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June 4, 2014

**Via Hand Delivery and Electronic Mail**

NHPUC JUN04'14 PM 1:42

Ms. Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 S. Fruit St., Suite 10  
Concord, NH 03301-2429

**Re: DG 11-040—Comments of National Grid USA Regarding  
July 2014 IT Conversion**

Dear Ms. Howland:

I am writing on behalf of National Grid USA (“National Grid”) in response to the Commission’s request for comments regarding Liberty Utilities (Granite State Electric) Corp. (“Liberty”) and National Grid’s readiness to transition Liberty’s electric customers from National Grid’s customer information system (“CIS”) to Liberty’s Cogsdale system. For the reasons set forth below, National Grid requests that the Commission allow the transition to go forward as currently planned for the July 4 holiday weekend.

**Liberty and National Grid Are Ready to Implement a Successful Transition**

As Liberty described to the Commission at the May 27 status conference, Liberty and National Grid conducted a highly successful dry run of the CIS transition during the weekend of May 24-26. The results of that dry run, as summarized in a report submitted to the Commission’s staff on May 30, demonstrate that both companies are ready to implement a successful CIS transition and that relatively minor adjustments or improvements need to be made prior to cutover.

To transition Liberty’s electric customers from National Grid’s CIS to Liberty’s Cogsdale system, National Grid will be required to take its Massachusetts, Rhode Island, and Upstate New York affiliates off line until the conversion has been satisfactorily completed. During that period, National Grid’s New England and Upstate New York systems will have no access to the CIS and will be implementing its business continuity plans to take field orders, prepare work

orders, and record customer requests on paper. As is discussed below, the Commission can be assured that National Grid would not impose such a burden on the rest of its New England and Upstate New York systems if it did not have a high level of confidence that the conversion will be successfully accomplished in the time allotted, and that the Liberty and National Grid systems will be up and running normally in time for a full restoration of normal business procedures prior to Monday, July 7. The impact to National Grid's New England and Upstate New York customers of undertaking such a transition is a matter that the company treats with the utmost seriousness, and it would not be willing to proceed with the conversion if it thought that there were any meaningful risk that it could not do so successfully and to the satisfaction of all stakeholders.

Delaying the Transition Beyond July 4 Risks Creating Negative Consequences  
That Are Not in the Public Interest

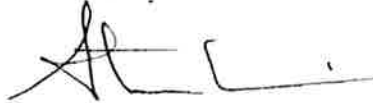
While it might at first appear that delaying the CIS transition until the Labor Day weekend would provide added assurance of a successful cutover, that is not the case. Once the parties have completed their planning and preparations and demonstrated their readiness to cutover, a delay would actually increase the risk of encountering a problem. Although Liberty and National Grid had not originally planned the transition for July, the fact is that the July 4th weekend tends to be the optimal time for such a transition because call volumes are at unusually low levels, diminishing the impact on customers both during the CIS outage that will occur over the weekend and as the systems are brought back on line immediately thereafter. Transition during another period, such as the Labor Day weekend, will result in a greater disruption of call volumes and a higher volume of calls during the period immediately after the system is brought back on line.

As noted above, the planned CIS transition will have an impact on National Grid's operations that goes far beyond the project team and the company's IT systems, extending to virtually every corner of the company. Because National Grid must close off access to its entire CIS for New England and Upstate New York, broad swaths of its electric and gas business operations will have to revert to paper systems and implement their business continuity plans during cutover weekend to continue taking work orders from customers, planning field visits, and performing many other functions. Preparing for such a massive undertaking takes many months of preparation and many weeks of prior notice and planning, with impacts that go far beyond the immediate project teams working on the CIS cutover itself. Because notice of the transition must be disseminated throughout the company and planning undertaken to implement operational plans that enable the company to accommodate the loss of access to the CIS, the notification process must begin approximately six to eight weeks in advance of the actual cutover. In fact, the notification process had already commenced for the planned Memorial Day transition, which was subsequently followed by new notices indicating that the CIS transition was postponed to July 4. Training, planning, and readiness work which were actively in progress for various groups had to be stopped, rescheduled, or extended to accommodate the change. Changing plans yet again, if not necessary because of a material problem identified through the testing process, is likely to result in confusion, loss of confidence in the transition planning process, morale problems, and loss of focus.

Once the project team is ready to proceed with cutover, further delay will only add to the risk of an unsuccessful transition, rather than reduce it. Maintenance must continue to be performed on National Grid's system during any period of delay, increasing the risk of data corruption or other unexpected problems being introduced after the system has been tested. Some of the employees trained for the transition may leave for other employment, requiring newer, less experienced employees to assume critical roles. Employees who were slated to move to other assignments within National Grid will need to be replaced or, to their frustration, will be required to remain in place beyond the date of their planned new roles. There is also the potential for errors to be introduced because some employees, based on prior communications about the planned transition, may wrongly believe that the conversion has already been completed. National Grid is committed to doing as much as reasonably possible to avoid any of these problems, but human nature is a reality that must be considered and unfortunately creates added risk. If Liberty and National Grid had not demonstrated their readiness for the cutover then delay would be warranted, but given the added risk of further delay and the lack of any demonstrated reason to postpone the cutover, the Commission should allow Liberty and National Grid to proceed.

National Grid strongly believes that both it and Liberty are well prepared and ready to implement a successful cutover during the July 4 weekend. For the reasons set forth above, it is in the public interest for them to proceed with that transition as planned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven V. Camerino', with a stylized flourish at the end.

Steven V. Camerino

SVC

cc: Service List