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**From:** A Message from Tom King  
**Sent:** Wednesday, December 12, 2012 9:50 AM  
**Subject:** A Letter of Apology and a Confirmation of Our Commitment

**\*\*\*\*This message is being sent to all National Grid mailboxes in the US\*\*\*\***  
**Please post for employees without access to e-mail**

## **A Letter of Apology and a Confirmation of Our Commitment**

I am deeply sorry for all that you may be experiencing with payroll due to our recent change to a new back-office enterprise platform. Particularly painful and unthinkable is that this burden would be placed upon you after the remarkable effort you put forward with the Sandy restoration.

I take full responsibility for this situation, and you have my word that we will not rest until we have corrected every paycheck, and every employee is made whole. There is no priority for us higher than this one, and we will do everything to fix this as quickly as humanly possible.

### **Our plan to fix the payroll problems**

Many of you have already called our attention to your paycheck errors, and we are working to correct those as quickly as possible. Through December 6, a significant number of our employees have had payroll adjustments – although we recognize that much work remains to have these employees made whole.

This cannot be overemphasized: We will continue to work through our payroll issues until we have corrected every employee's paycheck.

This means correcting not only your hard-earned pay, but also resolving any late fees, surcharges or other expenses you've incurred as a result of these issues.

While this monumental undertaking will clearly take some time, we are working tirelessly to resolve most issues by year-end. We will address this problem with a determination equal to – if not greater than – that shown during our Sandy restoration.

### **What should employees do**

It is vital that every employee continue to check his or her pay stub and notify the TDC as soon as possible if there is a question or concern.

*To contact the TDC, call 1-888-483-2123. TDC hours are as follows:*

*Saturdays and Sundays: 8:00am to 4:30pm*

*Mondays: 6:00am to 6:00pm - - - - -*

*Tuesdays through Fridays: 7:00am to 6:00pm*

To further help employees assess and address their pay issues, we are doing the following:

- We are setting up “payroll clinics” in the operating yards and office locations with the highest volume of pay issues logged with the TDC. These clinics will be staffed by people who can help assess your specific payroll issues and provide more information on when employees might see their issues resolved.
- Please also keep in mind that your department USFP Super Users may prove to be a valuable resource in identifying and providing direction on where to refer your questions and issues regarding payroll.

### **Rationale behind this back-office system implementation**

When National Grid and KeySpan merged, each company had its own “back-office” system that governed accounting, finances, human resources, supply chain and other functions. After the merger, we recognized the need to have a single back-office system for the entire company. And so we decided to convert our back-office systems to SAP, and the long process to develop the new system was begun in late 2009. As we filed rate requests in 2010 in Massachusetts and upstate New York, issues arose regarding how we assign costs to our various operating companies and an audit confirmed the already-identified need for the overhaul of the legacy back-office systems.

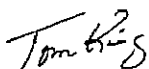
It is important to realize that the final conversion steps to consolidate more than 90 operating systems began at the end of September in phases, well ahead of Hurricane Sandy. Unfortunately, after the storm, we experienced errors in the payroll component of the system, which were exacerbated because of the unusual permutation in payroll processes resulting from the numerous and varied storm assignments.

### **In Closing**

In times like these, I realize that there are no actions that can change the past, nor words that can ease the anxiety and frustration. We owe you results, and quickly as possible.

We will keep you updated as we move forward, fully appreciating that the only message you want to hear is that you have received all compensation owed to you.

Sincerely,

A handwritten signature in black ink that reads "Tom King". The signature is written in a cursive, slightly slanted style.

*Tom King*

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