	0.0153%	1.2588%
01483	EnergyNorth Company	0.3706%	0.1808%	0.0873%	0.0044%	0.0048%	0.0003%	0.0105%	0.0082%	0.6787%
01434	Keyspan Electric Services LLC	4.4005%	2.2620%	1.0383%	0.0518%	0.0587%	0.0037%	0.1245%	0.0878%	0.0352%
01435	Keyspan Generation Services LLC	2.7459%	1.4114%	0.6487%	0.0323%	0.0368%	0.0023%	0.0777%	0.0609%	0.0138%
01436	Keyspan Energy Development	0.0427%	0.0220%	0.0101%	0.0005%	0.0006%	0.0000%	0.0013%	0.0009%	0.0780%
01437	Keyspan Energy Delivery LI	3.1644%	1.6386%	0.7489%	0.0375%	0.0423%	0.0027%	0.0801%	0.0788%	5.8146%
01438	Keyspan Energy Delivery NY	8.2101%	3.1822%	1.4825%	0.0731%	0.0828%	0.0052%	0.1757%	0.1378%	11.3385%
01442	Keyspan Ravenswood Services, LLC	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
01448	Keyspan Glenwood Energy Center LLC	0.0581%	0.0288%	0.0137%	0.0007%	0.0008%	0.0000%	0.0018%	0.0013%	0.1062%
01449	Keyspan Port Jefferson Energy Center LLC	0.0603%	0.0310%	0.0142%	0.0007%	0.0008%	0.0001%	0.0017%	0.0013%	0.1101%
01488	Keyspan Energy Supply Inc	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
01489	Keyspan Services Inc	0.0036%	0.0018%	0.0009%	0.0000%	0.0000%	0.0000%	0.0001%	0.0001%	0.0065%
01471	Seneca Upstate Petroleum	0.1820%	0.0887%	0.0452%	0.0023%	0.0026%	0.0002%	0.0054%	0.0043%	0.3507%
01483	Keyspan E&P Joint Venture 80%	0.0219%	0.0113%	0.0052%	0.0003%	0.0003%	0.0000%	0.0008%	0.0005%	0.0400%
		64.7860%	28.1889%	12.8876%	0.6481%	0.7310%	0.0487%	1.6889%	1.2148%	100.8800%







- CONFERENCE ROOM
 - CUSTOMERS & SERVICE
 - ▨ ELECTRIC DISTRIBUTION
 - ▩ ELEVATOR
 - ELEVATOR SHAFT
 - SUPPLY DRIVE
- SEVENTH
- 

Date of Request: March 16, 2010
Due Date: March 26, 2010

Request No. DAG-10
NMPC Req. No. NM 273 DPS 151

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirement Panel

Request Accounting Services Expense

1. Please provide both the HY actual amount for HYE 9/20/2009, 9/30/2008, 9/30/2007 and 9/30/2006, and also the RYs' forecasted amounts for accounting services expense and identify where those stated amounts can be found in the Company's exhibits and workpapers. If the amounts cannot be explicitly derived from the exhibits and workpapers, please provide a list of charges by expense type, originating business units, direct and indirect charges, and activity number with activity description, along with vendor names (see the Company's response to DAG-15 (NM-145), in Case 08-G-0609 if this question cannot be responded to in the exact format asked. As an alternative, a response similar to the Company response to DAG-15 could be provided and updated for historic years 2006 through 2009).
2. Please (a) provide all normalizing adjustments the company made to HY accounting services expense; and (b) explain and provide a copy of the analysis the Company undertook to determine the actual HY accounting services expense that needed to be normalized, in forecasting RY levels.
3. If the answer to question 2 above is, "There are no normalizing adjustments made to the HY," please explain and provide a copy of the analysis the Company undertook to determine the actual HY accounting services expense was reasonable and included no non-recurring items, in forecasting the RY.

Response:

1. In accordance with regulatory policy, the Company's O&M expense exhibit RRP-2 is presented by functional group, subdivided between Operation and Maintenance, with separate schedules for different cost elements (i.e. expense types). The Revenue Requirement Panel testimony describes the exhibit in further detail. Accounting Services is not defined by a single expense type (cost element) in the Company's general ledger, and therefore is not presented explicitly in the Company's exhibits or workpapers.

Please see the following attachments for requested information regarding Accounting Services costs, as an update to the Company's response to DAG-15 (NM-145) in Case 08-G-0609:

Attachment 1 – the Rate Year ended December 31, 2011 and Historical Test Year ended September 30, 2009

Attachment 2 – the twelve months ended September 30, 2008

Attachment 3 - the twelve months ended September 30, 2007

Attachment 4 - the twelve months ended September 30, 2006

Please note that due to organizational changes in the businesses, the departments reporting through the Controller have changed since Case 08-G-0609. Those departments consist of the following:

Controller	Controller	11000	
	Acctg Services Corp Overheads	11999	
Accounting Services	Acctg Services-NE	11200	
	Acctg Services-NY	11250	
	Financial Reporting-NY (Inactive 11/8/05)	11450	
	Non-Income Tax	11600	
	Fin Reporting Asst Controller	92015	
	Financial Processing	92016	
	Tax	92017	
	Accounting Services	92018	
	VP Financial Planning	92020	
	VP & Controller NE	92168	
	KeySpan Integration	92527	
	KETS Backoffice	92856	
	KSP Backoffice	92857	
	Financial Services	92519	
	Accounting	92521	
	Pension Accounting	Pension Accounting	11400

2. As explained above in Part 1, the Company presented O&M expenses for the Historical Year, Historical Year Normalizing Adjustments and Rate Year Adjustments by expense type, not by organization or department (i.e. "Accounting Services"). For example, Historical Year Adjustments were made to various expense types to remove non-recurring New England and KeySpan integration costs. Exhibit RRP-10, Workpaper to RRP-2, Schedule 1, Workpaper 5 shows how these costs were removed from Expense Type 100 (supportive of RRP-2), regardless of what department was charged. Please refer to Attachment 1, Sheet 2 and Attachment 2, Sheet 1 for normalization adjustments

made to the Accounting Services analyses for the HTY and the twelve months ended September 30, 2008.

3. The Company's approach to the review of Historical Year data was to organize it principally by expense type. For each expense type, then Company queried Historical Year (HY) data generally including information deemed relevant to the specific expense type (i.e. Company, Department, Activity, Segment, Bill Pool, Project, etc). Exhibit RRP-10, Workpaper to RRP-2, Schedule 1, Workpapers 1 – 7 and Exhibit RRP-10, Workpaper to RRP-2, Schedule 2, Workpapers 1 – 8 are the result of this work. As described in the Company's response to Part 1.a and .b of IR DPS 138 DAG-4 on March 23, 2009, an analysis was done on all expense types by project to analyze year over year variance and scrutinize projects for purposes of normalizing the historical test year. In addition, finance representatives from lines of business and shared service groups met regularly with regulatory personnel as part of the RCS process, described in IR DAG-4, Part 9, to review year on year variance analysis between historical test year and forecasted rate year. These individuals were provided a high-level functional profile of the HY costs and asked to review this data and to address the following:

- Identify one time costs in the HY that may not be recurring in future years
- Review prior period costs booked in the HY
- Identify any corrections, transfers, adjustments etc.
- Identify any new major initiatives (not in HY) excluding NE Gas and KeySpan Costs to Achieve and Synergy Savings that would be incurred in Calendar Years 2011 through 2013
- Provide detailed descriptions of historic year costs and the impact on rate year.

As a result of these processes, there were no one-time costs identified specific to the Controller/Accounting Services group, aside from NEG & KeySpan Integration costs.

Name of Respondent:
Melissa Little

Date of Reply:
March 29, 2010

Consultants and Contractors Charged to Controller/Accounting Services

Bus Unit	Ledger Source	Inflation	1.9000%	1.8000%	3.2146%	HTY 9/30/09	12 mos 9/30/08	12 mos 9/30/07	12 mos 9/30/06
			RY 2013	RY 2012	RY 2011				
99	AP (see List)		337,064	330,779	324,930	314,810	185,445	477,486	164,567
36	AP (see List)		64,137	62,941	61,828	59,903	197,390	174,177	111,807
99	On Line JE		1,842,516	1,808,161	1,776,190	1,720,870	731,871	1,362,169	174,543
36	On Line JE		504,137	494,737	485,989	470,853	1,065	26,384	542,690
	Total		<u>2,821,980</u>	<u>2,734,090</u>	<u>2,648,937</u>	<u>2,566,436</u>	<u>1,115,770</u>	<u>2,040,216</u>	<u>993,607</u>
	Add back: Out of period adjustment						331,122		
	Add back: Presentation reclass						183,316		
	Adjusted total		<u>2,821,980</u>	<u>2,734,090</u>	<u>2,648,937</u>	<u>2,566,436</u>	<u>1,630,208</u>	<u>2,040,216</u>	<u>993,607</u>

Date of Request: March 16, 2010
Due Date: March 26, 2010

Request No. DAG-11
NMPC Req. No. NM 274 DPS 152

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirement Panel

Request Capital, Expense, Total Labor for FYE 3/09, HYE 9/09 and FYE 3/2010.

1. Using the methodology, as documented in the Company's supplemental response to I/R #PSC-276 in C. 01-M-0075 dated 4/2/07, and in a format similar to that provided in Attachment 3 of this supplemental response, please provide the updated information as it would apply to (a) Fiscal Year Ended (FYE) 3/09; (b) Historic Year Ended (HYE) 9/09; and (c) FYE 3/2010. Provide source information for the amounts provided.

Response:

Part 1a & b. Please see attached file DAG-11 Attachment 1 (Fringe Cap Rate) sheet 1 for the fringe benefit capitalization rate calculated using the methodology consistent with I/R #PSC-276 in C. 01-M-0075 dated 4/2/07 as requested. The Company is also including in attachment 1, sheet 1 the fringe benefit capitalization rate calculation methodology and result consistent with our accounting system and applied in our rate filing. The payroll data used in the calculations is provided in sheet 2 of attachment 1.

Part 1c. The calculation provided in Part 1a & b will be updated for fiscal year ending March 31, 2010 and provided to staff within five days from the year-end closing of The Company's books of record.

Name of Respondent:
Mark Stiner

Date of Reply:
3/26/2010

Niagara Mohawk Power Corporation
Fringe Benefit Capitalization

	(a) Fiscal Year March 2009		(c)	(d) Historic Test Year September 2009		
	NG Accounting Method	PSC 276 Method		NG Accounting Method	PSC-276 Method	NG Accounting Method (Total Non-expense)
1 Total Payroll	332,512,359	332,512,359		327,120,416	327,120,416	327,120,416
2 3rd Party		(1,638,404)			(914,453)	
3 Cost of Removal		(9,379,052)			(9,722,840)	
4 Other		0			(233,336)	
5 Associated		(6,896,108)			(7,603,193)	
6 Payroll Accrual						
7 Incremental Overtime	(24,643,249)			(22,382,713)		(22,382,713)
8 Less Transportation Clearing Labor charged to O&M (66%)		(8,494,618)			(8,541,388)	(8,351,798)
9 Less Stores Clearing Labor charged to O&M (19%)		(4,394,356)			(4,300,150)	(4,185,742)
10 Less: Non- Productive Time	(48,534,934)	(5,266,040)		(48,230,546)	(5,608,517)	(48,230,546)
11 NET PRODUCTIVE LABOR	259,334,175	296,443,781		256,507,158	290,196,540	243,969,618
Fringe Benefits:						
12 Thrift Plan (Expense Type B07)	6,590,523	2.54%	6,617,118	2.58%	2.28%	2.71%
13 FAS 112 (Expense Type B02)	4,304,433	1.66%	2,980,544	1.16%	1.03%	1.22%
14 Group Insurance (Expense Type B04)	2,236,299	0.86%	1,712,347	0.67%	0.59%	0.70%
15 Medical Care & Prescription Plans (Expense Type B03)	25,418,181	9.80%	29,346,650	11.44%	10.11%	12.03%
16 Pension (Expense Type B06)	43,074,304	16.61%	45,031,069	17.56%	15.52%	18.46%
17 OPEB (Expense Type B01)	134,690,647	51.94%	41,191,253	16.06%	14.19%	16.88%
18 TOTAL FRINGE BENEFITS	216,314,387	83.41%	126,878,981	49.46%	43.72%	52.01%
19 Workers Compensation (Expense Type B08)	3,604,042	1.39%	1,729,494	0.67%	0.60%	0.71%
20 Payroll Taxes (Expense Type B09)	25,459,852	9.82%	1,061,809	0.41%	0.37%	0.44%
21 Total percentage to be applied to productive Company labor for Payroll Taxes, Fringe Benefits and OPEBs:	245,378,281	94.62%	129,670,284	50.55%	44.68%	53.15%
22 CWIP	68,051,631			69,901,227	69,901,227	69,901,227
23 Time Not Worked		73,830,928			13,143,393	
24 Cost of Removal	8,507,906			8,879,686		8,879,686
25 3rd Party						833,056
26 Associated Company						7,344,464
27 Incremental Overtime					5,396,752	
28 Capital, Associated Company and Billable Projects	76,559,537	86,450,011		78,780,914	88,441,373	86,958,434
29 OPEB/Pension Rates	68.55%	59.97%		33.61%	29.71%	35.34%
30 OPEB/Pension Capitalized	52,479,016	51,840,460		26,481,418	26,277,434	30,732,343
31 Other Benefits Rates	26.07%	22.81%		16.94%	14.97%	17.81%
32 Other Benefits Capitalized	19,960,521	19,717,644		13,344,151	13,241,362	15,486,218
33 Capital percent	29.52%	29.16%		30.71%	30.48%	35.64%

Column Notes

Col's a,b,d, e: Calculate the rate of fringe benefits to be capitalized exclusive of Associated Company and 3rd Party billings.

Col f: Calculates a rate of fringe benefits capitalized and fringe benefits applied to Associated Company and 3rd Party billings. Also, this is the revised rate as indicated in The Company's response to RAV-20 Supplemental Part C on March 16, 2010.

Date of Request: April 22, 2010
Due Date: April 26, 2010

Request No. DAG-11 SUPP
NMPC Req. No. NM 274 DPS 152

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirement Panel

Request Capital, Expense, Total Labor for FYE 3/09, HYE 9/09 and FYE 3/2010.

1. Using the methodology, as documented in the Company's supplemental response to I/R #PSC-276 in C. 01-M-0075 dated 4/2/07, and in a format similar to that provided in Attachment 3 of this supplemental response, please provide the updated information as it would apply to (a) Fiscal Year Ended (FYE) 3/09; (b) Historic Year Ended (HYE) 9/09; and (c) FYE 3/2010. Provide source information for the amounts provided.

Response:

Part 1c. Please see attached file DAG-11 Supp Attachment 1 (Fringe Cap Rate) sheet 1 for the fringe benefit capitalization rate calculated using the methodology consistent with I/R #PSC-276 in C. 01-M-0075 dated 4/2/07 as requested. The Company is also including in attachment 1, sheet 1 the fringe benefit capitalization rate calculation methodology and result consistent with our accounting system and applied in our rate filing. The payroll data used in the calculations is provided in sheet 2 of attachment 1.

Name of Respondent:
Mark Stiner

Date of Reply:
4/30/2010

NIAGARA MOHAWK POWER CORPORATION
NON-PRODUCTIVE TIME, FRINGE BENEFITS and OPEB RATES CALC

	(a)	(b)	(c)
	Fiscal Year March 2010		
	NG Accounting Method	PSC-276 Method	NG Accounting Method (Total Non-expense)
1 Total Payroll	321,626,555	321,626,555	321,626,555
2 3rd Party		(2,988,802)	
3 Cost of Removal		(10,405,427)	
4 Other		0	
5 Associated		(7,940,601)	
6 Payroll Accrual			
7 Incremental Overtime	(18,718,713)		(18,718,713)
8 Less Transportation Clearing Labor charged to O&M (66%)		(8,482,718)	(8,318,097)
9 Less Stores Clearing Labor charged to O&M (19%)		(4,229,309)	(4,121,842)
10 Less: Non- Productive Time	(48,320,889)	(6,009,526)	(48,320,889)
11 NET PRODUCTIVE LABOR	254,586,954	281,570,172	242,147,015
Fringe Benefits:			
12 Thrift Plan (Expense Type B07)	6,498,553	2.55%	2.31%
13 FAS 112 (Expense Type B02)	2,583,822	1.01%	0.92%
14 Group Insurance (Expense Type B04)	1,296,618	0.51%	0.46%
15 Medical Care & Prescription Plans (Expense Type B03)	31,180,307	12.25%	11.07%
16 Pension (Expense Type B06)	34,022,655	13.36%	12.08%
17 OPEB (Expense Type B01)	48,913,093	19.21%	17.37%
18 TOTAL FRINGE BENEFITS	124,495,048	48.90%	44.21%
19 Workers Compensation (Expense Type B08)	4,017,726	1.58%	1.43%
20 Payroll Taxes (Expense Type B09)	1,682,341	0.66%	0.60%
21 Total percentage to be applied to productive Company labor for Payroll Taxes, Fringe Benefits and OPEBs:	130,195,116	51.14%	46.24%
		53.77%	
22 CWIP	74,078,909	74,078,909	74,078,909
23 Time Not Worked		14,054,381	
24 Cost of Removal	9,509,212		9,509,212
25 3rd Party			2,213,576
26 Associated Company			7,704,151
27 Incremental Overtime		5,571,507	
28 Capital, Associated Company and Billable Projects	83,588,120	93,704,797	93,505,848
29 OPEB/Pension Rates	32.58%	29.45%	34.25%
30 OPEB/Pension Capitalized	27,230,159	27,600,500	32,025,906
31 Other Benefits Rates	18.56%	16.78%	19.52%
32 Other Benefits Capitalized	15,516,591	15,727,623	18,249,356
33 Capital percent	32.83%	33.28%	38.62%

Notes

Col's a,b: Calculate the rate of fringe benefits to be capitalized exclusive of Associated Company and 3rd Party billings.
Col c : Calculates a rate of fringe benefits capitalized and fringe benefits applied to Associated Company and 3rd Party billings.

Date of Request: March 16, 2010
Due Date: March 26, 2010

Request No. AAE-17
NMPC Req. No. NM 276 DPS 154

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Allison Esposito

TO: Infrastructure and Operations Panel

Request

1. Please explain the Regional Delivery Ventures (RDV) competitive procurement event process. As part of this explanation, please answer the following questions:
 - A. In what ways is this similar to or different from a competitive bidding process?
 - B. How many companies participated in this event?
 - C. What factors, other than cost, were considered when choosing NEPA?
 - D. Was NEPA the least expensive option? If not, please list (1) each company that was less expensive than NEPA and (2) NMPC's reasons for not selecting them.
2. Please provide the cost/benefit analysis that shows that the use of the RDV, rather than a traditional competitive bidding process or the process used for the Distribution Alliance Contracts, is beneficial to customers. Please ensure that this analysis includes the gain sharing component of the RDV.
3. Please explain why the gain sharing mechanism included in the RDV was not included as an incentive to reduce costs in the Distribution Alliance Contracts.
4. How will the Company account for NEPA's share of any gain share payments? Will these payments be capitalized as part of the infrastructure investment or expensed as incurred? Fully explain your accounting rationale.
5. As the gain share mechanism rewards NEPA for costs incurred below targets, how does the Company ensure that NEPA is actually cutting costs to achieve these "savings" rather than overestimating their budgeted expenses?
6. Has NEPA been awarded any gain shares thus far – either through the completion of a project or through core team annual cost reviews? Please continue to update this response throughout the course of the rate case proceedings.
7. Please provide the NEPA RDV contract.

Response:

1.

- A. A competitive procurement process was followed to select the Regional Delivery Ventures (RDVs). Consistent with competitive bidding processes, the Company evaluated bidder qualifications per the Pre-Qualification Questionnaire provided in Attachment 1 of NM 322 DPS 194 JJA-12. Additionally, an assessment of pricing data was completed under the direction of the Company's Procurement department and included the evaluation of pricing comparison sheets for fee, equipment, labor rates, unit rates, core team, and typical projects. The unit rates are used in the development of the project target costs.

The Procurement Event was conducted in three stages leading to the selection of the optimal partners to form the Regional Delivery Ventures (RDV):

- Bid Stage 1 - The first stage of the assessment was a desktop assessment of the bid submittals.
 - Bid Stage 2 – The second stage of the assessment process included site visits to verify the findings of the desktop assessment.
 - Bid Stage 3 – In the third stage, the Company conducted workshops to assess the relative performance of potential RDV partners to work together with the Company in a collaborative environment.
- B. Expressions of Interest were received from thirty individual companies to the Company's February 29, 2008 Request for Information (RFI). Six groups of companies participated in the Company's July 1, 2008 Request for Proposal (RFP). Northeast Power Alliance (NEPA) was the successful bidder for the Upstate New York RDV.
- C. In addition to bidder qualifications and pricing, the selection process included an assessment of bidders' performance and experience in the following areas:
- Safety, Environment and Quality
 - Commercial
 - Continuous Improvement
 - Resource Assurance, Program Management and Resource Planning, Construction, Engineering and Design, Leadership and People
 - Cultural Fit (collaboration, relationships, objectives)
- D. NEPA was evaluated as the least expensive option for the New York RDV award.

2. As described in the testimony of the Infrastructure and Operations Panel at pp. 152-155, the collaborative RDV model has been used to deliver value over the traditional project-by-project bidding process, including improved contract oversight, scalability, and delivery efficiencies necessary to deliver the capital investment plan. For example, the employment of a single long-term service provider in a geographic region reduces demobilization/mobilization costs, provides resource continuity, and allows for the optimization of specialty equipment.

During the competitive procurement event, a total cost analysis was performed to evaluate the cost to deliver the 5-year capital program for the New York region based on the competitive bid pricing as summarized in Attachment 1 (AAE-17_Attach 1_TSS Savings Summary).

- Actual costs for 8 completed projects were scaled, based on the proportion of the work they represent, to the anticipated 5-year NY capital plan investment. The projects were completed using internal and external resources, depending on project.
- To model costs to deliver this same project work volume under the new arrangement, the unit and project risk costs bid for the 8 projects were multiplied by the work volumes derived from the actual cost analysis. Additional elements included in the bid, such as core team and fee, were incrementally added to develop a total cost model comparison.
- Pain/gain share was not reflected in this analysis

The analysis derived an estimate of savings of 13% from use of the RDV selected bid. The Company determined it appropriate to reduce these estimated savings by 50% as part of its review of the RDV approach to account for the limited sample of projects reviewed, and potential risks not reflected in the project sample. The resulting estimate of 6.5% savings was applied to the contractor element of the five-year capital plan, and totals \$45 million as described in response to IR NM 154 MI-62 MM-62. The Company has proposed a tracker of CAPEX costs. If savings from the RDV exceed the 6.5% level, such savings would be reflected in actual capital costs and the benefit will flow directly to customers through the annual reconciliation of the CAPEX tracker.

3. Due to the unique and complex nature of each transmission project, an integrated design-build approach was pursued. By incentivizing the designer and constructor to work more closely together through the gain share mechanism described in data request IR NM 156 MI-64 MM-64, improvements can be jointly pursued in design quality, project risk management, and delivery efficiencies to reduce overall project costs. Work best suited to this incentive mechanism, such as the Transmission workload, reflect such characteristics as sufficient and complex workload to support increased associated overhead and management tasks (e.g., determination and auditing of an accurate target cost), isolatable risk elements, financially and commercial mature supply partners, and visibility of workload.

In contrast to transmission projects, distribution projects have more standard designs, a high proportion of construction costs to total project costs, and repeatable work methods matched to consistent types of work. To optimize the biggest value driver – construction costs -the arrangement is structured on a more predictable fixed-price unit rate agreement under which the contractor absorbs risks associated with delivery to scope, schedule, budget, and standards. As the distribution construction work has a different value driver and does not sufficiently possess the typical transmission project characteristics described above, no gain share mechanism has been provided for Distribution. Another consideration is that any potential benefit from gain share for distribution projects may be outweighed by the incremental overhead costs for administration.

Both contracts allow for pricing review in subsequent years.

4. IR NM 156 MI-64 MM-64 and NM 328 DPS 200 JJA-18 describe how gain share payments are calculated. Any gain share realized will be charged to the same accounts (in the same percentages of total costs) that incurred charges during project construction. These accounts include capital, cost of removal and capital related expense. The accounting rationale behind this approach is to ensure that any gain share is charged to the specific assets that were constructed at a reduced cost compared to the negotiated target cost.

5. The Work Proposals are developed and agreed jointly by NEPA and Company project team. Each Work Proposal includes the project target cost, which is built in part from the competitively bid unit rates. In addition, as described in data IR NM 328 DPS 200 JJA-8, the Work Proposal and associated project target cost are reviewed as part of the Work Proposal Submission Process, and a Commercial review is undertaken. Finally, the Company project manager and, subsequently, the RDV Governance Board are also required to agree to the entire Work Proposal.

Per the Management Audit action plan for Recommendation VIII-4, the Company will employ professional estimators to validate the RDVs' substation and transmission line project target costs as described in TGP 32 on Project Cost Estimating in Attachment 2 (AAE-17_Attach 2_TGP 32). In summary, the procedure calls for the RDVs' target prices to be compared to estimates independently prepared by the Company's professional estimators. Differences between the project estimates and target costs that exceed allowable tolerances must be reconciled between the RDV and the Company's estimators. If the differences cannot be reconciled, Niagara Mohawk may reject the difference. The process will be fully implemented, including completion of the US Cost estimating application, in FY2011.

6. No gain share has been awarded to date. The Total Core Team work authorization will reach final completion on March 31, 2010. However, contractual terms allow for final reconciliation to be completed within four months after the end of each fiscal year.

7. In accordance with Section 216.1 (a) of the Public Service Commission's ("Commission") regulations (16 NYCRR §216.1(a)), the Company filed with the Commission a copy of the Regional Delivery Venture Agreement between National Grid and Northeast Power Alliance LLC ("NEPA") on April 28, 2009. A redacted version is provided in Attachment 3 (AAE-17_Attach 3_RDVA) and a complete version will be filed separately.

Name of Respondent:
Annemarie Loftus

Date of Reply:
April 7, 2010

Date of Request: March 18, 2010
Due Date: March 29, 2010

Request No. CVB-9
NMPC Req. No. NM 290 DPS 162

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Christian Bonvin

TO: Infrastructure and Operations Panel

Request

1. Please provide the number of meters purchased under the Meter Blanket (installs & purchases) for each of the past five years and the projected number of meters to be purchased per year for FY11 through FY15.
2. Please explain why the Company is forecasting an increase in its Meter Blanket (installs & purchases) compared to actual historic spending.
3. Does the Company's forecast include the purchasing of any smart meters?
4. Please explain the increase in the outdoor lighting blanket budget compared to actual historic spending.
5. Are repairs to deficiencies found on outdoor lighting during the inspection process included under the outdoor lighting blanket? If not, where are those forecasted cost captured?
6. Please provide the number of meters purchased under the Distribution Transformer blanket for each of the past five years and the projected number of units to be purchased for FY11 through FY15.
7. Please explain why the Company is forecasting an increase in its transformer blanket, including any efforts to reduce system losses. Additionally, please provide cost comparisons between higher efficiency transformers and models purchased in recent years.

Response:

1. Meters purchased under blanket projects:

- FY2006 – 9,485
- FY2007 – 12,482
- FY2008 – 12,148
- FY2009 – 14,223
- FY2010 – 8,447 (invoiced through 3/26/2010)

The Company does not currently project the number of meter units for the 5-year plan. Budgeting of the meter purchase blanket is done on a trended basis including a factor for both volume and commodity/inflationary changes over the prior fiscal year's forecast at the time the budget is being built. Factors applied to the FY2010 meter purchase blanket during the FY11-FY15 build were as follows:

- FY2011 – Volume Increase 0% / Commodity/Inflationary Inc 6%
- FY2012 -- Volume 1.0% / Commodity/Infl 9.8%
- FY2013 -- Volume 2.0% / Commodity/Infl 6%
- FY2014 -- Volume 1.5% / Commodity/Infl 5.3%
- FY2015 -- Volume 1.5% / Commodity/Infl 6.8%

See Attachment 1 (CVB-9_Attach 1_Meter and Transformer) for the calculations.

2. Please refer to Attachment 1 for the calculations that were used to develop the FY11 to FY15 meter and transformer blankets for installation and purchases. The increase budgeted for FY2011 was based on the FY2010 forecast at the time of the budget build process. The factors mentioned in the response to question 1 of this request were applied to the prior year forecasts. The volume factors were based on an overall expected trend of the short term economy being flat and longer term economic growth in the 1-2% range as historically experienced. Lastly, installation factors are based on expected wage increases of the work force.

The forecasts for these blankets are reviewed at divisional work planning meetings and are adjusted depending on how actual and expected costs are experienced throughout the year. While trends in these blankets would more than likely follow economic conditions, they are not directly proportionate to sales/load figures. The mix of meters purchased, size of the customers serviced, replacement requirements and other factors all play a role in the actual spending within the meter blanket projects. Volume factors are reviewed annually during the spending plan development cycle.

3. The current capital plan does not include any forecast for the purchase of smart meters. The Company filed a separate, comprehensive Smart Grid filing in January 2010.

4. Similar to the meter blankets mentioned in our response to question 1, budgeting of the outdoor lighting blanket is done on a trended basis including a factor for both volume and commodity/inflationary changes over the prior fiscal year's forecast at the time the budget is being built. Factors applied to the FY2010 outdoor lighting blanket during the FY11-FY15 build were as follows:

- FY2011 – Volume Increase 0% / Commodity/Inflationary Inc 4.1%
- FY2012 – Volume 0% / Commodity/Infl 5.6%
- FY2013 – Volume 0% / Commodity/Infl 4.1%
- FY2014 – Volume 0% / Commodity/Infl 3.8%
- FY2015 – Volume 0% / Commodity/Infl 4.4%

See Attachment 1 (CVB-9_Attach 1_Meter and Transformer) for the calculation. This does not include the Mercury Vapor Conversion project work which is being performed under project C26839.

5. Capital repairs to street lights which result from an inspection either under the Elevated Voltage (annual) or I&M program (5-year cycle) would be captured under the divisional outdoor lighting blanket project which also include other types of work such as luminaire replacement.
6. (Note: Christian Bonvin confirmed via e-mail on March 19, 2010 that the word 'meters' was a typographical error and the question actually refers to transformers)

Transformers purchased under blanket projects:

- FY2006 – 14,156
- FY2007 – 13,314
- FY2008 – 12,006
- FY2009 – 10,303
- FY2010 – 11,622 (invoiced through 3/26/2010)

We do not currently project the number of transformer units for the 5-year plan. Budgeting of the transformer purchase blanket is done on a trended basis including a factor for both volume and commodity/inflationary changes over the prior fiscal year's forecast at the time the budget is being built. Factors applied to the FY2010 transformer purchase blanket during the FY11-FY15 build were as follows:

- FY2011 – Volume Increase 0% / Commodity/Inflationary Inc 12%
- FY2012 -- Volume 1.5% / Commodity/Infl 9.8%
- FY2013 -- Volume 2.5% / Commodity/Infl 6.0%
- FY2014 – Volume 1.0% / Commodity/Infl 5.3%
- FY2015 -- Volume 1.0% / Commodity/Infl 6.8%

See Attachment 1 (CVB-9_Attach 1_Meter and Transformer) for the calculations.

7. The increase budgeted for FY2011 was based on the FY2010 forecast at the time of the budget build process. The factors mentioned in the response to question 6

of this data request were applied to the prior year forecasts. The volume factors were based on an expectation of the short term economy/load being flat and longer term economic growth in the 1-2% range as historically experienced.

The estimated cost increase for higher efficiency transformers versus those recently purchased is approximately 13%.

Name of Respondent:

Glen DiConza

Date of Reply:

03/30/2010

Niagara Mohawk Meter and Transformer Blanket Budget Calculation

Meters		FY11 CAPITAL BUDGET		FY12 CAPITAL BUDGET		FY13 CAPITAL BUDGET		FY14 CAPITAL BUDGET		FY15 CAPITAL BUDGET	
		Vol	Infl	Vol	Infl	Vol	Infl	Vol	Infl	Vol	Infl
Meters - Dist	740,000										
INSTALL NE (Eastern Division)		0.0%	3.1%	1.0%	3.3%	2.0%	3.1%	1.5%	3.0%	1.5%	3.1%
Meters - Dist	650,000										
INSTALL NC (Central Division)		0.0%	3.1%	1.0%	3.3%	2.0%	3.1%	1.5%	3.0%	1.5%	3.1%
Meters - Dist	695,000										
INSTALL NW (Western Division)		0.0%	3.1%	1.0%	3.3%	2.0%	3.1%	1.5%	3.0%	1.5%	3.1%
Meters - Dist	4,700,000										
PURCH		0.0%	6.0%	1.0%	9.8%	2.0%	6.0%	1.5%	5.3%	1.5%	6.8%
Meters - Dist	6,785,000										
TOTAL		0.0%	5.1%	1.0%	7.9%	2.0%	5.2%	1.5%	4.6%	1.5%	5.8%

Transformers		FY11 CAPITAL BUDGET		FY12 CAPITAL BUDGET		FY13 CAPITAL BUDGET		FY14 CAPITAL BUDGET		FY15 CAPITAL BUDGET	
		Vol	Infl	Vol	Infl	Vol	Infl	Vol	Infl	Vol	Infl
Transformer - Dist	23,900,000										
PURCH		0.0%	12.0%	1.5%	9.8%	2.5%	6.0%	1.0%	5.3%	1.0%	6.8%

Purchase blanket estimated 75% materials 25% labor (Cap OH, Stores Handling, etc)

Street Lighting		FY11 CAPITAL BUDGET		FY12 CAPITAL BUDGET		FY13 CAPITAL BUDGET		FY14 CAPITAL BUDGET		FY15 CAPITAL BUDGET	
		Vol	Infl	Vol	Infl	Vol	Infl	Vol	Infl	Vol	Infl
Outdoor Lighting	1,800,000										
NE (Eastern Division)		0.0%	4.1%	0.0%	5.6%	0.0%	4.1%	0.0%	3.8%	0.0%	4.4%
Outdoor Lighting	2,800,000										
NC (Central Division)		0.0%	4.1%	0.0%	5.6%	0.0%	4.1%	0.0%	3.8%	0.0%	4.4%
Outdoor Lighting	3,250,000										
NW (Western Division)		0.0%	4.1%	0.0%	5.6%	0.0%	4.1%	0.0%	3.8%	0.0%	4.4%
	7,850,000										

Date of Request: March 18, 2010
Due Date: March 29, 2010

Request No. DAG-12
NMPC Req. No. NM 292 DPS 164

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirement Panel

Request Exhibit (RRP-2), Schedules 12-17 Other Costs and Credits

The RRP testimony at page 23 references Exhibit __ RRP-2, Schedules 11-17 as "Other Costs and Credits" and includes the following:

Schedule 12 – Exp Type #A40 – Construction Reimbursement
Schedule 13 – Exp Type #A41 – Company Contributions / Credits to Jobs
Schedule 14 – Exp Type #A42 – Bill Interface Expense Type
Schedule 15 – Exp Type #A50 – Capital Overheads
Schedule 16 – Exp Type #A60 – Supervision and Administration
Schedule 17 – Exp Type #A65 – Service Company Operating Costs

1. For each of the above expense types, please provide a detailed explanation of what the expense cost is supposed to encompass and represent, how the cost is calculated, and on what basis does the charge come through to Niagara Mohawk (Co 36).
2. For the expense types where no normalizing adjustments were made to the historic test year, please explain and provide the analysis the Company undertook to determine that the actual historic test year amounts were reasonable and needed no adjustments, in forecasting the rate years.
3. For the expense types where normalizing adjustments were made to the historic test year, please explain and provide the analysis the Company undertook to determine the actual historic test year amounts with these adjustments, was a reasonable level, in forecasting the rate years.

Response:

Part 1 –

Schedule 12 – Exp Type #A40 – Construction Reimbursement

Expense Type A40 represents money received as an advance from customers, businesses, and others for construction activities on third party assets. These

construction activities generally are for work performed on customer owned equipment or on company owned equipment that require a customer contribution.

The amounts billed to the respective parties are based on the cost of services and materials to be provided to each individual job.

When payment is received, the amount is credited back to the general ledger as Expense Type A40 to offset the anticipated costs of performing the work.

Schedule 13 – Exp Type #A41 – Company Contributions / Credits to Jobs

Expense Type A41 represents situations where Niagara Mohawk Power Corporation is responsible for a proportion of the costs of a job that is billed to a third party. For the same types of services described above under Expense Type A40, a complete job occasionally has shared financial responsibility for the cost between the customer and the Company.

The amount that is calculated is based on the services and materials provided to each individual job and a determination is made as to the percentage and share of financial responsibility attributable to the third party and to the Company respectively.

At the time of billing, a customer share percentage is entered based on the arrangement with the customer. An automated process within the billing application uses this percentage to appropriately credit the invoice for the Company's portion and will send a credit back to the general ledger as Expense Type A41, resulting in a partial offset to the costs of performing the work.

Schedule 14 – Exp Type #A42 – Bill Interface Expense Type

Expense Type A42 represents amounts billed to customers, businesses, and others for construction activities provided on third party assets, that are additional to advance payments (see A40 above). These construction activities generally are for work performed on customer owned equipment or on company owned equipment that requires a customer contribution.

The amounts that are billed to the respective parties are calculated based on the total amount incurred by the Company in providing the services and materials less any A40 payment received in advance from the customer.

When payment is billed, the amount is credited back to the general ledger as Expense Type A42 to offset the costs of performing the work.

Schedule 15 – Exp Type #A50 – Capital Overheads

Expense Type A50 represents the allocated cost of capital supervision and administrative expense associated with the construction of assets.

Capital supervision and administrative expense generally includes charges from field operation supervisors, district engineers, field operations management, and accounting services where they are working to support the capital construction program but cannot charge a specific project. The costs are collected in a pool to be distributed over the current period's capital spending (charges to 107 CWIP) using a standard percentage. The percentage rates used are calculated monthly by Plant Accounting based on the amount accumulated in the pools and the estimated monthly capital spends.

The charge is applied during month end accounting close processing and is charged directly to capital work orders.

Schedule 16 – Exp Type #A60 – Supervision and Administration

Expense Type A60 represents the allocated cost of Supervision and Administration which is to recover operating company only supervision and administrative charges supporting employees working in the field. This covers functions such as Accounting, Finance, Human Resources, Information Technology, Facilities, Legal, etc. for each Originating Business Unit that has employees.

The charge is applied to payroll (regular pay and overtime base pay for monthly and weekly employees) billed to associated companies or third parties during month end accounting close processing. Accounting Services reviews the rates monthly and adjusts them as needed. This is the method between all of the operating companies with only one exception. On Niagara Mohawk, third party work is charged at a PSC stated rate of 16.14% applied to all charges excluding payments received.

The charge is applied during month end accounting close process.

Schedule 17 – Exp Type #A65 – Service Company Operating Costs

Expense Type A65 represents the allocated cost of Supervision and Administration which is to recover Service Company only supervision and administrative charges supporting Service Company employees. This covers functions such as Accounting, Finance, Human Resources, Information Technology, Facilities, Legal, etc. for Service Company only.

The cost is collected in a clearing account on Service Company. The account is cleared using a percentage rate applied to payroll of the Service Company (regular

pay and overtime base pay for monthly and weekly employees) billed to associated companies or third parties. The rate is developed monthly by reviewing the total current month charges, plus any unallocated charges from the prior month are divided by the current month's productive payroll to calculate an estimated rate.

The charge is applied during month end accounting close process.

Parts 2 & 3-

As described in the Company's response to Part 1.a and .b of IR DPS 138 DAG-4 on March 23, 2009, an analysis was performed on all expense types by project to analyze year over year variance and scrutinize projects for purposes of normalizing the historic test year. In addition, finance representatives from lines of business and shared service groups met regularly with regulatory personnel as part of the RCS process, described in the response to IR DAG-4, Part 9, to review year on year variance analysis between historic test year and forecast rate year. These individuals were provided a profile of the HY costs and asked to review this data and to address the following:

- Identify one time costs in the HY that may not be recurring in future years
- Review prior period costs booked in the HY
- Identify any corrections, transfers, adjustments etc.
- Identify any new major initiatives (not in HY) excluding NE Gas and KeySpan Costs to Achieve and Synergy Savings that would be incurred in Calendar Years 2011 through 2013
- Provide detailed descriptions of historic year costs and impact on rate year.

Name of Respondent:
Brian Langh

Date of Reply:
March 30, 2010

Date of Request: March 18, 2010
Due Date: March 29, 2010

Request No. DAG-13 *SLPP*
NMPC Req. No. NM 293 DPS 165

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirement Panel

Request Consultants Expense

1. For each of the following, provide a copy of all historic test year invoices with supporting documentation for the total historic test year costs incurred and charged to Niagara Mohawk (Company #36) either directly or indirectly. The supporting documentation should include the actual accounting applied so that verification of costs incurred can be reconciled with the historic test year workpapers provided in Exhibit __ (RRP-10).

- (a) Harris Beach
- (b) Morgan Lewis & Bockius
- (c) The Energy Association of NY State
- (d) Huron Consulting Services
- (e) Equaterra Inc
- (f) Accenture
- (g) Icon Nicholson LLC
- (h) Tata America International Corporation
- (i) Davidson & O'Mara PC

2. For (a) – (i) listed in question #1 above, please provide a copy of the contract and purchase order the Company has with the vendor that supports and identifies the work being performed.

3. There is a listing on workpaper pages #35-36 for consultants expense in Exhibit __ (RRP-10) of journal id charges from business unit 00431 to Niagara Mohawk (Co. 36) that total \$5,067,472. Based on workpapers provided by the Company, for the previous historic year ending 9/30/08, comparable journal id charges from business unit 431 to Niagara Mohawk was \$2,349,006.

- (a) Please reconcile and provide a detailed explanation of the significant increase of \$2,718,466 between the historic year periods for business unit 431 charges coming to Niagara Mohawk.
- (b) Based on workpapers #35-36, for each charge listed of \$100,000 or more, please provide (i) a copy of the invoice(s) related to the charge and, if not provided on the invoice, a description and explanation of the work that was done and represented by the charge; (ii) the associated accounting that shows the allocation of the total invoice cost among the various

business units; (iii) the bill pool and explanation that supports the allocation used; (iv) and a copy of the purchase order supporting the vendor(s) invoice.

(c) Based on workpapers #35-36, for each charge listed of \$100,000 or more, please provide a copy of the analysis that was done by the Company to conclude that the historic year charges incurred would be recurring in the rate years, and that the charges are not non-recurring in nature.

4. Workpaper page #7 for consultants expense in Exhibit __ (RRP-10) shows a listing of charges by originating company, by project, and by regulatory account that have been normalized in the historic test year to "remove one time costs related to the KeySpan Integration, WU 10310." The total of the electric expense normalizing adjustments for expense type #100 are \$368,144. Please explicitly identify in the supporting workpapers on pages 12-48, the charges that make up the historic test year normalizing adjustments.

5. (a) For overall consultants expense, please explain and provide a copy of the analysis the Company undertook to determine that no additional normalizing adjustments to the historic test year were required, beyond the amounts provided on workpaper #7 and supported by the charges identified in question #4 above.

(b) Show how the analysis determines the remaining historic test year costs are reasonable and includes no non-recurring items, in that the normalized historic test year as presented by the Company is the basis in forecasting the rate years.

Response:

1. Please refer to attachments DAG-13 Attachment 1 and DAG-13 Attachment 1A.

2. Please refer to attachment DAG-13 Attachment 2.

3.

(a) As indicated in the workpapers, these charges originated from KeySpan Service Co. (Co. 431). Full service charging from KeySpan Service Co. to Niagara Mohawk did not begin until April 1, 2008. Prior to that date KeySpan Service Co. charges to Niagara Mohawk were de minimis. Therefore, the year ending September 30, 2008 includes only six months of these charges from KeySpan Service Co. while the historic test year ending September 30, 2009 contains twelve months of charges. This accounts for the approximate 115% from \$2,349,006 in 2008 to \$5,067,472 in 2009.

(b) Please refer to attachments DAG-13 Attachment 4 and DAG-13 Attachment 5.

(c) To comply with regulatory policy, the Company's approach to the review of Historic Year data was organized principally by expense type. For each expense type, the Company queried Historic Year (HY) data generally including information deemed relevant to the specific expense type (i.e. Company, Department, Activity, Segment, Bill Pool, Project, etc). Exhibit RRP-10, Workpaper to RRP-2, Schedule 4, Workpaper 2 – 5 is the result of this work. As described in the Company's response to Part 1.a and .b of IR DPS 138 DAG-4 on March 23, 2009, an analysis was done on all expense types by

project to analyze year over year variance and to scrutinize projects for purposes of normalizing the historic test year. In addition, finance representatives from lines of business and shared service groups met regularly with regulatory personnel as part of the RCS process, described in the previous cited IR DAG-4, Part 9, to review year on year variance analysis between historic test year and forecasted rate year. These individuals were provided a high-level functional profile of the HY costs and asked to review this data and to address the following:

- Identify one time costs in the HY that may not be recurring in future years
- Review prior period costs booked in the HY
- Identify any corrections, transfers, adjustments etc.
- Identify any new major initiatives (not in HY) excluding NE Gas and KeySpan Costs to Achieve and Synergy Savings that would be incurred in Calendar Years 2011 through 2013
- Provide detailed descriptions of historic year costs and the impact on rate year.

As a result of these processes, there were no normalization adjustments to these KeySpan Service Co. charges identified, nor is there a specific document showing that a normalization adjustment was not warranted.

4. Please refer to attachment DAG-13 Attachment 3.

5. (a) and (b) The Company's approach to the review of Historical Year data was to organize it principally by expense type. For each expense type, the Company queried Historical Year (HY) data generally including information deemed relevant to the specific expense type (i.e. Company, Department, Activity, Segment, Bill Pool, Project, etc). Exhibit RRP- 10, Workpaper to RRP-2, Schedule 1, Workpapers 1 – 7 and Exhibit RRP-10, Workpaper to RRP-2, Schedule 2, Workpapers 1 – 8 are the result of this work. As described in the Company's response to Part 1.a and .b of IR DPS 138 DAG-4 on March 23, 2009, an analysis was done on all expense types by project to analyze year over year variance and scrutinize projects for purposes of normalizing the historical test year. In addition, finance representatives from lines of business and shared service groups met regularly with regulatory personnel as part of the RCS process, described in IR DAG-4, Part 9, to review year on year variance analysis between historical test year and forecasted rate year. These individuals were provided a high-level functional profile of the HY costs and asked to review this data and to address the following:

- Identify one time costs in the HY that may not be recurring in future years
- Review prior period costs booked in the HY
- Identify any corrections, transfers, adjustments etc.
- Identify any new major initiatives (not in HY) excluding NE Gas and KeySpan Costs to Achieve and Synergy Savings that would be incurred in Calendar Years 2011 through 2013
- Provide detailed descriptions of historic year costs and the impact on rate year.

Name of Respondent:

Date of Reply:

Donald Albers, James Molloy & John O Shaughnessy

April 30, 2010

Date of Request: March 18, 2010
Due Date: March 29, 2010

Request No. DAG-13
NMPC Req. No. NM 293 DPS 165

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 10-E-0050 - Niagara Mohawk Power Corporation d/b/a National Grid
Electric Rates

Request for Information

FROM: Denise Gerbsch

TO: Revenue Requirement Panel

Request Consultants Expense

1. For each of the following, provide a copy of all historic test year invoices with supporting documentation for the total historic test year costs incurred and charged to Niagara Mohawk (Company #36) either directly or indirectly. The supporting documentation should include the actual accounting applied so that verification of costs incurred can be reconciled with the historic test year workpapers provided in Exhibit __ (RRP-10).

- (a) Harris Beach
- (b) Morgan Lewis & Bockius
- (c) The Energy Association of NY State
- (d) Huron Consulting Services
- (e) Equaterra Inc
- (f) Accenture
- (g) Icon Nicholson LLC
- (h) Tata America International Corporation
- (i) Davidson & O'Mara PC

2. For (a) – (i) listed in question #1 above, please provide a copy of the contract and purchase order the Company has with the vendor that supports and identifies the work being performed.

3. There is a listing on workpaper pages #35-36 for consultants expense in Exhibit __ (RRP-10) of journal id charges from business unit 00431 to Niagara Mohawk (Co. 36) that total \$5,067,472. Based on workpapers provided by the Company, for the previous historic year ending 9/30/08, comparable journal id charges from business unit 431 to Niagara Mohawk was \$2,349,006.

(a) Please reconcile and provide a detailed explanation of the significant increase of \$2,718,466 between the historic year periods for business unit 431 charges coming to Niagara Mohawk.

(b) Based on workpapers #35-36, for each charge listed of \$100,000 or more, please provide (i) a copy of the invoice(s) related to the charge and, if not provided on the invoice, a description and explanation of the work that was done and represented by the charge; (ii) the associated accounting that shows the allocation of the total invoice cost among the various business units; (iii) the bill pool and explanation that supports the allocation used; (iv) and a copy of the purchase order supporting the vendor(s) invoice.

(c) Based on workpapers #35-36, for each charge listed of \$100,000 or more, please provide a copy of the analysis that was done by the Company to conclude that the historic year charges incurred would be recurring in the rate years, and that the charges are not non-recurring in nature.

4. Workpaper page #7 for consultants expense in Exhibit __ (RRP-10) shows a listing of charges by originating company, by project, and by regulatory account that have been normalized in the historic test year to "remove one time costs related to the KeySpan Integration, WU 10310." The total of the electric expense normalizing adjustments for expense type #100 are \$368,144. Please explicitly identify in the supporting workpapers on pages 12-48, the charges that make up the historic test year normalizing adjustments.

5. (a) For overall consultants expense, please explain and provide a copy of the analysis the Company undertook to determine that no additional normalizing adjustments to the historic test year were required, beyond the amounts provided on workpaper #7 and supported by the charges identified in question #4 above.

(b) Show how the analysis determines the remaining historic test year costs are reasonable and includes no non-recurring items, in that the normalized historic test year as presented by the Company is the basis in forecasting the rate years.

Response:

1. Please refer to attachments DAG-13 Attachment 1 and DAG-13 Attachment 1A.

2. Please refer to attachment DAG-13 Attachment 2.

3.

(a) The Company is finalizing the response to this subpart and will submit under separate cover.

(b) Please refer to attachments DAG-13 Attachment 4 and DAG-13 Attachment 5.

(c) The Company is finalizing the response to this subpart and will submit under separate cover.

4. Please refer to attachment DAG-13 Attachment 3.

5. (a) and (b) The Company's approach to the review of Historical Year data was to organize it principally by expense type. For each expense type, then Company queried Historical Year (HY) data generally including information deemed relevant to the specific expense type (i.e. Company, Department, Activity, Segment, Bill Pool, Project,

etc). Exhibit RRP- 10, Workpaper to RRP-2, Schedule 1, Workpapers 1 – 7 and Exhibit RRP-10, Workpaper to RRP-2, Schedule 2, Workpapers 1 – 8 are the result of this work. As described in the Company's response to Part 1.a and .b of IR DPS 138 DAG-4 on March 23, 2009, an analysis was done on all expense types by project to analyze year over year variance and scrutinize projects for purposes of normalizing the historical test year. In addition, finance representatives from lines of business and shared service groups met regularly with regulatory personnel as part of the RCS process, described in IR DAG-4, Part 9, to review year on year variance analysis between historical test year and forecasted rate year. These individuals were provided a high-level functional profile of the HY costs and asked to review this data and to address the following:

- Identify one time costs in the HY that may not be recurring in future years
- Review prior period costs booked in the HY
- Identify any corrections, transfers, adjustments etc.
- Identify any new major initiatives (not in HY) excluding NE Gas and KeySpan Costs to Achieve and Synergy Savings that would be incurred in Calendar Years 2011 through 2013
- Provide detailed descriptions of historic year costs and the impact on rate year.

Name of Respondent:

Date of Reply:

Donald Albers, James Molloy & John O Shaughnessy

April 27, 2010

DAG-13 - NMPC Consultants Expense Part 1

Business Unit	Fiscal Yr	Period	Expense Type	Voucher Id	Activity	Activity Descr	Vendor	Invoice No	Purchase Order	Total Payables \$	Allocation	Co. 36 Allocation	Invoices	Comment
HARRIS BEACH														
00036	2009	7 100		00473364	AG0236	AGC General Litigation	HARRIS BEACH PLLC	1747731		\$3,915	100.00%	\$3,915.00		Completed
00036	2009	8 100		00484741	AG0236	AGC General Litigation	HARRIS BEACH PLLC	1754879		\$1,080	100.00%	\$1,080.00		Completed
00036	2009	9 100		00486143	AG0236	AGC General Litigation	HARRIS BEACH PLLC	1757822		\$315	100.00%	\$315.00		Completed
00036	2009	10 100		00487159	AG0236	AGC General Litigation	HARRIS BEACH PLLC	1762737		\$2,700	100.00%	\$2,700.00		Completed
00036	2009	11 100		00507356	AG0236	AGC General Litigation	HARRIS BEACH PLLC	1767797		\$4,553	100.00%	\$4,553.00		Completed
00036	2010	2 100		00526108	AG0236	AGC General Litigation	HARRIS BEACH PLLC	1779164		\$7,052	100.00%	\$7,052.00		Completed
00036	2010	4 100		00535933	AG0236	AGC General Litigation	HARRIS BEACH PLLC	1784265		\$2,188	100.00%	\$2,187.50		Completed
00036	2010	5 100		00545825	AG0236	AGC General Litigation	HARRIS BEACH PLLC	1789165		\$2,025	100.00%	\$2,025.00		Completed
										\$23,828.00	Total per allocation	\$23,828.00		
											Total per RRP-10	\$23,828.00		
											Variance	\$0.00		
MORGAN LEWIS & BOCKLUS														
00036	2009	7 100		00472634	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2074361		\$10,343	83.00%	\$8,584.69		Completed
00036	2009	8 100		00482735	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2085150		\$10,016	83.00%	\$8,313.25		Completed
00036	2009	9 100		00486767	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2095407		\$6,941	83.00%	\$5,760.62		Completed
00036	2009	11 100		00506298	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2100841		\$11,890	83.00%	\$9,868.29		Completed
00036	2009	11 100		00506300	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2100840		\$10,892	83.00%	\$9,040.18		Completed
00036	2009	11 100		00506303	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2100842		\$5,982	83.00%	\$4,964.64		Completed
00036	2009	11 100		00505901	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2118892		\$14,648	83.00%	\$12,157.81		Completed
00036	2009	11 100		00506298	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2118933		\$21,300	83.00%	\$17,678.88		Completed
00036	2009	11 100		00506452	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2118334		\$1,931	83.00%	\$1,602.73		Completed
00036	2009	11 100		00506287	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2118332		\$44,953	83.00%	\$37,310.91		Completed
00036	2009	11 100		00506201	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2118331		\$83,682	83.00%	\$69,439.62		Completed
00036	2009	11 100		00506302	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2118334-D1		\$1,821	83.00%	\$1,502.73		Completed
00036	2009	11 100		00507368	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2127281		\$47,750	83.00%	\$39,632.38		Completed
00036	2009	11 100		00507369	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2127280		\$97,705	83.00%	\$81,095.17		Completed
00036	2009	11 100		00507379	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2127282		\$4,109	83.00%	\$3,410.27		Completed
00036	2009	11 100		00507381	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2127289		\$27,022	83.00%	\$22,436.88		Completed
00036	2010	1 100		00518219	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2141747		\$4,436	83.00%	\$3,688.48		Completed
00036	2010	1 100		00518221	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2141740		\$59,466	83.00%	\$49,340.44		Completed
00036	2010	1 100		00518223	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2141746		\$44,335	83.00%	\$36,798.05		Completed
00036	2010	2 100		00528105	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2148490		\$48,382	83.00%	\$40,158.91		Completed
00036	2010	3 100		00531233	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2151282		\$137,561	83.00%	\$114,175.71		Completed
00036	2010	3 100		00536290	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2170685		\$1,868	83.00%	\$1,560.34		Completed
00036	2010	3 100		00536281	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2170751		\$50,226	83.00%	\$41,887.71		Completed
00036	2010	5 100		00547172	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2181402		\$33,419	83.00%	\$27,737.51		Completed
00036	2010	5 100		00547189	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2181404		\$18,263	83.00%	\$15,198.23		Completed
00036	2010	5 100		00547188	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2189398		\$14,417	83.00%	\$11,986.19		Completed
00036	2010	5 100		00547187	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2189397		\$13,016	83.00%	\$10,803.05		Completed
00036	2010	5 100		00547173	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2198630		\$39,737	83.00%	\$32,961.88		Completed
00036	2010	5 100		00547184	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2198631		\$158	83.00%	\$131.63		Completed
00036	2010	6 100		00541441	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2214018		\$36,076	83.00%	\$29,943.28		Completed
00036	2010	6 100		00541457	AG0255	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2214017		\$13,773	83.00%	\$11,431.83		Completed
										\$854,293.64	Total per allocation	\$742,263.72		
											Total per RRP-10	\$742,264.00		
											Variance	(\$0.28)		
00088	2010	1 100		00811763	AG0256	Regulatory Legal Services	MORGAN LEWIS & BOCKLUS	2141738		\$1,838	44.18%	\$811.81		Completed
											Total per allocation	\$811.81		
											Total per RRP-10	\$812.00		
											Variance	(\$0.19)		
THE ENERGY ASSOCIATION OF NY STATE														
00036	2009	7 100		00473031	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATION OF NY STATE	TOCAUG08		\$23,903	100.00%	\$23,903.03		Completed
00036	2009	8 100		00480107	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATION OF NY STATE	TOCSEP08		\$26,638	100.00%	\$26,638.22		Completed
00036	2009	9 100		00482254	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATION OF NY STATE	TOCDOX08		\$28,795	100.00%	\$28,794.98		Completed
00036	2009	9 100		00483332	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATION OF NY STATE	TOCTAR08		\$11,667	100.00%	\$11,666.67		Completed
00036	2009	10 100		00486786	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATION OF NY STATE	TOCNOV08		\$26,292	100.00%	\$26,291.50		Completed
00036	2009	11 100		00505813	AG0256	Regulatory Legal Services	THE ENERGY ASSOCIATION OF NY STATE	TOCDEC08		\$21,894	100.00%	\$21,894.25		Completed

Business Unit	Fiscal Yr	Period	Expense Type	Voucher Id	Activity	Activity Descr	Vendor	Invoice No	Purchase Order	Total Payables \$	Allocation	Co. 36 Allocation	Invoices	Comment
00036	2009	12 100		00511887	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATI	TOCJAN08		\$25,281	100.00%	\$25,280.88		Completed
00036	2010	1 100		00519215	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATI	TOCFEB2009		\$24,267	100.00%	\$24,267.40		Completed
00036	2010	3 100		00530780	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATI	TOCMAR09		\$24,479	100.00%	\$24,478.94		Completed
00036	2010	5 100		00533005	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATI	TOCAPRIL2009		\$32,692	100.00%	\$32,031.75		Completed
00036	2010	6 100		00533004	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATI	TOCMAY2009		\$30,499	100.00%	\$30,499.11		Completed
00036	2010	6 100		00533006	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATI	TOCJUNE2009		\$27,960	100.00%	\$27,958.75		Completed
00036	2010	6 100		00533207	AG0255	Regulatory Legal Services	THE ENERGY ASSOCIATI	TOCJULY2009		\$17,400	100.00%	\$17,398.89		Completed
										\$305,896.18	Total per allocation	\$305,896.18		
											Total per RRP-10	\$305,896.00		
											Variance	\$0.18		
00036	2009	7 100		00478823	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	O12479		\$3,780	100.00%	\$3,774.83		Completed
00036	2009	8 100		00484362	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	O12702		\$6,876	100.00%	\$6,878.16		Completed
00036	2009	9 100		00490544	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	O12746		\$6,827	100.00%	\$9,026.70		Completed
00036	2009	10 100		00501322	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	K18630		\$7,498	100.00%	\$7,497.58		Completed
00036	2009	11 100		00508670	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	O21169		\$3,045	100.00%	\$5,045.79		Completed
00036	2009	12 100		00513380	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	O12951		\$3,098	100.00%	\$3,098.30		Completed
00036	2010	1 100		00518681	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	18084		\$3,545	100.00%	\$3,548.75		Completed
00036	2010	3 100		00520005	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	O22709		\$8,559	100.00%	\$8,558.08		Completed
00036	2010	4 100		00542046	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	apr 2009		\$4,896	100.00%	\$4,896.92		Completed
00036	2010	4 100		00540859	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	ABB-71 00069377		\$9,518	100.00%	\$9,518.00		Completed
00036	2010	4 100		00540659	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	ABB-71 00066279		\$6,218	100.00%	\$6,918.17		Completed
00036	2010	4 100		00542045	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	may 2009		\$8,790	100.00%	\$8,790.33		Completed
00036	2010	6 100		00533458	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	O14075		\$8,384	100.00%	\$8,384.42		Completed
00036	2010	6 100		00562269	AG0780	Operations Executive Services	THE ENERGY ASSOCIATI	O81038		\$4,756	100.00%	\$4,756.25		Completed
										\$85,287.29	Total per allocation	\$85,287.29		
											Total per RRP-10	\$85,287.00		
											Variance	\$0.29		
00036	2010	6 100		00513330	TS9000	Supv&Adm Trans Mac Ops	THE ENERGY ASSOCIATI	21196		\$18,517	100.00%	\$18,516.50		Completed
										\$18,516.50	Total per allocation	\$18,516.50		
											Total per RRP-10	\$18,517.00		
											Variance	(\$0.50)		
HURON CONSULTING SERVICES														
00036	2009	7 100		00477820	AG0745	Financial Executive Services	HURON CONSULTING SER	146185	0000065766	\$32,282	100.00%	\$32,282.04		Completed
00036	2009	9 100		00489188	AG0745	Financial Executive Services	HURON CONSULTING SER	147358	0000065766	\$210,388	100.00%	\$210,388.22		Completed
00036	2009	9 100		00493294	AG0745	Financial Executive Services	HURON CONSULTING SER	148401		\$45,059	100.00%	\$45,057.71		Completed
00036	2009	10 100		00500131	AG0745	Financial Executive Services	HURON CONSULTING SER	150171		\$562	100.00%	\$562.00		Completed
00036	2010	1 100		00520680	AG0745	Financial Executive Services	HURON CONSULTING SER	153100		\$569	100.00%	\$567.90		Completed
										\$286,277.87	Total per allocation	\$286,277.87		
											Total per RRP-10	\$286,278.00		
											Variance	(\$0.13)		
EQUATERRA INC.														
00099	2009	9 100		00565458	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10082832	0000075249	\$48,648	25.80%	\$22,672.43		Completed
00099	2009	9 100		00565465	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10082917	0000075249	\$37,987	25.80%	\$25,173.28		Completed
00099	2009	9 100		00565468	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10082991	0000075249	\$106,675	25.80%	\$27,265.12		Completed
00099	2009	9 100		00565471	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10083003	0000075249	\$126,456	25.80%	\$32,637.72		Completed
00099	2009	9 100		00565472	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10083058	0000075249	\$114,989	25.80%	\$29,663.09		Completed
00099	2009	10 100		00562958	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10082857	0000075249	\$206	25.80%	\$53.27		Completed
00099	2009	10 100		00575321	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10083088	0000075249	\$108,826	25.80%	\$27,562.08		Completed
00099	2009	10 100		00575328	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10083153	0000075249	\$60,345	25.80%	\$15,569.88		Completed
00099	2010	1 100		00642064	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10083261	0000075249	\$63,771	27.01%	\$16,884.16		Completed
00099	2010	1 100		00642481	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10083300	0000075249	\$89,548	27.01%	\$28,887.93		Completed
00099	2010	1 100		00642483	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10083343	0000075249	\$25,902	27.01%	\$8,868.08		Completed
00099	2010	1 100		00612642	AG0483	Provide Administrative & Gener	EQUATERRA INC.	10083558	0000075249	\$58,164	27.01%	\$15,961.10		Completed
										\$947,120.71	Total per allocation	\$247,344.91		
											Total per RRP-10	\$247,338.00		
											Variance	\$6.91		
ACCENTURE														
00099	2009	7 100		00527934	DS9000	Mac Ops Supv and Adm	ACCENTURE LLP	1000215182	0000062868	\$1,661,788.00	43.77%	\$727,338.97		Completed

Business Unit	Fiscal Yr	Period	Expense Type	Voucher Id	Activity	Activity Descr	Vendor	Invoice No	Purchase Order	Total Payables \$	Allocation	Co. 35 Allocation	Invoices	Comment
00098	2009	11 100		00580323	DO9000	Misc Ops Supv and Admin	ACCENTURE LLP	1000231378	0000092808	\$1,298,184.00	43.77%	\$568,184.77		Completed
00098	2009	11 100		00590308	DO9000	Misc Ops Supv and Admin	ACCENTURE LLP	1000231377	0000092808	\$1,280,042.00	43.77%	\$551,500.61		Completed
00098	2009	11 100		00590328	DO9000	Misc Ops Supv and Admin	ACCENTURE LLP	1000231376	0000092808	\$1,574,040.00	43.77%	\$688,832.61		Completed
00098	2009	11 100		00590319	DO9000	Misc Ops Supv and Admin	ACCENTURE LLP	1000237980	0000092808	\$1,630,199.00	43.77%	\$713,512.82		Completed
00098	2009	11 100		00590316	DO9000	Misc Ops Supv and Admin	ACCENTURE LLP	1000242218	0000092808	\$1,148,912.00	43.77%	\$501,810.31		Completed
00098	2009	12 100		00297478	DO9000	Misc Ops Supv and Admin	ACCENTURE LLP	1000246806	0000092808	\$908,890.00	43.77%	\$398,843.99		Completed
00098	2010	1 100		00612169	DO9000	Misc Ops Supv and Admin	ACCENTURE LLP	1000251788	0000092808	\$816,184.00	44.67%	\$364,833.89		Completed
00098	2010	2 100		00618940	DO9025	Attend Training Other Than Ref	ACCENTURE LLP	1000247934	0000092808	\$558,507.00	44.67%	\$248,668.51		Completed
00098	2010	2 100		00624125	DO9000	Misc Ops Supv and Admin	ACCENTURE LLP	1000258303	0000092808	\$394,023.00	44.67%	\$176,014.82		Completed
00098	2010	2 100		00628701	DO9025	Attend Training Other Than Ref	ACCENTURE LLP	1000258774	0000092808	\$50,302.33	52.80%	\$26,456.51		Completed
00098	2010	3 100		00638904	DO9000	Misc Ops Supv and Admin	ACCENTURE LLP	1000282379	0000092808	\$140,303.20	52.80%	\$73,782.47		Completed
00098	2010	3 100		00638906	DO9025	Attend Training Other Than Ref	ACCENTURE LLP	1000282253	0000092808	\$82,832.84	52.80%	\$43,566.83		Completed
										\$11,517,618.17	Total per allocation	\$5,081,185.91		
											Total per RRP-10	\$5,081,027.00		
											Variance	\$138.91		

ICON NICHOLSON LLC														
00098	2010	5 100		00652079	AG0846	IS Enhancement A&G	ICON NICHOLSON LLC	001803201	0000100698	\$310,832	43.76%	\$135,941.88		Completed
00098	2010	6 100		00653800	AG0846	IS Enhancement A&G	ICON NICHOLSON LLC	001803802	0000100794	\$21,191	43.76%	\$9,273.82		Completed
00098	2010	6 100		00650737	AG0846	IS Enhancement A&G	ICON NICHOLSON LLC	001803803	0000100698	\$310,832	43.76%	\$135,941.88		Completed
00098	2010	6 100		00655402	AG0846	IS Enhancement A&G	ICON NICHOLSON LLC	001803804	0000100698	\$310,832	43.76%	\$135,941.88		Completed
										\$953,087.00	Total per allocation	\$417,059.48		
											Total per RRP-10	\$417,100.00		
											Variance	(\$0.54)		

TATA AMERICA INTERNATIONAL CORPORATION														
00098	2010	6 100		00664014	AG0844	IS Development A&G	TATA AMERICA INTERNAT	TAN0200940742	0000090722	\$67,200	43.75%	\$29,408.74		Completed
00098	2010	6 100		00664019	AG0844	IS Development A&G	TATA AMERICA INTERNAT	TAN0200940743	0000090722	\$4,269	43.75%	\$1,868.08		Completed
00098	2010	6 100		00664021	AG0844	IS Development A&G	TATA AMERICA INTERNAT	TAN0200940747	0000090722	\$40,400	43.75%	\$17,456.55		Completed
00098	2010	6 100		00664023	AG0844	IS Development A&G	TATA AMERICA INTERNAT	TAN0201006445	0000090722	\$44,400	43.75%	\$19,430.77		Completed
										\$166,269.83	Total per allocation	\$72,784.14		
											Total per RRP-10	\$72,784.00		
											Variance	\$0.14		

DAVIDSON & O'MARA														
00036	2008	7 100		00474952	AG0085	Provide Regulatory Support	DAVIDSON & O'MARA PC	08/30/08		\$10,000	83.00%	\$8,300.00		Completed
00036	2008	8 100		00481295	AG0085	Provide Regulatory Support	DAVIDSON & O'MARA PC	10-31-2008		\$10,000	83.00%	\$8,300.00		Completed
00036	2008	9 100		00487833	AG0085	Provide Regulatory Support	DAVIDSON & O'MARA PC	11/28/2008		\$10,000	83.00%	\$8,300.00		Completed
00036	2008	10 100		00487285	AG0085	Provide Regulatory Support	DAVIDSON & O'MARA PC	12/31/2008		\$10,000	83.00%	\$8,300.00		Completed
00036	2008	11 100		00504114	AG0085	Provide Regulatory Support	DAVIDSON & O'MARA PC	18982		\$10,000	83.00%	\$8,300.00		Completed
00036	2008	12 100		00510324	AG0085	Provide Regulatory Support	DAVIDSON & O'MARA PC	02/27/2009		\$10,000	83.00%	\$8,300.00		Completed
00036	2010	1 100		00518228	AG0085	Provide Regulatory Support	DAVIDSON & O'MARA PC	01/30/09		\$10,000	83.00%	\$8,300.00		Completed
00036	2010	2 100		00526102	AG0085	Provide Regulatory Support	DAVIDSON & O'MARA PC	04/30/2009		\$10,000	83.00%	\$8,300.00		Completed
00036	2010	3 100		00532190	AG0085	Provide Regulatory Support	DAVIDSON & O'MARA PC	05/28/2009		\$10,000	83.00%	\$8,300.00		Completed
										\$90,000.00	Total per allocation	\$74,700.00		
											Total per RRP-10	\$74,700.00		
											Variance	\$0.00		

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www.morganlewis.com

Morgan Lewis
C O U N S E L O R S A T L A W

John D. McGrane
202-739-5621
jmcgrane@morganlewis.com

December 1, 2008

Mr. Ronald T. Gerwatowski
Deputy General Counsel
National Grid
201 Jones Road 5th Floor
Waltham, MA 02451

Re: Global Transformation Accounting

Dear Mr. Gerwatowski:

Morgan, Lewis & Bockius LLP appreciates the opportunity to provide legal services to National Grid USA in connection with the Company's Global Transformation Project, specifically in connection with regulatory and other issues involved in service company cost allocations within the United States and between the United States and the United Kingdom. In accordance with Firm policy, the purpose of this letter is to set forth our understanding as to the terms upon which we have been retained.

MUTUAL RESPONSIBILITIES

We will provide the legal services that, in our professional judgment, are appropriate for this matter and in accordance with applicable legal and ethical standards. You agree that appropriate representatives of National Grid USA and its affiliates will be reasonably available to confer with us upon request, will provide us with such documents and information as you may possess relating to the matter, will disclose all facts and circumstances of which you are aware that may bear upon our handling of the matter, will promptly pay our fees in accordance with the terms of this letter, and will otherwise assist our efforts as we reasonably request.

SCOPE OF REPRESENTATION

We are confident that our services in this matter will prove beneficial and we hope that you will seek our assistance with other matters in the future. However, our present agreement to provide legal services to National Grid USA is limited to the matter, described above, for which you have engaged us. As you are aware, we are a large law firm, and we represent many other companies and individuals. It is possible that some of our present or future clients will have disputes or other dealings with National Grid USA during the time that we are representing National Grid USA. Accordingly, as a condition of our undertaking this matter for you, you agree that this Firm may continue to represent, or may undertake in the future to represent, existing or new clients in any matter, including litigation, that is not substantially related to our work for National Grid USA, even if the interests of such clients in those other matters are directly adverse to National Grid USA. Where ethically permissible to do so, we agree to notify you of each such representation as it arises. We agree, however, that your prospective consent to conflicting representations shall not apply in any instance where, as the result of our representation of National Grid USA, we have obtained sensitive, proprietary or other confidential information of a non-public nature that, if known to another client of ours, could be used to the material disadvantage of National Grid USA in a matter in which we represent, or in the future are asked to undertake representation of, that client.

In particular, but without limiting the prior paragraph, we have advised you of, and you agree that we may continue in, the following representations involving matters unrelated to our present representation of National Grid USA:

- Pinnacle West Capital Corporation/Transwest Express Project
- Freeport McMoRan Copper & Gold Inc./Vanadium Corporation Superfund Site and Newtown Creek Superfund site
- Cargill Power Markets/FERC Complaint re HVDC Line
- Globe Specialty Metals/Retail Contracts
- Long Island Power Authority
- Better PLC/Technology transactions

DETERMINATION OF FEE

Our fees are determined, in accordance with applicable ethical rules, by considering a number of factors, including the amount of time that our lawyers, legal assistants and staff devote to the matter, the experience and expertise of the professionals who perform the services, the complexity, novelty and difficulty of the questions involved, the magnitude of the matter, any time limitations or other special demands presented, and the results obtained.

You agree that our fee will be based upon the time which we devote to the matter, in accordance with hourly rates assigned to the particular lawyers and legal assistants performing the work. Our current rates, through calendar year 2008, and our 2009 rates (reflecting a [REDACTED] as discussed below) are attached. We do not anticipate an increase in rates in 2009,

Morgan Lewis
C O U N S E L O R S A T L A W

other than moving associate attorneys to the next class tier to reflect their increased experience. We have also agreed to provide National Grid USA with a [REDACTED] on our 2009 standard rates for this matter, effective for time billed after January 1, 2009. We will also provide an [REDACTED] for any fees in excess of the first [REDACTED] of fees charged to National Grid on all matters in the twelve month period beginning October 1, 2008. We agree that our rates will not change without receiving your prior written approval.

In addition to our fees, we will bill you for any expenditures which we make or expenses we incur for you or on your behalf. These may include computer-based legal research costs, the costs of reproducing documents, long distance telephone charges, parking and travel costs, expenses which we incur while we are away from our office on your business; fees which accountants or consultants retained on your behalf charge us, and other similar expenditures. Where such expenditures are significant in amount, we may ask you to make payment directly to the provider of goods or services.

RESPONSIBLE ATTORNEY

I will be the partner responsible for this representation. I will match the lawyers providing services with the services required; check periodically with lawyers working on particular matters concerning their progress, the existence of problems, and whether any further assistance is required; monitor the extent of research (if any) required and billing rates of the lawyer(s) performing such research; ensure that client time requirements are adhered to; and review bills for any needed adjustments relating to value received by the client.

I currently anticipate that George Billinson, of Counsel, Bill Baker, a Senior Counsel, and Michael Griffen, one of my partners, will also be working on this matter, as will one or more associate attorneys, as needed.

If at any time you have questions regarding statements for our services or the management of your matter, you should feel free to contact me at 202-739-5621 (office), 703-969-6723 (cell) or 703-356-6245 (home), or by email at jmcgrane@morganlewis.com.

STATEMENTS

We will send you statements for services rendered and for expenditures which we have made for you on a monthly basis pursuant to your electronic billing procedures. The amounts set forth in the statements are due within thirty days after the statement is mailed. If you have any questions about any statement, please call me promptly to discuss it.

If your account becomes delinquent, we have established collection procedures which may include stopping all legal services of a non-emergency nature and, where consistent with our ethical obligations, withdrawing from this representation. We also reserve the right to ask you for reasonable security for past due balances and work required in the near future. As a condition of our undertaking this representation, you agree to provide such security to us upon request.

Morgan Lewis
COUNSELORS AT LAW

In fairness to the majority of our clients who pay our statements promptly, we have established late payment charges designed to charge to the late payors the costs of carrying their overdue accounts. We reserve the right, to the extent permitted by law, to add a late payment charge of [REDACTED] per month to your past due account. These late charges will accrue from the due date of the bill until the date it is paid.

ARBITRATION OF FEE DISPUTES

We seldom have disagreements with our clients concerning our fees, but some occasionally do occur. It is our desire to resolve any such disagreement through amicable discussion; unfortunately, such disputes cannot always be resolved in that way. Our experience is that in such instances it is in the best interest of both the client and our Firm that the dispute be resolved through binding arbitration rather than by legal action and the courts. To that end, you and we agree that any dispute under this representation agreement that cannot be resolved in a reasonable time through discussions between us shall be submitted to binding arbitration before the American Arbitration Association pursuant to its rules. It is agreed that the site of such arbitrations shall be New York. Any arbitration award will be final, binding and enforceable in New York. You acknowledge that this agreement is entered into after we have advised you of your right to have this agreement reviewed by independent counsel and allowed you sufficient time to avail yourself of that right.

TERMINATION

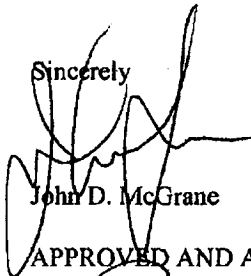
We anticipate a long and mutually satisfactory relationship. However, you have the right to terminate our engagement at any time by giving us written notice of termination. We also have the right, subject to our responsibilities under applicable ethical rules, to terminate our engagement by giving you written notice if you fail to cooperate with us or to pay our bills when due or if we determine that continuing to represent you would be unethical, impractical or improper. If our relationship is terminated by either of us, you will remain obligated to pay us in full for our past services and for costs and expenses in accordance with the terms of this letter.

This agreement will apply to any additional matters we agree to undertake upon your behalf unless we enter into an express written agreement reflecting an alternate arrangement.

Please review this letter carefully, and raise and discuss with me any questions which you may have. If this letter accurately reflects your understanding of our attorney-client relationship, please indicate your approval and acceptance by dating and signing the enclosed duplicate of the letter and returning it to me. Your signature indicates your authority to act on behalf of National Grid USA.

Morgan Lewis
C O U N S E L O R S A T L A W

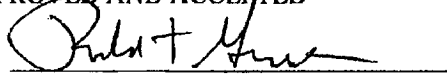
Sincerely



John D. McGrane

APPROVED AND ACCEPTED

By:



Title:

Deputy General Counsel

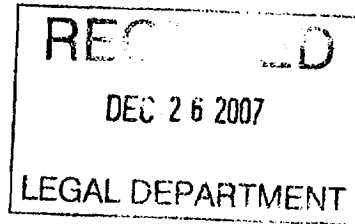
Date:

1-1-09

Enclosure

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Morgan, Lewis & Bockius LLP
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Niagara Mohawk Power Corporation
d/b/a National Grid
Case 10-E-0050
Attachment 2 to DAG-13
Page 11 of 95
Morgan Lewis
COUNSELORS AT LAW

John D. McGrane
202-739-5621
jmcrane@morganlewis.com

December 18, 2007

Colin Owyang, Esq.
National Grid USA
25 Research Drive
Westborough, MA 01582

Re: FERC Audit, Niagara Mohawk Power Corporation

Dear Mr. Owyang:

Morgan, Lewis & Bockius LLP appreciates the opportunity to provide legal services to National Grid USA in connection with an audit being conducted by the Federal Energy Regulatory Commission of Niagara Mohawk Power Corporation, Docket No. PA-08-7-000. The audit is to evaluate Niagara Mohawk's compliance with the certain notice, filing and records retention requirements of the Federal Power Act and FERC's regulations thereunder. In accordance with Firm policy, the purpose of this letter is to set forth our understanding as to the terms upon which we have been retained.

MUTUAL RESPONSIBILITIES

We will provide the legal services that, in our professional judgment, are appropriate for this matter and in accordance with applicable legal and ethical standards. You agree that appropriate representatives of National Grid USA and Niagara Mohawk will be reasonably available to confer with us upon request, will provide us with such documents and information as you may possess relating to the matter, will disclose all facts and circumstances of which you are aware that may bear upon our handling of the matter, will promptly pay our fees in accordance with the terms of this letter, and will otherwise assist our efforts as we reasonably request.

SCOPE OF REPRESENTATION

We are confident that our services in this matter will prove beneficial and we hope that you will seek our assistance with other matters in the future. However, our present agreement to provide legal services to National Grid USA is limited to the matter, described above, for which you have

engaged us. As you are aware, we are a large law firm, and we represent many other companies and individuals. It is possible that some of our present or future clients will have disputes or other dealings with National Grid USA during the time that we are representing National Grid USA. Accordingly, as a condition of our undertaking this matter for you, you agree that this Firm may continue to represent, or may undertake in the future to represent, existing or new clients in any matter, including litigation, that is not substantially related to our work for National Grid USA, even if the interests of such clients in those other matters are directly adverse to National Grid USA. Where ethically permissible to do so, we agree to notify you of each such representation as it arises. We agree, however, that your prospective consent to conflicting representations shall not apply in any instance where, as the result of our representation of National Grid USA, we have obtained sensitive, proprietary or other confidential information of a non-public nature that, if known to another client of ours, could be used to the material disadvantage of National Grid USA in a matter in which we represent, or in the future are asked to undertake representation of, that client.

In particular, but without limiting the prior paragraph, we have advised you of, and you agree that we may continue in, the following representations involving matters unrelated to our present representation of National Grid USA:

- Pinnacle West Capital Corporation/Transwest Express Project
- Freeport McMoRan Copper & Gold Inc./Vanadium Corporation Superfund Site and Newtown Creek Superfund site.

DETERMINATION OF FEE

Our fees are determined, in accordance with applicable ethical rules, by considering a number of factors, including the amount of time that our lawyers, legal assistants and staff devote to the matter, the experience and expertise of the professionals who perform the services, the complexity, novelty and difficulty of the questions involved, the magnitude of the matter, any time limitations or other special demands presented, and the results obtained.

You agree that our fee will be based upon the time which we devote to the matter, in accordance with hourly rates assigned to the particular lawyers and legal assistants performing the work. Our current rates, through calendar year 2008, are attached.

In addition to our fees, we will bill you for any expenditures which we make or expenses we incur for you or on your behalf. These may include computer-based legal research costs, the costs of reproducing documents, long distance telephone charges, parking and travel costs, expenses which we incur while we are away from our office on your business; fees which accountants or consultants retained on your behalf charge us, and other similar expenditures. Where such expenditures are significant in amount, we may ask you to make payment directly to the provider of goods or services.

RESPONSIBLE ATTORNEY

I will be the partner responsible for this representation. I will match the lawyers providing services with the services required; check periodically with lawyers working on particular matters concerning their progress, the existence of problems, and whether any further assistance is required; monitor the extent of research (if any) required and billing rates of the lawyer(s) performing such research; ensure that client time requirements are adhered to; and review bills for any needed adjustments relating to value received by the client.

I currently anticipate that George Billinson, of Counsel, will also be working on this matter, as will one or more associate attorneys, as needed. Mr. Billinson is a former senior attorney with FERC's Office of Enforcement and has experience with recent document retention audits.

If at any time you have questions regarding statements for our services or the management of your matter, you should feel free to contact me at 202-739-5621 (office), 703-969-6723 (cell) or 703-356-6245 (home), or by email at jmcgrane@morganlewis.com.

STATEMENTS

We will send you statements for services rendered and for expenditures which we have made for you on a monthly basis. The amounts set forth in the statements are due within thirty days after the statement is mailed. If you have any questions about any statement, please call me promptly to discuss it.

If your account becomes delinquent, we have established collection procedures which may include stopping all legal services of a non-emergency nature and, where consistent with our ethical obligations, withdrawing from this representation. We also reserve the right to ask you for reasonable security for past due balances and work required in the near future. As a condition of our undertaking this representation, you agree to provide such security to us upon request.

In fairness to the majority of our clients who pay our statements promptly, we have established late payment charges designed to charge to the late payors the costs of carrying their overdue accounts. We reserve the right, to the extent permitted by law, to add a late payment charge of per month to your past due account. These late charges will accrue from the due date of the bill until the date it is paid.

ARBITRATION OF FEE DISPUTES

We seldom have disagreements with our clients concerning our fees, but some occasionally do occur. It is our desire to resolve any such disagreement through amicable discussion; unfortunately, such disputes cannot always be resolved in that way. Our experience is that in such instances it is in the best interest of both the client and our Firm that the dispute be resolved through binding arbitration rather than by legal action and the courts. To that end, you and we agree that any dispute under this representation agreement that cannot be resolved in a

reasonable time through discussions between us shall be submitted to binding arbitration before the American Arbitration Association pursuant to its rules. It is agreed that the site of such arbitrations shall be New York. Any arbitration award will be final, binding and enforceable in New York. You acknowledge that this agreement is entered into after we have advised you of your right to have this agreement reviewed by independent counsel and allowed you sufficient time to avail yourself of that right.

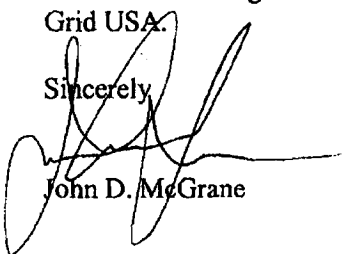
TERMINATION

We anticipate a long and mutually satisfactory relationship. However, you have the right to terminate our engagement at any time by giving us written notice of termination. We also have the right, subject to our responsibilities under applicable ethical rules, to terminate our engagement by giving you written notice if you fail to cooperate with us or to pay our bills when due or if we determine that continuing to represent you would be unethical, impractical or improper. If our relationship is terminated by either of us, you will remain obligated to pay us in full for our past services and for costs and expenses in accordance with the terms of this letter.

This agreement will apply to any additional matters we agree to undertake upon your behalf unless we enter into an express written agreement reflecting an alternate arrangement.

Please review this letter carefully, and raise and discuss with me any questions which you may have. If this letter accurately reflects your understanding of our attorney-client relationship, please indicate your approval and acceptance by dating and signing the enclosed duplicate of the letter and returning it to me. Your signature indicates your authority to act on behalf of National Grid USA.

Sincerely,


John D. McGrane

APPROVED AND ACCEPTED

By: 

Title: Assistant General Counsel

Date: Dec. 26, 2007

Enclosure

Morgan Lewis
C O U N S E L O R S A T L A W

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
Tel: 202.739.3000
Fax: 202.739.3001
www.morganlewis.com

John D. McGrane
202-739-5621
jmcgrane@morganlewis.com

November 26, 2008

Mr. Ronald T. Gerwatowski
Deputy General Counsel
National Grid
201 Jones Road 5th Floor
Waltham, MA 02451

Re: FERC Financial Audit, Docket No. FA09-10

Dear Mr. Gerwatowski:

Morgan, Lewis & Bockius LLP appreciates the opportunity to provide legal services to National Grid USA in connection with an audit being conducted by the Federal Energy Regulatory Commission of National Grid USA, including its service companies and other affiliates in the National Grid holding company system, FERC Docket No. FA09-10. The audit will evaluate the Companies' compliance with the Commission's cross subsidization restrictions on affiliate transactions; accounting, recordkeeping, and reporting requirements; preservation of records requirements for holding companies and service companies; Uniform System of Accounts for centralized service companies; and compliance with the conditions upon which merger authorizations were granted in Docket No. EC06-125-000.

MUTUAL RESPONSIBILITIES

We will provide the legal services that, in our professional judgment, are appropriate for this matter and in accordance with applicable legal and ethical standards. You agree that appropriate representatives of National Grid USA and its affiliates will be reasonably available to confer with us upon request, will provide us with such documents and information as you may possess relating to the matter, will disclose all facts and circumstances of which you are aware that may

bear upon our handling of the matter, will promptly pay our fees in accordance with the terms of this letter, and will otherwise assist our efforts as we reasonably request.

SCOPE OF REPRESENTATION

We are confident that our services in this matter will prove beneficial and we hope that you will seek our assistance with other matters in the future. However, our present agreement to provide legal services to National Grid USA is limited to the matter, described above, for which you have engaged us. As you are aware, we are a large law firm, and we represent many other companies and individuals. It is possible that some of our present or future clients will have disputes or other dealings with National Grid USA during the time that we are representing National Grid USA. Accordingly, as a condition of our undertaking this matter for you, you agree that this Firm may continue to represent, or may undertake in the future to represent, existing or new clients in any matter, including litigation, that is not substantially related to our work for National Grid USA, even if the interests of such clients in those other matters are directly adverse to National Grid USA. Where ethically permissible to do so, we agree to notify you of each such representation as it arises. We agree, however, that your prospective consent to conflicting representations shall not apply in any instance where, as the result of our representation of National Grid USA, we have obtained sensitive, proprietary or other confidential information of a non-public nature that, if known to another client of ours, could be used to the material disadvantage of National Grid USA in a matter in which we represent, or in the future are asked to undertake representation of, that client.

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DETERMINATION OF FEE

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You agree that our fee will be based upon the time which we devote to the matter, in accordance with hourly rates assigned to the particular lawyers and legal assistants performing the work.

Our current rates, through calendar year 2008, and our 2009 rates (reflecting a five percent (5%) discount as discussed below) are attached. We do not anticipate an increase in rates in 2009, other than moving associate attorneys to the next class tier to reflect their increased experience. We have also agreed to provide National Grid USA with a [REDACTED] on our 2009 standard rates for this matter, effective for time billed after January 1, 2009. We will also provide an [REDACTED] for any fees in excess of the first [REDACTED] of fees charged to National Grid on all matters in the twelve month period beginning October 1, 2008. We agree that our rates will not change without receiving your prior written approval.

In addition to our fees, we will bill you for any expenditures which we make or expenses we incur for you or on your behalf. These may include computer-based legal research costs, the costs of reproducing documents, long distance telephone charges, parking and travel costs, expenses which we incur while we are away from our office on your business; fees which accountants or consultants retained on your behalf charge us, and other similar expenditures. Where such expenditures are significant in amount, we may ask you to make payment directly to the provider of goods or services.

RESPONSIBLE ATTORNEY

I will be the partner responsible for this representation. I will match the lawyers providing services with the services required; check periodically with lawyers working on particular matters concerning their progress, the existence of problems, and whether any further assistance is required; monitor the extent of research (if any) required and billing rates of the lawyer(s) performing such research; ensure that client time requirements are adhered to; and review bills for any needed adjustments relating to value received by the client.

I currently anticipate that George Billinson, an of Counsel, and Michael Griffen, one of my partners, will also be working on this matter, as will one or more associate attorneys, as needed. Mr. Billinson is a former senior attorney with FERC's Office of Enforcement and has experience with FERC audits, and Mr. Griffen has experience with FERC holding company requirements.

If at any time you have questions regarding statements for our services or the management of your matter, you should feel free to contact me at 202-739-5621 (office), 703-969-6723 (cell) or 703-356-6245 (home), or by email at jmcgrane@morganlewis.com.

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reasonable time through discussions between us shall be submitted to binding arbitration before the American Arbitration Association pursuant to its rules. It is agreed that the site of such arbitrations shall be New York. Any arbitration award will be final, binding and enforceable in New York. You acknowledge that this agreement is entered into after we have advised you of your right to have this agreement reviewed by independent counsel and allowed you sufficient time to avail yourself of that right.

TERMINATION

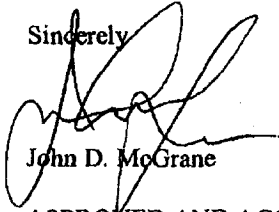
We anticipate a long and mutually satisfactory relationship. However, you have the right to terminate our engagement at any time by giving us written notice of termination. We also have the right, subject to our responsibilities under applicable ethical rules, to terminate our engagement by giving you written notice if you fail to cooperate with us or to pay our bills when due or if we determine that continuing to represent you would be unethical, impractical or improper. If our relationship is terminated by either of us, you will remain obligated to pay us in full for our past services and for costs and expenses in accordance with the terms of this letter.

This agreement will apply to any additional matters we agree to undertake upon your behalf unless we enter into an express written agreement reflecting an alternate arrangement.

Please review this letter carefully, and raise and discuss with me any questions which you may have. If this letter accurately reflects your understanding of our attorney-client relationship, please indicate your approval and acceptance by dating and signing the enclosed duplicate of the letter and returning it to me. Your signature indicates your authority to act on behalf of National Grid USA.

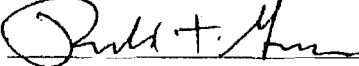
Morgan Lewis
C O U N S E L O R S A T L A W

Sincerely



John D. McGrane

APPROVED AND ACCEPTED

By: 

Title: Deputy General Counsel

Date: 1-1-09

Enclosure

DB1/62420806.1

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
Tel: 202.739.3000
Fax: 202.739.3001
www.morganlewis.com

Morgan Lewis
C O U N S E L O R S A T L A W

John D. McGrane
202-739-5621
jmcgrane@morganlewis.com

November 26, 2008

Mr. Ronald T. Gerwatowski
Deputy General Counsel
National Grid
201 Jones Road 5th Floor
Waltham, MA 02451

Re: FERC Gas Matter

Dear Mr. Gerwatowski:

Morgan, Lewis & Bockius LLP appreciates the opportunity to provide legal services to National Grid USA in connection with certain areas of potential non-compliance by National Grid's local gas distribution company affiliates with natural gas transportation requirements of the Federal Energy Regulatory Commission. In accordance with Firm policy, the purpose of this letter is to set forth our understanding as to the terms upon which we have been retained.

MUTUAL RESPONSIBILITIES

We will provide the legal services that, in our professional judgment, are appropriate for this matter and in accordance with applicable legal and ethical standards. You agree that appropriate representatives of National Grid USA and its affiliates will be reasonably available to confer with us upon request, will provide us with such documents and information as you may possess relating to the matter, will disclose all facts and circumstances of which you are aware that may bear upon our handling of the matter, will promptly pay our fees in accordance with the terms of this letter, and will otherwise assist our efforts as we reasonably request.

SCOPE OF REPRESENTATION

We are confident that our services in this matter will prove beneficial and we hope that you will seek our assistance with other matters in the future. However, our present agreement to provide legal services to National Grid USA is limited to the matter, described above, for which you have

engaged us. As you are aware, we are a large law firm, and we represent many other companies and individuals. It is possible that some of our present or future clients will have disputes or other dealings with National Grid USA during the time that we are representing National Grid USA. Accordingly, as a condition of our undertaking this matter for you, you agree that this Firm may continue to represent, or may undertake in the future to represent, existing or new clients in any matter, including litigation, that is not substantially related to our work for National Grid USA, even if the interests of such clients in those other matters are directly adverse to National Grid USA. Where ethically permissible to do so, we agree to notify you of each such representation as it arises. We agree, however, that your prospective consent to conflicting representations shall not apply in any instance where, as the result of our representation of National Grid USA, we have obtained sensitive, proprietary or other confidential information of a non-public nature that, if known to another client of ours, could be used to the material disadvantage of National Grid USA in a matter in which we represent, or in the future are asked to undertake representation of, that client.

In particular, but without limiting the prior paragraph, we have advised you of, and you agree that we may continue in, the following representations involving matters unrelated to our present representation of National Grid USA:

- Pinnacle West Capital Corporation/Transwest Express Project
- Freeport McMoRan Copper & Gold Inc./Vanadium Corporation Superfund Site and Newtown Creek Superfund site
- Cargill Power Markets/FERC Complaint re HVDC Line
- Globe Specialty Metals/Retail Contracts
- Long Island Power Authority
- Better PLC/Technology transactions

DETERMINATION OF FEE

Our fees are determined, in accordance with applicable ethical rules, by considering a number of factors, including the amount of time that our lawyers, legal assistants and staff devote to the matter, the experience and expertise of the professionals who perform the services, the complexity, novelty and difficulty of the questions involved, the magnitude of the matter, any time limitations or other special demands presented, and the results obtained.

You agree that our fee will be based upon the time which we devote to the matter, in accordance with hourly rates assigned to the particular lawyers and legal assistants performing the work. Our current rates, through calendar year 2008, and our 2009 rates [REDACTED] (as discussed below) are attached. We do not anticipate an increase in rates in 2009, other than moving associate attorneys to the next class tier to reflect their increased experience. We have also agreed to provide National Grid USA with a [REDACTED] on our 2009 standard rates for this matter, effective for time billed after January 1, 2009. We will also

Morgan Lewis
C O U N S E L L O R S A T L A W

provide an [REDACTED] for any fees in excess of the first [REDACTED] of fees charged to National Grid on all matters in the twelve month period beginning October 1, 2008. We agree that our rates will not change without receiving your prior written approval.

In addition to our fees, we will bill you for any expenditures which we make or expenses we incur for you or on your behalf. These may include computer-based legal research costs, the costs of reproducing documents, long distance telephone charges, parking and travel costs, expenses which we incur while we are away from our office on your business; fees which accountants or consultants retained on your behalf charge us, and other similar expenditures. Where such expenditures are significant in amount, we may ask you to make payment directly to the provider of goods or services.

RESPONSIBLE ATTORNEY

I will be the partner responsible for this representation. I will match the lawyers providing services with the services required; check periodically with lawyers working on particular matters concerning their progress, the existence of problems, and whether any further assistance is required; monitor the extent of research (if any) required and billing rates of the lawyer(s) performing such research; ensure that client time requirements are adhered to; and review bills for any needed adjustments relating to value received by the client.

I currently anticipate that George Billinson, of Counsel, and Mark Haskell, one of my partners will also be working on this matter, as will one or more associate attorneys, as needed. Mr. Billinson is a former senior attorney with FERC's Office of Enforcement and both he and Mr. Haskell have experience with FERC enforcement matters involving issues similar to those at issue in this matter.

If at any time you have questions regarding statements for our services or the management of your matter, you should feel free to contact me at 202-739-5621 (office), 703-969-6723 (cell) or 703-356-6245 (home), or by email at jmcgrane@morganlewis.com.

STATEMENTS

We will send you statements for services rendered and for expenditures which we have made for you on a monthly basis pursuant to your electronic billing procedures. The amounts set forth in the statements are due within thirty days after the statement is mailed. If you have any questions about any statement, please call me promptly to discuss it.

If your account becomes delinquent, we have established collection procedures which may include stopping all legal services of a non-emergency nature and, where consistent with our ethical obligations, withdrawing from this representation. We also reserve the right to ask you for reasonable security for past due balances and work required in the near future. As a condition of our undertaking this representation, you agree to provide such security to us upon request.

Morgan Lewis
COUNSELORS AT LAW

In fairness to the majority of our clients who pay our statements promptly, we have established late payment charges designed to charge to the late payors the costs of carrying their overdue accounts. We reserve the right, to the extent permitted by law, to add a late payment charge of [REDACTED] per month to your past due account. These late charges will accrue from the due date of the bill until the date it is paid.

ARBITRATION OF FEE DISPUTES

We seldom have disagreements with our clients concerning our fees, but some occasionally do occur. It is our desire to resolve any such disagreement through amicable discussion; unfortunately, such disputes cannot always be resolved in that way. Our experience is that in such instances it is in the best interest of both the client and our Firm that the dispute be resolved through binding arbitration rather than by legal action and the courts. To that end, you and we agree that any dispute under this representation agreement that cannot be resolved in a

reasonable time through discussions between us shall be submitted to binding arbitration before the American Arbitration Association pursuant to its rules. It is agreed that the site of such arbitrations shall be New York. Any arbitration award will be final, binding and enforceable in New York. You acknowledge that this agreement is entered into after we have advised you of your right to have this agreement reviewed by independent counsel and allowed you sufficient time to avail yourself of that right.

TERMINATION

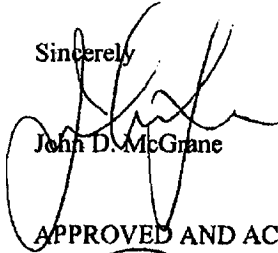
We anticipate a long and mutually satisfactory relationship. However, you have the right to terminate our engagement at any time by giving us written notice of termination. We also have the right, subject to our responsibilities under applicable ethical rules, to terminate our engagement by giving you written notice if you fail to cooperate with us or to pay our bills when due or if we determine that continuing to represent you would be unethical, impractical or improper. If our relationship is terminated by either of us, you will remain obligated to pay us in full for our past services and for costs and expenses in accordance with the terms of this letter.

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Morgan Lewis
C O U N S E L O R S A T L A W

Sincerely



John D. McGrane

APPROVED AND ACCEPTED

By: 

Title: Deputy General Counsel

Date: 1-1-09

Enclosure

DBI/62420858.1

Legal eXchange Invoice from Morgan Lewis & Bockius LLP

Invoice Number: 2119332

Invoice Date: 01/28/2009

Description: FERC FINANCIAL AUDIT FERC Financial Audit

Matter Number: 051477

Matter Name: FERC Audit

Customer Pay Name:

Customer Pay Number:

Firm Tax ID: 230891050

Firm Address: 1701 Market Street

Philadelphia, PA 19103-2921

Fees:

Date	Timekeeper	LI #	Code	Hours	Rate	Orig. Amt	To Pay	Description
12/01/2008	GeorgeBillinson	45514109				\$825.00	\$825.00	Telephone conference with D. Gallaburda, W. Richer, and J. McGrane re PUHCA audit (1.50).
12/01/2008	JohnMcGrane	45511376				\$973.00	\$973.00	Conference call regarding FERC audit; review talking points on [REDACTED].
12/02/2008	GeorgeBillinson	45514112				\$825.00	\$825.00	Review materials in preparation for conference calls re FERC PUHCA audit.
12/02/2008	JohnMcGrane	45511381				\$278.00	\$278.00	E-mails with D. Galaburda regarding call with staff, talking points.
12/03/2008	GeorgeBillinson	45514117				\$605.00	\$605.00	Telephone conference with T. Gerarden (OE Staff) re [REDACTED] (.60); draft email to client to same (.20); discuss same with M. Haskell and M. Griffen (.30).
12/03/2008	GeorgeBillinson	45514120				\$1,870.00	\$1,870.00	Review revised draft talking points for telephone conference with FERC Audit Staff and draft [REDACTED] for records hold (.40); telephone conference with D. Galaburda, W. Richer, and M. Griffen re potential issues (.80); discuss same with M. Griffen (0.40); review document from D. Galaburda re [REDACTED] (.30); PUHCA Audit conference call in preparation for initial call with Audit Staff (1.30); follow-up call with D. Galaburda re hold issue (.20).
12/04/2008	JohnMcGrane	45511398				\$556.00	\$556.00	E-mails regarding hold (0.4); review material from earlier audit (0.4).
12/04/2008	GeorgeBillinson	45514128				\$1,100.00	\$1,100.00	Review and comment on draft outline for initial discussion with Audit Staff (.30); telephone conference with D. Galaburda re same (.30); attention to [REDACTED] (.60); review additional materials re [REDACTED] (.80).
12/04/2008	AnanSokker Hunt	45514469				\$1,058.00	\$1,058.00	Research, obtain, and review [REDACTED] [REDACTED] [REDACTED] [REDACTED] and assemble onto CD for M. Griffin's review.
12/05/2008	GeorgeBillinson	45514129				\$660.00	\$660.00	Telephone conference with D. Galaburda re preparations for initial conference call with FERC Audit Staff (.30); review and comment on draft outline for same (.20); attention to [REDACTED] (.70).
12/05/2008	JohnMcGrane	45511411				\$764.50	\$764.50	Review organizational chart and other materials (0.7); e-mail with D. Galaburda regarding call with FERC (0.4).
12/08/2008	JohnMcGrane	45562218				\$695.00	\$695.00	Conference call with FERC staff regarding audit.

Date	Name	Phone	Redacted	Amount 1	Amount 2	Description
12/08/2008	GeorgeBillinson	45587284	██████████	\$1,760.00	\$1,760.00	Prepare for initial conference call with Audit Staff (.70); initial conference call with Audit Staff (.70); review and comment on draft outline for ██████████ telephone conference with Audit Staff (.50); telephone conference with D. Galaburda, M. Guttikonda re same (.50) review FERC files for National Grid Form 65 and discuss same with L. McAllister (.80).
12/09/2008	GeorgeBillinson	45587288	██████████	\$1,100.00	\$1,100.00	Review and comment on revised draft outline for telephone conference with Audit Staff re ██████████ (.30); telephone conference with Audit Staff re same (.50); follow-up telephone conference with D. Galaburda, M. Guttikonda, B. Richer, and B. Needleman re same (.50); work on email to Audit Staff confirming agreement re ██████████ (.70).
12/10/2008	JohnMcGrane	45562235	██████████	\$347.50	\$347.50	Conference call regarding issues, hold, etc.
12/10/2008	GeorgeBillinson	45587295	██████████	\$385.00	\$385.00	Conference call with Audit Team (0.50); telephone conference with D. Galaburda re draft email to Audit Staff (.20).
12/12/2008	GeorgeBillinson	45587307	██████████	\$1,210.00	\$1,210.00	Review Audit Staff's First set of data requests (.60); telephone conference with D. Galaburda, M. Gotakinda, and B. Richer re same (1.30); attention to issues re ██████████ (.30).
12/12/2008	JohnMcGrane	45562253	██████████	\$834.00	\$834.00	Review data requests (0.5); telephone conference with Baker regarding same (0.5), office conference with G. Billinson; e-mail to B. Rider regarding response to DRS (0.2).
12/12/2008	WilliamBaker, Jr.	45692171	██████████	\$792.00	\$792.00	Begin review and analysis of FERC audit letter request; review of files.
12/14/2008	WilliamBaker, Jr.	45692180	██████████	\$1,122.00	\$1,122.00	Completion of review of FERC audit letter request and list of items in email for discussion and change.
12/15/2008	JohnMcGrane	45664356	██████████	\$278.00	\$278.00	E-mails regarding data requests (0.4).
12/15/2008	DanielSkees	45587560	██████████	\$282.00	\$282.00	Conference with G. Billinson regarding data request responses and organizational approach to production (0.2 hours); review template of audit responses and circulate to group (1.0 hours).
12/15/2008	GeorgeBillinson	45666703	██████████	\$660.00	\$660.00	Work on PUHCA audit data responses (1.0) Conference with D. Skees re data request responses and production of responsive documents (.20).
12/16/2008	JohnMcGrane	45664366	██████████	\$1,320.50	\$1,320.50	Review data requests, issues (0.5); e-mails regarding same (1.4).
12/16/2008	DanielSkees	45609756	██████████	\$822.50	\$822.50	Review and organize all materials received from National grid to date, including exhibits and narrative responses (3.0 hours); conference with G. Billinson and B. Richard regarding organization of production.
12/16/2008	GeorgeBillinson	45666711	██████████	\$1,265.00	\$1,265.00	Discuss preparations for responses to Audit Staff's first set of data requests with D. Skees and review materials re same.
12/17/2008	GeorgeBillinson	45666713	██████████	\$605.00	\$605.00	Regular audit telephone conference (.90); conference with D. Skees re production (.2).
12/17/2008	JohnMcGrane	45664376	██████████	\$1,320.50	\$1,320.50	Weekly conference call regarding PUHCA audit (0.8); office conference with G. Billinson regarding issues regarding same (0.4); review prep materials for call with Staff (0.4); review petition for waiver regarding affiliate transactions (0.3).
12/17/2008	DanielSkees	45620478	██████████	\$399.50	\$399.50	Attend conference call with G. Billinson, J. McGrane and National Grid personnel to discuss audit (0.9 hours); review and organize documents received to date (0.6 hours); conference with G. Billinson regarding production (0.2 hours).
12/18/2008	GeorgeBillinson	45666718	██████████	\$1,375.00	\$1,375.00	Prepare for call with FERC Audit Staff (.70);

Page 31 of 283
Revised
telephone conference with D. Galaburda, M. Gotakinda, B. Richer, and D. Skees in preparation for same (1.0); telephone conference with FERC Audit Staff (.70); follow-up call with D. Galaburda (.30); review and revise summary of agreements with FERC Audit Staff (.50).

12/18/2008	DanielSkees	45635120	██████████	\$1,386.50	\$1,386.50	Attend conference call to discuss meeting topics before call with FERC (0.5 hours); attend conference call with FERC Audit staff and discuss call with G. Billinson (1.0 hours); summarize in e-mail all discussions with FERC audit staff (0.5 hours); review, organize, and catalogue all information and attachments received to date (3.90 hours).
12/18/2008	JohnMcGrane	45664389	██████████	\$347.50	\$347.50	Office conference with G. Billinson regarding interpretation of data requests (0.3); e-mail regarding same (0.2).
12/19/2008	GeorgeBillinson	45666724	██████████	\$990.00	\$990.00	Work on responses to Audit Staff's first data requests and discuss same with D. Skees.
12/19/2008	DanielSkees	45645153	██████████	\$893.00	\$893.00	Review, organize, and categorize documents received from National Grid in preparation for audit; (2.0 hours); prepare grid of all materials and information received to date (0.8 hours); conference call with National grid to discuss production (1.0 hours).
12/22/2008	DanielSkees	45666930	██████████	\$1,128.00	\$1,128.00	Review and catalogue documents received from National Grid for audit responses; correspond with National Grid regarding documents and to set up conference call.
12/23/2008	DanielSkees	45691088	██████████	\$1,903.50	\$1,903.50	Review and organize additional documents received from National Grid (3.0 hours); conference call with W. Richer to discuss status of audit response (0.5 hours); prepare matrix of response documents to date in preparation for conference call (1.0 hours); conference call with D. Galaburda, J. McGrane, and G. Billinson to discuss ██████████ (1.0 hours); update matrix to include all notes and determinations from conference call (1.0 hours); review and proofread all documents for January 2, 2009 production (1.0 hours); prepare zip file with all documents for January 2, 2009 production (0.6 hours).
12/23/2008	JohnMcGrane	45690127	██████████	\$1,042.50	\$1,042.50	Conference call regarding draft filing (0.5); review data responses (1.0).
12/23/2008	GeorgeBillinson	45690988	██████████	\$1,760.00	\$1,760.00	Prepare for telephone conference re responses to Audit Staff's first data requests (0.70); telephone conference with D. Galaburda, J. McGrane, and D. Skees re responses to Audit Staff's first data requests (1.0); discuss same with D. Skees (1.70).
12/27/2008	DanielSkees	45691093	██████████	\$282.00	\$282.00	Respond to e-mails from W. Richer and other National Grid personnel regarding status of production and summarizing discussions and decisions from the previous Tuesday conference call.
12/28/2008	DanielSkees	45691094	██████████	\$47.00	\$47.00	E-mail with G. Billinson about issues raised in National Grid e-mails over the holidays.
12/29/2008	GeorgeBillinson	45737931	██████████	\$3,685.00	\$3,685.00	Work on audit data responses (6.40); telephone conference with M. Wheatcroft and D. Skees regarding same (.30).
12/29/2008	JohnMcGrane	45735942	██████████	\$486.50	\$486.50	E-mails regarding production on January 2 (0.4); telephone conferences with D. Galabuda et al regarding same (0.3).
12/29/2008	DanielSkees	45703631	██████████	\$893.00	\$893.00	Review, catalogue, and organize new documents received from National Grid for audit responses (1.2 hours); conference with G. Billinson regarding open questions from

National Grid regarding responses (0.5 hours); set up and hold conference call with M. Wheatcroft to discuss receiving approval for January 2 production (0.5 hours); conference with G. Billinson regarding additional production steps including index for submissions (0.3 hours); respond to e-mails from National Grid (0.3 hours); update matrix of response documents and send to National Grid attorneys (1.0 hours).

12/30/2008	DanielSkees	45715351	██████████	\$23.50	\$23.50	Review and respond to National Grid e-mails regarding audit response.
12/30/2008	GeorgeBillinson	45737937	██████████	\$1,980.00	\$1,980.00	Work on audit data responses (3.30); draft transmittal letter regarding same (.30).
12/31/2008	DanielSkees	45724310	██████████	\$846.00	\$846.00	Revise transmittal letter (0.3 hours); conference with G. Billinson regarding production of first response to PUHCA audit and revisions to transmittal letter (0.6 hours); conference with D. Galaburda regarding production (0.1 hours); circulate transmittal letter to the group and review responses (0.1 hours); review documents for production, proofread, and insert changes (2.5 hours).
12/31/2008	GeorgeBillinson	45737947	██████████	\$1,100.00	\$1,100.00	Work on audit data responses (1.60); review and revise draft transmittal letter regarding same (.40).

Expenses:

Date	Timekeeper	LI #	Code	Hours	Rate	Orig. Amt	To Pay	Description
12/03/2008	GeorgeBillinson	56260911	E105	████	████	\$1.03	\$1.03	Domestic Long Distance 17819071847 WALTHAM Ma ssachusetts
12/04/2008	GeorgeBillinson	56266201	E105	████	████	\$1.80	\$1.80	Domestic Long Distance 17819071847 WALTHAM Ma ssachusetts
12/16/2008	WilliamBaker, Jr.	56404459	E106	██████████	██████████	\$66.96	\$66.96	Lexis Charges
12/16/2008	DanielSkees	56315590	E105	████	████	\$0.65	\$0.65	Domestic Long Distance 15083892311 WESTBORO Ma ssachusetts
12/19/2008	DanielSkees	56339262	E105	████	████	\$0.46	\$0.46	Domestic Long Distance 16173042302 BOSTON Ma ssachusetts

Billing Summary:

	Orig. Amt	Adjustment	To Pay
Fees:	\$44,882.00	\$0.00	\$44,882.00
Expenses:	\$70.90	\$0.00	\$70.90
Totals:	\$44,952.90	\$0.00	\$44,952.90

Legal eXchange Invoice from Morgan Lewis & Bockius LLP

Invoice Number:	2141740
Invoice Date:	03/19/2009
Description:	FERC FINANCIAL AUDIT FERC Financial Audit
Matter Number:	051477
Matter Name:	FERC Audit
Customer Pay Name:	
Customer Pay Number:	
Firm Tax ID:	230891050
Firm Address:	1701 Market Street Philadelphia, PA 19103-2921

Fees:

Date	Timekeeper	LI #	Code	Hours	Rate	Orig. Amt	To Pay	Description
02/01/2009	GeorgeBillinson	46089547				\$1,050.00	\$1,050.00	Review documents from Client for responsiveness to data requests; review materials re [REDACTED].
02/02/2009	WilliamBaker, Jr.	46040585				\$375.00	\$375.00	Issues re [REDACTED]; discussion re same.
02/02/2009	DanielSkees	46032709				\$1,258.75	\$1,258.75	Review e-mail correspondence and additional attachments for responsiveness for final response to data request and update responses (2.0 hours); prepare for and attend conference call with G. Billinson, J. McGrane, and National Grid personnel to discuss remaining issues (2.5 hours); conference with G. Billinson regarding draft presentation for audit staff (0.5 hours).
02/02/2009	GeorgeBillinson	46089551				\$1,312.50	\$1,312.50	Telephone conference with J. McGrane and B. Baker re [REDACTED] (.30); telephone conference with D. Galaburda, M. Guttikonda, B. Richer, J. McGrane, and D. Skees re open issues (1.0); follow-up discussions and telephone conferences with D. Galaburda re same (.70); discussions with D. Skees re site visit presentation. (.50).
02/02/2009	JohnMcGrane	46086334				\$2,376.00	\$2,376.00	Review data responses and SEC audit materials regarding [REDACTED] (1.8); office conferences regarding same (1.1); e-mails with D. Galaburda regarding action items for steering committee call (0.2); conference call regarding [REDACTED] (0.5).
02/03/2009	GeorgeBillinson	46089555				\$1,470.00	\$1,470.00	Review and comment on draft outline of initial presentation to FERC audit staff during site visit and discuss same with J. McGrane and D. Skees (0.80); work on answers to data requests. (2.0).
02/03/2009	JohnMcGrane	46086340				\$1,848.00	\$1,848.00	Conference call with D. Galaburda, B. Needleman, and M. Noble regarding [REDACTED] (0.5); e-mails with M. Guttikonda regarding PUCHA 2005 regs (0.3); review draft responses with G. Billinson (1.5) and revise draft site visit agenda (0.5).
02/03/2009	DanielSkees	46040206				\$1,711.90	\$1,711.90	Draft outline of initial presentation to FERC audit staff during site visit, conference with G. Billinson regarding revisions and revise outline and circulate to National Grid (2.0 hours); review new documents for National Grid response to data request and conference with G. Billinson, J. McGrane and National Grid

Date	Name	Phone	Redacted	Rate	Amount	Description
02/04/2009	JohnMcGrane	46086352	[REDACTED]	\$990.00	\$990.00	personnel regarding response and circulate response to National Grid (4.8 hours); Conference call with National Grid Product and Project Steering Committee (0.7); review final response and attend conferences with G. Billinson and D. Skees regarding same (0.8).
02/04/2009	DanielSkees	46047502	[REDACTED]	\$1,460.15	\$1,460.15	Review comments from M. Wheatcroft on proposed submission and update Bates numbers to account for all changes to submission (0.5 hours); prepare for and attend conference call with G. Billinson and J. McGrane with National Grid audit steering committee to discuss next steps in audit (1.0 hours); prepare and finalize all documents and responses for submission to Audit Staff (2.6 hours); arrange delivery and hand-deliver response to Audit Staff (1.0 hours); review e-mails regarding next projects from D. Galaburda (0.4 hours); conference with G. Billinson regarding audit (0.3 hours).
02/04/2009	GeorgeBillinson	46089559	[REDACTED]	\$892.50	\$892.50	Weekly audit call (.70); telephone conferences with D. Skees re same and re final production in response to Audit Staff's data requests (.60); discussion with D. Skees re same and re next steps. (.40).
02/05/2009	GeorgeBillinson	46089561	[REDACTED]	\$630.00	\$630.00	Telephone conference with D. Galaburda, et al. re audit (1.0); discuss same with J. McGrane (.20).
02/05/2009	DanielSkees	46056569	[REDACTED]	\$453.15	\$453.15	Send duplicate copies of latest filing to National Grid personnel (0.3 hours); prepare for and attend conference call with National Grid and G. Billinson to discuss preparations for audit site visit (1.5 hours).
02/05/2009	JohnMcGrane	46086362	[REDACTED]	\$198.00	\$198.00	E-mails regarding legal memo [REDACTED]
02/06/2009	GeorgeBillinson	46089565	[REDACTED]	\$787.50	\$787.50	Telephone conference with D. Galaburda and D. Skees in preparation for call with FERC Audit Staff (.20); telephone conference with R. Strother (Audit Staff), D. Galaburda, and B. Richer re same (.30); telephone conference with D. Galaburda re same (.20); follow-up discussion with D. Skees re same (.50); review and respond to email re site visit issues (.30).
02/06/2009	DanielSkees	46066988	[REDACTED]	\$201.40	\$201.40	Conference with G. Billinson and National Grid personnel regarding call with FERC Audit Staff to discuss the location of the audit and follow-up e-mail.
02/09/2009	DanielSkees	46089891	[REDACTED]	\$679.73	\$679.73	Conference with G. Billinson regarding supplemental response (0.5 hours); prepare and draft supplemental submission for [REDACTED] and circulate to National Grid personnel (0.4 hours); prepare supplemental affidavit and correspond with W. Richer regarding execution (0.2 hours); conference with G. Billinson regarding revisions to outline for site visit kick off presentation (0.1 hours); revise presentation outline (1.5 hours).
02/09/2009	GeorgeBillinson	46148816	[REDACTED]	\$735.00	\$735.00	Work on supplemental response to [REDACTED] and discuss same with J. McGrane and M. Haskell (.80); discuss potential Massachusetts audit with J. McGrane and D. Skees (.20); discuss site visit plans with D. Skees (.40).
02/10/2009	JohnMcGrane	46147240	[REDACTED]	\$1,716.00	\$1,716.00	Review draft supplemental response (0.3); office conference with G. Billinson and D. Skees regarding same (0.3); e-mails regarding launch effort; review materials (1.0); e-mail regarding DPU authority in AG DRs (0.2); review AG requests (0.3); telephone