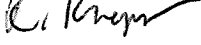


STATE OF NEW HAMPSHIRE
Inter-Department Communication

DATE: April 22, 2011
AT (OFFICE): NHPUC

FROM: Randy Knepper 
Director, Safety Division

SUBJECT: Status of National Grid Performance with Order 24,777 regarding
Emergency Response Times.

TO: Debra Howland, Executive Director
Anne Ross, General Counsel
Lynn Fabrizio, Staff Attorney



The Safety Division would like to update the Commission regarding National Grid's (the Company's) compliance with Commission Order No. 24,777 (July 12, 2007), section II, subsection C.7 (n) regarding Emergency Response Times approved in the EnergyNorth Merger Rate Agreement in Docket No. DG 06-107. The standards approved in the order require the Company to meet certain minimum emergency response times to calls reporting gas leaks and odors. The order directed compliance with those standards by January 1, 2008, to allow time for National Grid to reorganize staffing and add staff as needed to meet the performance standards.

The emergency response time requirements of Order No. 24,777 establish certain performance standards with respect to meeting maximum response times of 30, 45 and 60 minutes during Normal Business, After Hours, and Weekends/Holidays. Emergency response entails arrival on the scene following a call to make determinations of the degree of hazard; the standards state a minimum percentage of compliance that must be met on a monthly basis. A utility's ability to meet emergency response standards has direct implications for emergency responders such as police and fire, and is of critical interest to utility customers and the safety of the public, in general.

Attachment A contains 3 graphs covering the period from August 2007 through February 2011 that depict the degree to which National Grid was able to achieve the minimum response time standards.

Attachment B contains data submitted for the years 2008 through 2010, including locations, dispatch times, emergency response times, types of calls, and employee personnel involved.

As can be seen from Attachments A and Attachment B, National Grid generally has met the critical response standards. There have been eight instances during the compliance reporting period in which the standards have not been met. All of those instances

occurred after the incentive period was being tracked and six of the eight have occurred within the last six months. This emergency response standard is a cornerstone of an operator's requirement for preparing, planning and implementing an effective emergency response. It is the final action of a chain of events that should not and cannot be compromised in order to prevent potential escalation of a potential hazardous situation. The assessment of hazard and subsequent action plans cannot be determined until operators have arrived on the scene. It is essential that undue delays be eliminated. The public demands confidence in the ability of an operator to respond to potential emergencies promptly and without delay.

Based on its review of National Grid's performance pursuant to Order No. 24,777, Staff proposes to undertake the following steps to improve and ensure compliance with emergency response standards.

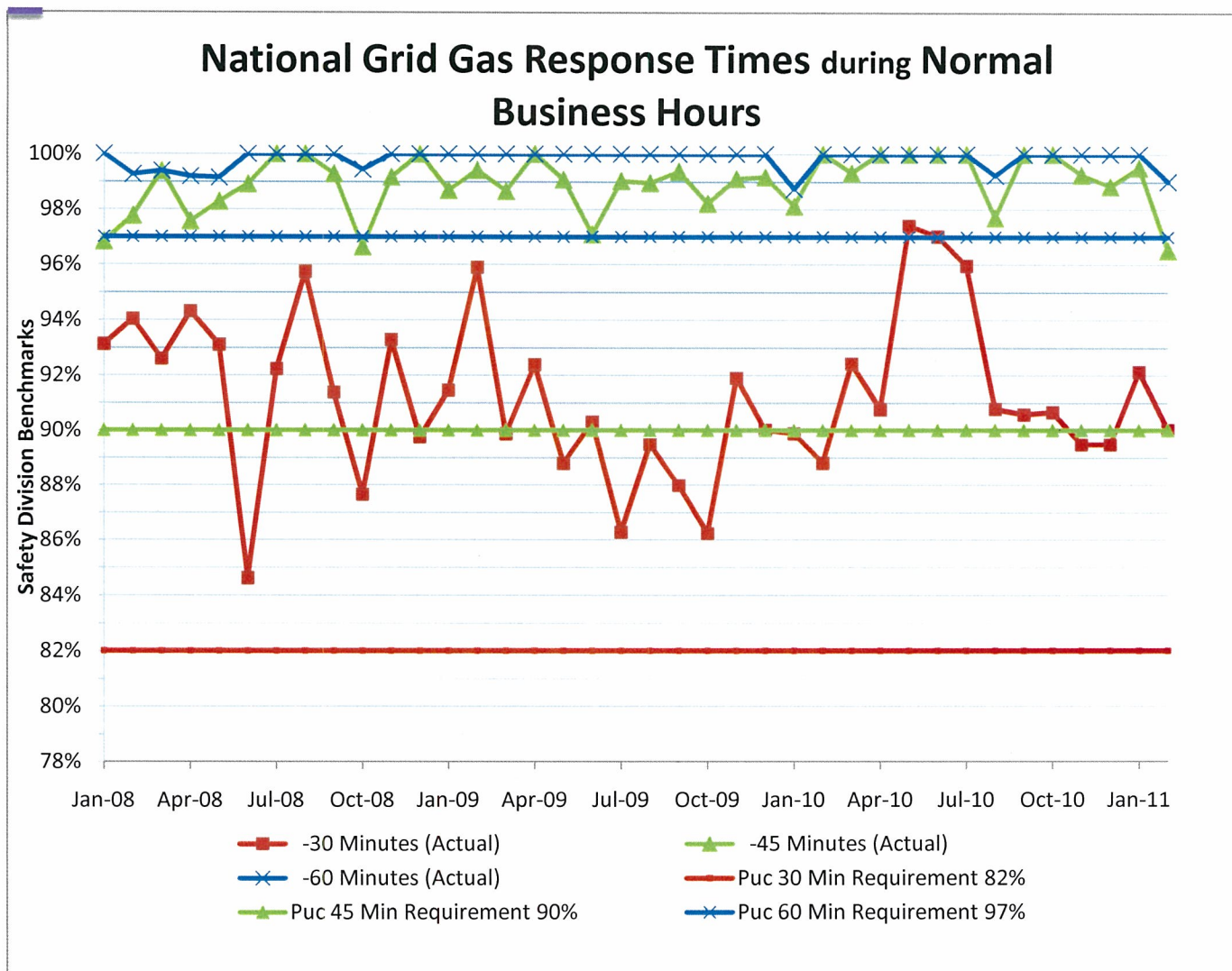
Areas Recommended for Improvement:

- 1) While National Grid has met Order No. 24,777 requirements as measured on an annual basis and has received the maximum incentive amount of \$600,000, Staff believes that there should be no instances where the 60 minute notification requirement cannot be met. Staff has stressed to National Grid the need to better explain why the 60 minute notification requirement has not been met and to clarify actions taken to correct the deficiency. National Grid has given brief explanations (usually 10 words or less) in response to Staff's inquiries. Staff believes National Grid can substantially improve this area by elevating this subject to higher management within the Company.

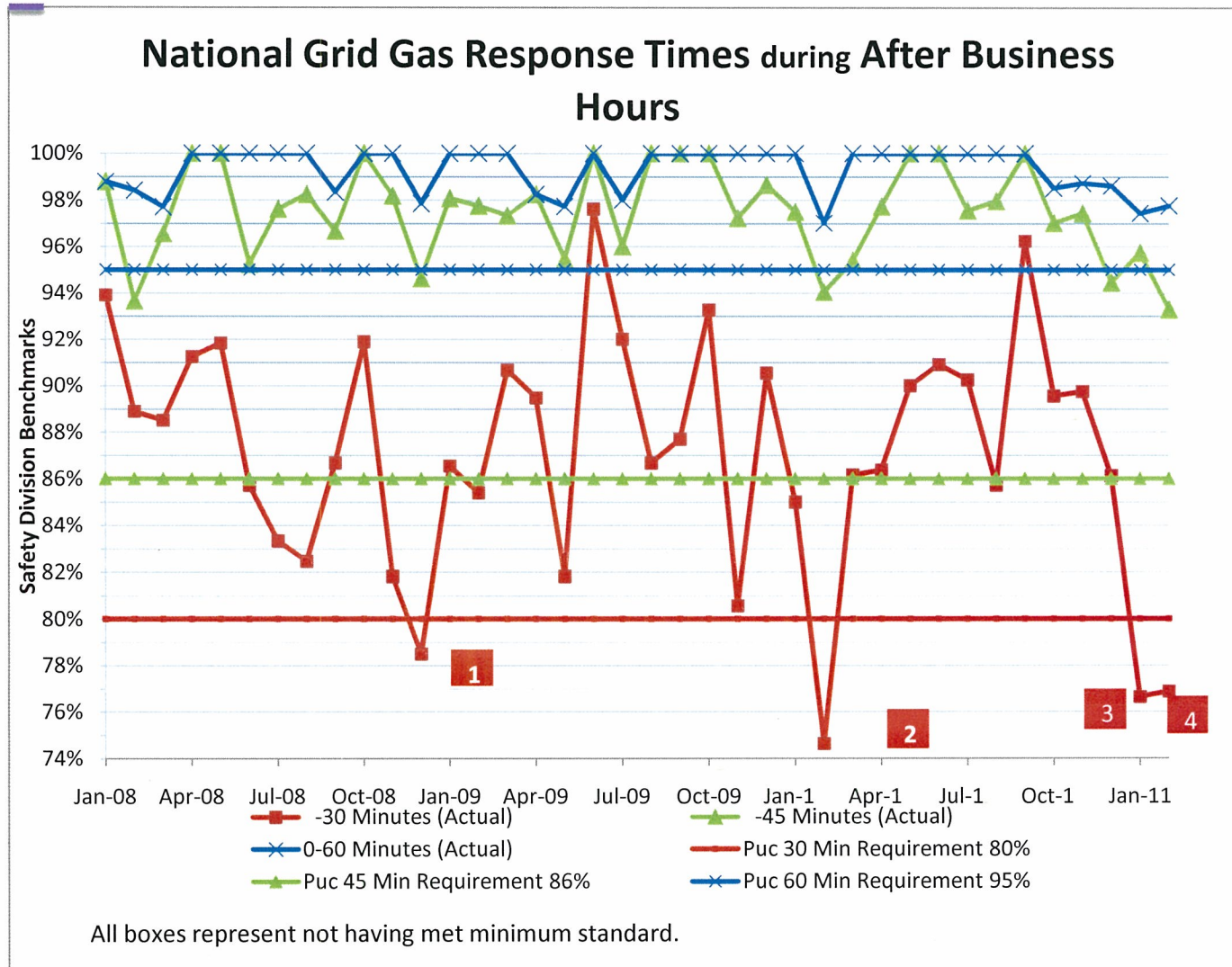
To do so, Staff will write a letter to National Grid requesting more detailed explanations and actions to remedy those situations where 60 minutes were not met.

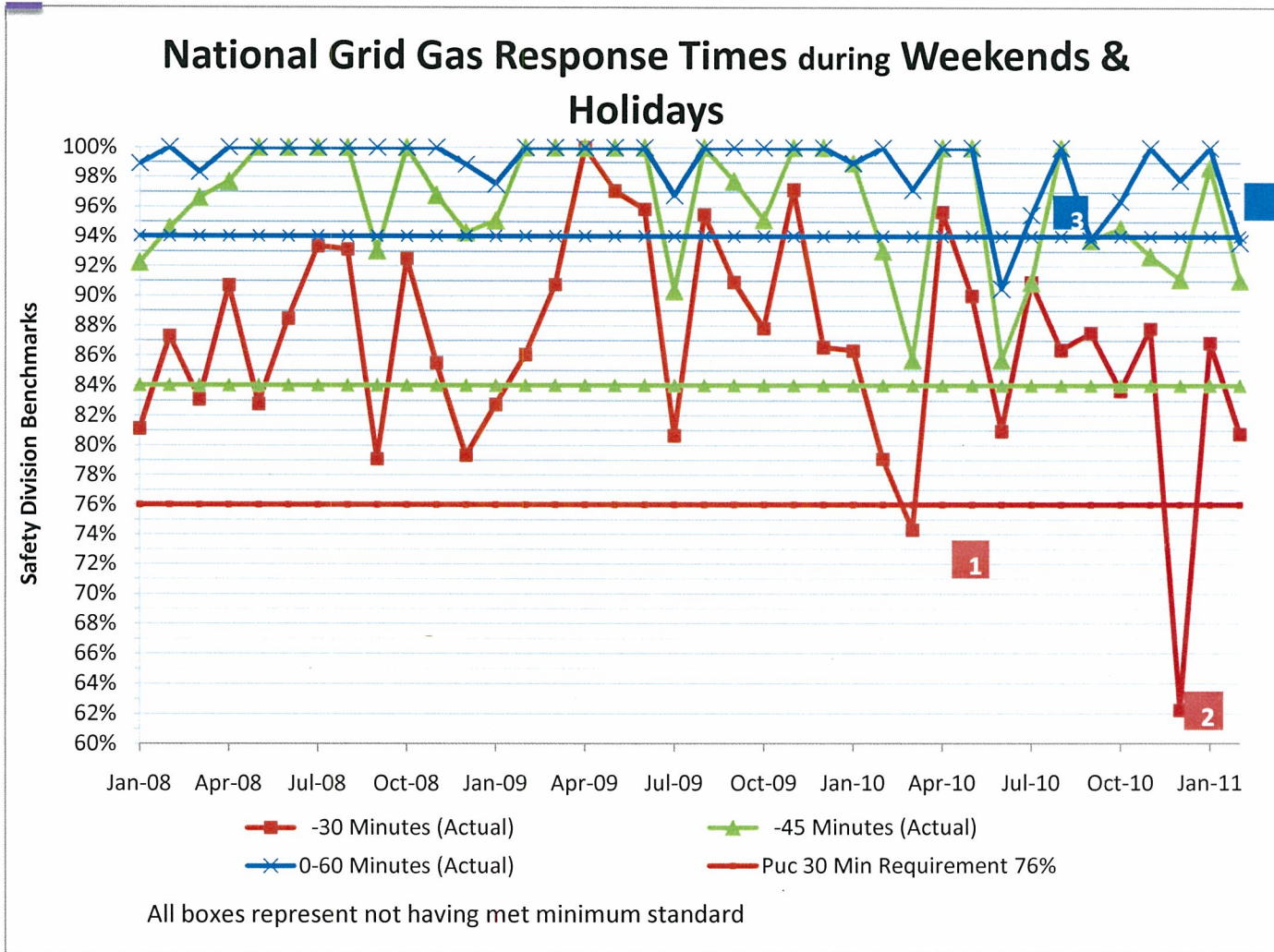
- 2) The Safety Division will consider incorporating the Emergency Response Metrics set forth in Order No. 24,777 into the Puc 500 rules as they are being considered in the next rulemaking. Improvements will include determining whether it is better safety policy to meeting the objectives on a monthly basis rather than annual basis.

Attachment A



Attachment A





[illegible][illegible]

10

<u>Its</u>	<u>Result</u>
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Nov-09	De	90.0
0.89%		99.0
1.10%		100.0
0.00%		82.0
0.00%		90.0
0.00%		97.0
Nov-09	De	90.0
0.56%		98.0
1.22%		100.0
0.00%		80.0
0.00%		86.0
0.00%		95.0
Nov-09	De	86.0
1.14%		100.0
0.00%		100.0
0.00%		76.0
0.00%		84.0
0.00%		94.0

Its	Result
ov-09	Dec
89%	90.0
10%	99.0
00%	100.0
0%	82.0
0%	90.0
0%	97.0
ov-09	Dec
56%	90.0
22%	98.0
00%	100.0
0%	80.0
0%	86.0
0%	95.0
ov-09	De
7.14%	86.0
00%	100.0
00%	100.0
0%	76.0
0%	84.0
0%	94.0

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<i>Inputs</i>	<i>Results</i>
Nov-10	Dec-10
47%	89.4%
25%	98.8%
00%	100.0%
00%	82.0%
00%	90.0%
00%	97.0%
Nov-10	Dec-10
74%	86.5%
44%	94.4%
72%	98.6%
00%	80.0%
00%	86.0%
00%	95.0%
Nov-10	Dec-10
80%	62.2%
68%	91.5%
00%	97.7%
00%	76.0%
00%	84.0%
00%	94.0%

Attachment B

National Grid Emergency Response Times 2008 - February, 2011

2011

<u>Normal Hours</u>	<u>Results</u>	<u>Results</u>
	Jan-11	Feb-11
0-30 Minutes (Actual)	92.12%	90.00%
0-45 Minutes (Actual)	99.51%	96.50%
0-60 Minutes (Actual)	100.00%	99.00%
Puc 30 Min Requirement 82%	82.0%	82.0%
Puc 45 Min Requirement 90%	90.0%	90.0%
Puc 60 Min Requirement 97%	97.0%	97.0%
<u>After Hours</u>	Jan-11	Feb-11
0-30 Minutes (Actual)	76.63%	76.87%
0-45 Minutes (Actual)	95.73%	93.28%
0-60 Minutes (Actual)	97.44%	97.76%
Puc 30 Min Requirement 80%	80.0%	80.0%
Puc 45 Min Requirement 86%	86.0%	86.0%
Puc 60 Min Requirement 95%	95.0%	95.0%
<u>Weekends / Holidays</u>	Jan-11	Feb-11
0-30 Minutes (Actual)	86.84%	80.77%
0-45 Minutes (Actual)	98.68%	91.03%
0-60 Minutes (Actual)	100.00%	93.59%
Puc 30 Min Requirement 76%	76.0%	76.0%
Puc 45 Min Requirement 84%	84.0%	84.0%
Puc 60 Min Requirement 94%	94.0%	94.0%