

VIA E-FILING

April 24, 2012

Honorable Jaclyn Brillling, Secretary
New York State Department of Public Service
Three Empire State Plaza
Albany, New York 12223

**Re: Case 06-M-0878 – Joint Petition of National Grid plc and KeySpan Corporation
for Approval of Stock Acquisition and other Regulatory Authorizations**

Dear Secretary Brillling:

The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid and Niagara Mohawk Power Corporation d/b/a National Grid (collectively, “National Grid” or “Companies”), hereby advise the Commission that the “Gas Safety and Service Reliability” requirements of Sections V-A-1 and VI-A-1 of the *Joint Proposal for Gas Safety, Reliability and Customer Service Performance Requirements* (“JP-3”), as adopted and amended by the Commission in this proceeding,¹ have been fully satisfied for calendar year 2011. In accordance with the Commission’s September 17, 2007 Order, please find enclosed a report reflecting the Companies’ 2011 performance for each of the gas safety measures.

Thank you, and please contact the undersigned with any questions regarding this letter or the enclosure.

Respectfully submitted,

/s/ Adam L. Benshoff
Adam L. Benshoff

Encl.

¹ Case 06-M-0878, *Joint Petition of National Grid plc and KeySpan Corporation for Approval of Stock Acquisition and other Regulatory Authorizations*, “Order Authorizing Acquisition Subject to Conditions and Making Some Revenue Requirement Determinations for KeySpan Energy Delivery New York and KeySpan Energy Delivery Long Island” (September 17, 2007), pp. 103-107 & 143-148 (adopting the August 23, 2007, “Abbreviated Order”).

NATIONAL GRID
NYS RATE AGREEMENT SAFETY AND RELIABILITY PERFORMANCE
REQUIREMENTS

Rate Agreement Period: January 1, 2008 – December 31, 2012

SAFETY & RELIABILITY CATEGORY	PENALTY	Calendar Year Ending 2011
Annual Main Replacement	<u>2011 KEDNY</u> 25 miles (including 3 miles of programmatic bare steel or cast iron mains not resulting from CSC work) \$ 1,160,000	C.I./Bare Steel 22.6 Programmatic Repl. 3.5 Total 26.1
	<u>2011KEDLI</u> 50 miles of bare steel or cast iron mains \$960,000 And 4,000 bare steel services \$960,000	C.I./Bare Steel 51.8 Services 4325
Responses to Gas Leaks and Odors	<u>2011 KEDNY</u> 75% in 30minutes - \$2,030,000	77.6%
	90% in 45 minutes - \$870,000	96.1%
	95% in 60 minutes - \$580,000	99.3%
	<u>2011 KEDLI</u> 75% in 30minutes - \$1,200,000	77.2%
	90% in 45 minutes - \$720,000	96.1%
	95% in 60 minutes - \$480,000	99.7%
Leak Management	<u>2011 KEDNY / KEDLI</u> NYC 75 or less / \$0 NYC 76-85 / \$10,000 per leak NYC 86-95/ \$100,000+ \$20,000 per leak NYC > 95 / \$1,740,000 LI 75 or less / \$0 LI 76 – 85 / \$10,000 per leak LI 86 – 95 / \$100,000 plus \$20,000/leak LI >95 / \$ 1,440,000	NYC Current Backlog 6 L.I. Current Backlog 21

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SAFETY & RELIABILITY CATEGORY	PENALTY	Calendar Year Ending 2011
Overall Damage Prevention	<p style="text-align: center;"><u>2011 KEDNY / KEDLI</u></p> <p style="text-align: center;">(NYC - 4.2 / \$0) (L.I. - 4.2 / \$0) NYC 4.2 - 4.4 / \$290,000 L.I. 4.2 - 4.4 / \$240,000 NYC > 4.4 / \$580,000 L.I. > 4.4 / \$480,000</p>	<p style="text-align: center;">Damages per 1,000 One Call Tickets</p> <p style="text-align: center;">NYC 2.14 L.I. 2.32</p>
Damages Due to Mismarks	<p style="text-align: center;"><u>2011 KEDNY / KEDLI</u></p> <p style="text-align: center;">NYC 0.90 / \$0 0.91-1.00 / \$725,000 > 1.00 / \$1,450,000 L.I. > 1.00 / \$1,200,000</p>	<p style="text-align: center;">NYC 0.54 L.I. 0.56</p>
Damages Due to Company /Co. Contractor	<p style="text-align: center;"><u>2011 KEDNY / KEDLI</u></p> <p style="text-align: center;">NYC 0.25 / \$580,000 L.I. 0.25 / \$480,000</p>	<p style="text-align: center;">NYC 0.03 L.I. 0.04</p>

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Safety & Reliability Category	PENALTY	Calendar Year Ending 2011
Annual Main Replacement	<p style="text-align: center;"><u>2011 NIMO</u></p> <p style="text-align: center;">25 miles per year or a total five year target of 150 miles by year end 2012 \$840,000</p>	<p style="text-align: center;">Replacement 30</p> <p style="text-align: center;">Five year cumulative to date 140</p>
Response to Gas Leaks & Odors	<p style="text-align: center;"><u>2011 NIMO</u></p> <p style="text-align: center;">75% in 30 minutes - \$1,050,000 90% in 45 minutes - \$630,000 95% in 60 minutes - \$840,000</p>	<p style="text-align: center;">82. 5% 95. 0% 98. 4%</p>
Leak Management	<p style="text-align: center;"><u>2011 NIMO</u></p> <p style="text-align: center;">40 or less /\$0 41 – 50 / \$10,000 per leak 51-60 /\$100,000+\$20,000/leak</p>	<p style="text-align: center;">Backlog 3</p>
Overall Damage Prevention	<p style="text-align: center;"><u>2011 NIMO</u></p> <p style="text-align: center;">3.94 / \$0 3.94 – 4.14 / \$210,000 >4.14 / \$420,000</p>	<p style="text-align: center;">Damages per 1,000 One Call Tickets</p> <p style="text-align: center;">3. 033</p>
Damages Due to Mismarks	<p style="text-align: center;"><u>2011 NIMO</u></p> <p style="text-align: center;">0.67 / \$0 0.67 – 0.77 /\$525,000 >0.77 / \$1,050,000</p>	<p style="text-align: center;">Damages per 1,000 One Call Tickets</p> <p style="text-align: center;">0. 481</p>
Damages Due to Company / Co. Contractor	<p style="text-align: center;"><u>2011 NIMO</u></p> <p style="text-align: center;">0.19 / \$420,000</p>	<p style="text-align: center;">Damages per 1,000 One Call Tickets</p> <p style="text-align: center;">0. 060</p>