

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
Staff's Data Requests – Set #1

Date Received: May 11, 2010
Request No.: Staff 1-37

Date of Response: June 1, 2010
Witness: Ann E. Leary

REQUEST: Ref. p. 11, lines 6-8. Provide weather normalized therm usage by year for residential, C&I and in total for the 2002-2009 period.

RESPONSE: Please see Attachment Staff 1-37 that details the annual 2002-2009 weather normalized therm usage based on the 30 year normal degree days ending June 2009.

EnergyNorth Natural Gas Inc
 2002 - 2009 Normal BF Volume

	S&T 2002	S&T 2003	S&T 2004	S&T 2005	S&T 2006	S&T 2007	S&T 2008	S&T 2009
R-1	1,445,592	1,416,111	1,369,051	1,262,956	1,194,877	1,128,462	1,066,778	997,288
R-2	0	0	0	0	0	0	0	0
R-3	57,425,206	59,559,246	60,830,443	58,713,231	53,530,097	55,511,230	52,345,772	50,227,407
R-4	0	0	0	332,860	3,959,878	3,937,293	3,909,754	5,120,997
R-5	0	0	0	0	0	0	0	0
R-6	0	0	0	0	0	0	0	0
Total Resid.	58,870,798	60,975,356	62,199,494	60,309,047	58,684,852	60,576,985	57,322,304	56,345,692
G-41	16,417,672	18,013,363	19,202,676	18,598,794	18,017,545	18,979,647	18,251,312	17,658,195
G-42	25,608,166	27,604,728	28,475,488	29,128,820	29,960,432	31,279,688	30,705,351	29,373,964
G-43	7,226,771	7,797,035	7,152,602	5,852,526	5,954,939	5,403,445	6,816,015	7,230,316
G-51	3,912,369	4,029,668	4,034,970	3,860,396	3,777,107	3,985,108	3,799,857	3,639,994
G-52	6,457,607	6,600,888	6,608,718	6,554,335	6,695,661	6,556,002	6,677,468	6,720,738
G-53	6,061,507	6,168,821	6,028,589	6,462,366	8,933,763	9,592,326	9,597,567	8,769,884
G-54	1,105,796	0	0	0	179,644	181,319	7,495,442	10,763,592
T-46	0	0	0	0	0	0	0	0
T-47	0	0	0	0	0	0	0	0
T-48	0	0	0	0	0	0	0	0
T-56	0	0	0	0	0	0	0	0
T-57	0	0	0	0	0	0	0	0
G-63	9,610,852	8,431,835	8,420,326	7,914,956	11,785,902	12,842,702	9,649,964	4,917,787
Total C/I	76,400,738	78,646,338	79,923,371	78,372,193	85,304,993	88,820,237	92,992,976	89,074,472
Total All	135,271,536	139,621,694	142,122,865	138,681,240	143,989,846	149,397,222	150,315,280	145,420,164

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d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
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Date Received: May 11, 2010
Request No.: Staff 1-50

Date of Response: June 3, 2010
Witness: Paul M. Normand

REQUEST: Ref. p. 52, lines 13-14. Based on the Company's cost of service study how much of the Company's fixed costs are currently recovered through the fixed charge (dollar amount and percentage) component and how much will be recovered under the proposed rate design (dollar amount and percentage)? To what extent does the proposed rate design reduce the throughput incentive?

RESPONSE: Attachment PMN-RD-4-2, page 1 of 2, presents the current base revenues (lines 11 and 15) as follows:

		<u>Base \$</u>	<u>Total \$</u>
Customer Charges	\$18,586,615	41.1%	10.6%
Total Existing Base Revenues	45,196,746	100.0%	
Total Existing Revenues	\$175,935,915		100.0%

Under the proposed base rates, the following components are presented in Attachment PMN-RD-4-3, pages 3 and 5:

		<u>Base \$</u>	<u>Total \$</u>
Customer Charges	\$24,909,972	46.1%	13.3%
Total Proposed Base Revenues	54,068,126	100.0%	
Total Proposed Revenues	\$187,409,732		100.0%

The distribution portion of the proposed revenues collected in the volumetric charge is 54%. When commodity costs are included, the total proposed revenues collected from the volumetric charges will be 87% which emphasizes efforts to reduce throughput consumption.

See also the response to Staff 1-193.

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National Grid NH's Responses to
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Date Received: May 11, 2010
Request No.: Staff 1-53

Date of Response: June 3, 2010
Witness: Frank Lombardo

REQUEST: Ref. p. 10, lines 1-6. Provide the following information for each year 2005 through 2009 for each customer class:

- a. Therm sales
- b. Annual and cumulative sales growth (volume & percentage)
- c. Company energy efficiency spending
- d. Energy efficiency performance incentives earned

RESPONSE: Please see Attachment Staff 1-53. In response to Part b the Company has provided both the net sales growth and gross sales growth. The net sales growth is the annual variance in weather normalized throughput. The gross sales growth is the estimated usage associated with actual new customers that were added to the Company's system.

Normal Volumes (Therms)						
	2004	2005	2006	2007	2008	2009
R-1	1,369,051	1,262,956	1,194,877	1,128,462	1,066,778	997,288
R-2	0	0	0	0	0	0
R-3	60,830,443	58,713,231	53,530,097	55,511,230	52,345,772	50,227,407
R-4	0	332,860	3,959,878	3,937,293	3,909,754	5,120,997
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Total All	142,122,865	138,681,240	143,989,846	149,397,222	150,315,280	145,420,164

Total Net Sales Growth					
	2005	2006	2007	2008	2009
	Therm	Therm	Therm	Therm	Therm
Residential	(1,890,447)	(1,624,194)	1,892,133	(3,254,681)	(976,612)
Commercial	(1,551,178)	6,932,800	3,515,244	4,172,739	(3,918,505)
Total	(3,441,625)	5,308,606	5,407,377	918,058	(4,895,117)
Cummulative	(3,441,625)	1,866,981	7,274,358	8,192,416	3,297,299
% Annual Increase	-2.5%	3.7%	3.6%	0.6%	-3.4%
Cum % Increase	-2.5%	1.3%	4.9%	5.5%	2.3%

Total Gross Sales Growth-From Marketing Reports*					
	2005	2006	2007	2008	2009
	Therm	Therm	Therm	Therm	Therm
Residential	212,400	137,500	94,600	113,800	171,000
Commercial	585,700	954,000	445,000	730,700	889,600
Total	798,100	1,091,500	539,600	844,500	1,060,600
Cummulative	798,100	1,889,600	2,429,200	3,273,700	4,334,300
% Annual Increase	0.6%	0.8%	0.4%	0.6%	0.7%
Cum % Increase	0.6%	1.3%	1.6%	2.2%	3.0%

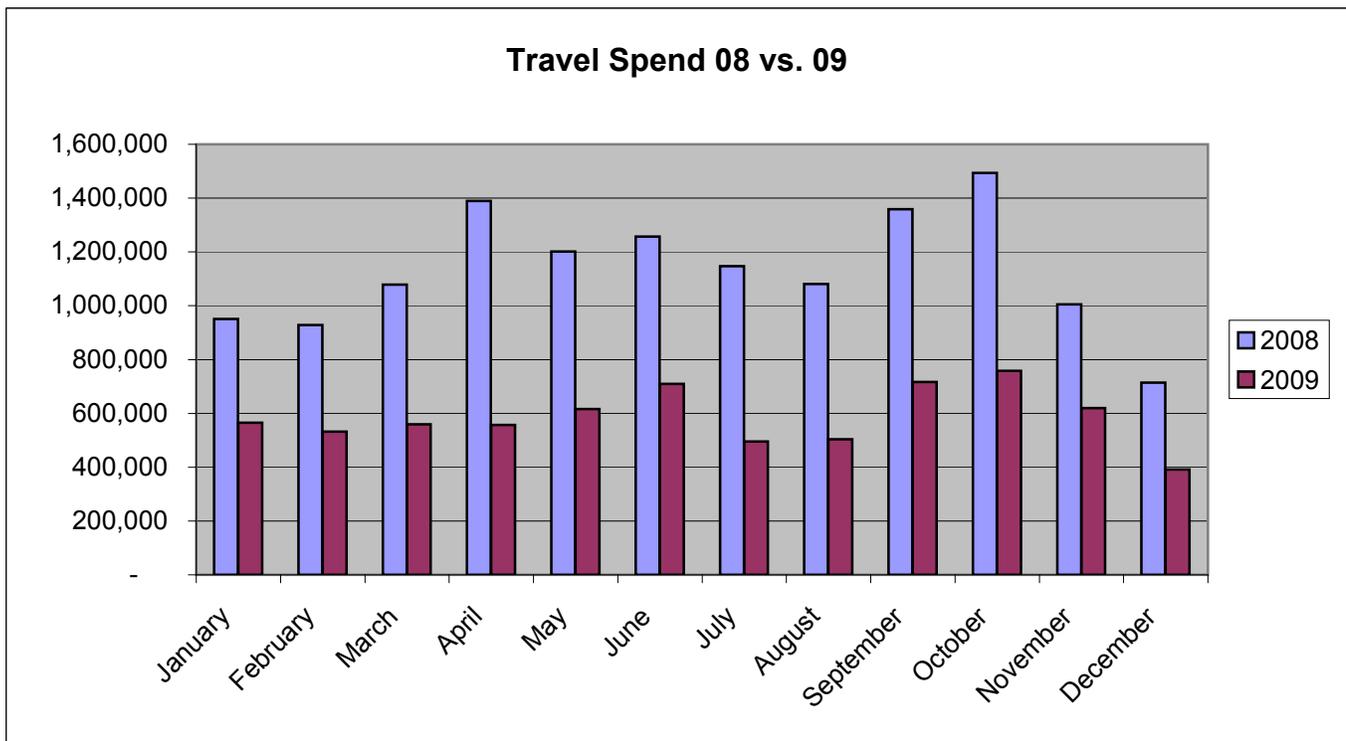
*- Gross Sales based on estimate usage of actual customers added to system.

**Energy North Natural Gas, Inc. d/b/a National Grid NH
Energy Efficiency Spending and Performance Incentives
2005 - 2009**

	Jan-Dec 2005	Jan-Dec 2006	Jan-Dec 2007	Jan-Dec 2008	Jan-Dec 2009
Actual Spending					
Low Income		447,358	408,547	206,637	514,309
Residential	613,934	688,878	623,963	856,362	1,116,236
C/I	719,152	825,089	496,515	952,625	1,415,056
Subtotal Budget	1,333,086	1,961,325	1,529,025	2,015,624	3,045,601
Incentives					
Period Earned	05/04-04/05	05/05-04/06	05/06-04/07	05/07-04/08	05/08-04/09
Period Recovered from customers	11/2005-10/2006	11/2006-10/2007	11/2007-10/2008	11/2008-10/2009	11/2009-10/2010
Residential	103,483	62,098	71,650	86,797	146,999
C/I	51,391	107,367	57,021	78,019	165,943
Subtotal Incentives earned	154,874	169,465	128,672	164,816	312,942
Total Total Spending and Incentives	1,487,960	2,130,790	1,657,697	2,180,440	3,358,543

TRAVEL SPEND COMPARISON

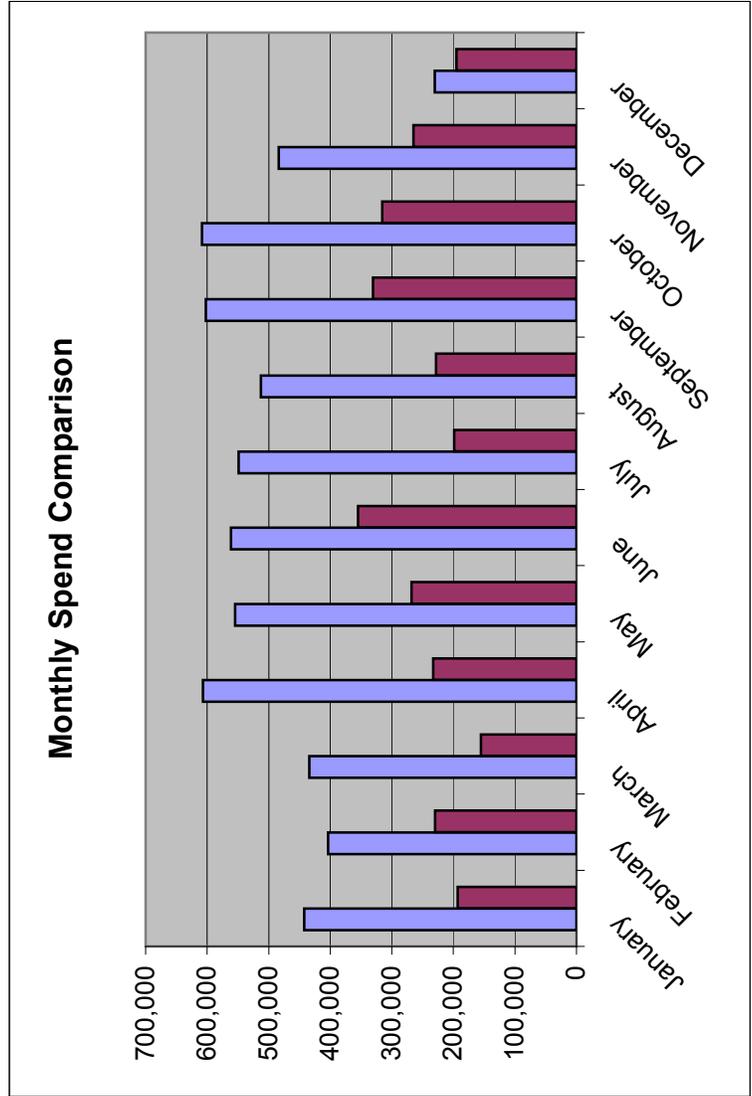
Month	2008	2009	Change
January	950,441	565,232	-40.5%
February	927,916	531,829	-42.7%
March	1,078,930	559,426	-48.1%
April	1,389,712	556,474	-60.0%
May	1,202,065	615,818	-48.8%
June	1,256,743	709,949	-43.5%
July	1,147,214	495,763	-56.8%
August	1,080,643	504,312	-53.3%
September	1,359,115	716,647	-47.3%
October	1,493,988	757,863	-49.3%
November	1,005,008	620,001	-38.3%
December	714,200	391,667	-45.2%
Total	13,605,974	7,024,983	-48.4



AIR SPEND ANALYSIS

Air Spend US			
Month	2008	2009	Change
January	442,150	193,024	-56.3%
February	403,340	229,477	-43.1%
March	434,128	155,434	-64.2%
April	606,948	232,636	-61.7%
May	554,698	268,022	-51.7%
June	561,465	354,825	-36.8%
July	549,161	198,925	-63.8%
August	512,861	228,100	-55.5%
September	602,317	330,363	-45.2%
October	608,643	315,602	-48.1%
November	483,773	264,760	-45.3%
December	230,414	195,162	-15.3%
Total	5,989,898	2,966,330	-50.5

Number of Tickets US			
Month	2008	2009	Change
January	742	507	-31.7%
February	683	513	-24.9%
March	755	461	-38.9%
April	763	544	-28.7%
May	859	542	-36.9%
June	819	629	-23.2%
July	634	534	-15.8%
August	711	510	-28.3%
September	830	691	-16.7%
October	863	672	-22.1%
November	640	555	-13.3%
December	470	449	-4.5%
Total	8769	6607	-24.7

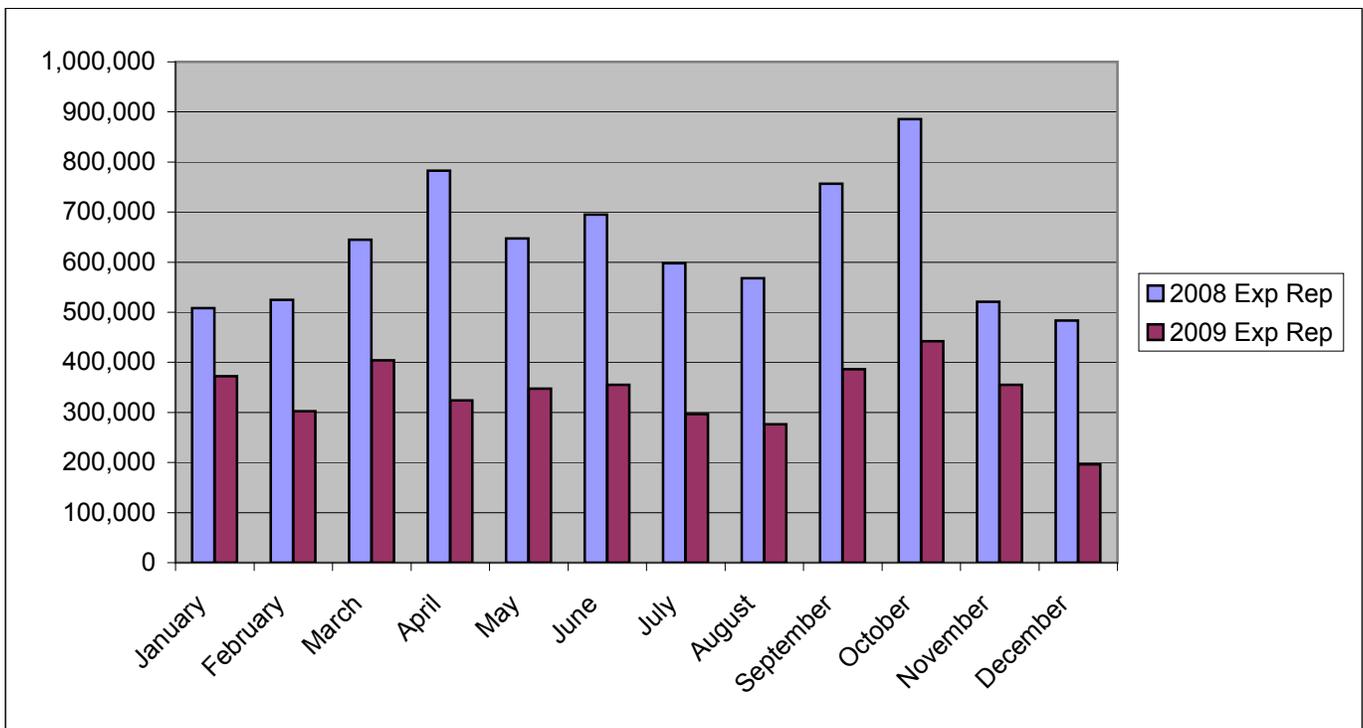


Air Tickets Average Cost US			
Month	2008	2009	Change
January	595.89	380.72	-36%
February	590.54	447.32	-24%
March	575.00	337.17	-41%
April	795.48	427.64	-46%
May	645.75	494.51	-23%
June	685.55	564.11	-18%
July	866.18	372.52	-57%
August	721.32	447.25	-38%
September	725.68	478.09	-34%
October	705.26	469.65	-33%
November	755.90	477.05	-37%
December	490.24	434.66	-11%
Average	679.40	444.22	-35

Variance Travelers	Variance Rates	Variance spend
140,034.15	159,656.14	249,126.00
100,391.80	97,819.26	173,863.00
169,050.00	179,561.65	278,694.00
174,210.12	280,661.92	374,312.00
204,702.75	129,915.16	286,676.00
130,254.50	99,459.36	206,640.00
86,618.00	312,980.44	350,236.00
144,985.32	194,863.77	284,761.00
100,869.52	205,499.70	271,954.00
134,704.66	203,335.03	293,041.00
64,251.50	178,467.17	219,013.00
10,295.04	26,122.96	35,252.00
1,460,367.36	2,068,342.55	3,023,568.00

HOTEL SPEND ANALYSIS

Accommodation Spend By Month - US			
	2008 Exp Rep	2009 Exp Rep	Change
January	508,291	372,208	-26.8%
February	524,576	302,352	-42.4%
March	644,802	403,992	-37.3%
April	782,764	323,838	-58.6%
May	647,367	347,796	-46.3%
June	695,278	355,124	-48.9%
July	598,053	296,838	-50.4%
August	567,782	276,212	-51.4%
September	756,798	386,284	-49.0%
October	885,345	442,261	-50.0%
November	521,235	355,241	-31.8%
December	483,786	196,505	-59.4%
Total Ytd	7,616,076	4,058,653	-46.7



2009 2010 Annual Performance Plan through Performance for Growth Financial Targets

A Guidance Note for Band As

Introduction

This note aims to define the principles of the 2009 10 Annual Performance Plan framework to set financial targets and individual objectives, on the basis of the global operating model. The principles should be cascaded down through to those participating in Performance for Growth this year. It is important we cascade the framework consistently to ensure clarity and for a smooth and relatively simple process at year end to determine payments.

Note: Appendix 1 provides a reminder of the global banding framework, Annual Performance Plan maximums by Band and illustrates the key principles as detailed in the text below.

Framework - Bands A B (incl. UK Senior Managers)

The plan framework for 2009 10 will be split 60%:40% for Band A and Band B employees (including UK Senior Managers) ie based on 60% financial targets and 40% individual objectives. However, the financial element for those in LOBs (including those in Finance roles in the LOB) and IS and Shared Services will be split 35% Company targets and 25% LOB (or IS, or Shared Services) targets. This split emphasises the Company perspective, which is appropriate for our most senior levels of employee.

Framework - Bands C down

For Band C and D employees in the UK and Bands C to F in the US, the plan will be split 50% financial targets and 50% individual objectives. Financial targets for these groups of employee will be split 20% Company targets and 30% LOB (or IS, or Shared Services). The rationale for this split is these employees have more influence over LOB financial targets than Company targets.

Employee Guides to the Annual Performance Plan will be sent to Bands A and B over the coming weeks and will be made available on infonet for Band Cs down (due to the large numbers involved and logistical issues of sending them out individually).

General Principles for Financial target setting

- In place of LOB targets employees in IS will have a specific IS financial target.
- Employees in Legal, US Regulation, Audit, SHES, US Customer & Markets and Shared Services (excluding legal and audit employees in Corporate Centre) will have LOB targets that reflect their customer base ie in the UK Gas D and Transmission Operating Profit targets and in the US Gas D, Transmission and ED&G Operating Profit targets.
- Corporate Centre employees will continue to be set Company financial targets only, based on Group EPS, Consolidated Cashflow and Return on Equity. Therefore, these targets will represent the full financial element of the plan.
- If an employee has specific financial targets for which they are solely responsible; or they do so as part of a small team, this financial target may be included in the individual objectives part of the plan e.g. responsibility for a particular budget spend.
- Due to commercial sensitivities, actual target **numbers should not** be cascaded below Band B unless the financial target is an individual target although, employees should know the nature of the financial target e.g. Company EPS or LOB Operating Profit etc.
- As in 2008 09, one individual will represent each LOB, Shared Services and IS for cascading information regarding the financial element of the plan for UK and US for each Band within their LOB. This individual will be an Executive Assistant to the Executive Director or a member of the relevant Finance team. My team will provide support and tools to them, where required, to ensure they understand how the financial performance is calculated at year end.

Individual objectives

Detailed guidance on creating stretch objectives line of sight is currently being produced and will be communicated under separate cover.

Performance Reviews

In accordance with the Performance for Growth framework, managers will assess individual performance based on the methodology used in 2008 09, i.e. reviewing managers are required to assess performance using a Performance rating and Leadership Quality rating.

The performance matrix and distribution curve is unchanged from 2008 09 and can be found below for information

Conversations during the review should therefore be framed around the matrix below.

Performance Grid Rating Matrix

		Performance Objectives (What)				
		5	4	3	2	1
Leadership Qualities (How)	Strongly Demonstrated 1	5/1	4/1	3/1	2/1	1/1
	Demonstrated 2	5/2	4/2	3/2	2/2	1/2
	Not Demonstrated Consistently 3	5/3	4/3	3/3	2/3	1/3
		More is Expected	Meets Most Expectations	Consistently Meets Expectations	Frequently Exceeds Expectations	Creates Exceptional Value

The matrix and distribution ratings ranges for use in 2009 10 are therefore detailed below, **note** the ranges represent the proportion of the individual part of the plan to be paid:

Leadership Qualities (How)	Strongly Demonstrated	1	35% - 49%	50% - 74%	75% - 84%	85% - 94%	95% - 100%
	Demonstrated	2	21% - 34%	35% - 49%	50% - 74%	75% - 84%	85% - 94%
	Not Demonstrated Consistently	3	0% - 20%	21% - 34%	35% - 49%	50% - 74%	75% - 84%
			5	4	3	2	1
			More is expected	Meets Most Expectations	Consistently Meets Expectations	Frequently Exceeds Expectations	Creates Exceptional Value
			Performance Objectives (What)				

Distribution Guidelines	
0% - 20%	5%
21% - 34%	10%
35% - 49%	20%
50% - 74%	30%
75% - 84%	20%
85% - 94%	10%
95% - 100%	5%

Finally, it is important to note that quality conversations which allow the opportunity for constructive feedback and encourage greater awareness understanding of required performance and demonstration of leadership qualities are paramount to a successful performance review meeting. The matrix ranges and distribution curve should be seen as purely a tool to convert the outcome of those conversations into the percentage payable for the individual element of the plan.

APPENDIX 1

Global Banding the following shows how in general, geographic grades tie into the Global Banding structure.

Band A	Leadership Team Senior Executives EVP SVP
Band B	Senior Managers VP
Band C	Managers Directors (US terminology) Managers & Specialists
Band D	Team Manager & Specialist US Managers and US High level professionals.
Band E	UK Levels 6 to 8 US Supervisors and US mid level professionals.
Band F	UK Levels 1 to 5 US entry level professionals and US admin and clerical
Band G	UK Industrial Staff Field force and US employees covered by union negotiated terms.

Annual Performance Plan maximum by Band - NB. Target is 45 of the maximum

Grade	Max UK of salary	Max US of salary
Band A	70	90
Band B	35	70
Band C	20	40
Band D	15	30
Band E	Covered by Staff Reward Framework	20
Band F		10

Note: Max for UK red-circled Senior Managers 25, legacy UK TMAs and TMBs retain previous levels. Corporate Centre staff Band E 10 and Band F 6

Framework

LOB Global IS

Band	Split Financial Individual of plan	Financial split Company LOB of plan	Company targets (weighting in brackets as of plan)	LOB targets (weighting in brackets as of plan)
A & B	Financial 60% Individual 40%	Company 35% LOB 25%	EPS (35%)	Operating Profit (16.67%) Cashflow (8.33%) (for IS Cashflow replaced with total Opex & Capex see Appendix 2 for details).
C&D (UK) & C to F (US)	Financial 50% Individual 50%	Company 20% LOB 30%	EPS (20%)	Operating Profit (30%) (for IS Cashflow replaced with total Opex & Capex see Appendix 2 for details).

Legal Audit US Regulation SHES Shared Services Customer Markets (US only)

Band	Split Financial Individual of plan	Financial split Company LOB of plan	Company targets (weighting in brackets as of plan)	LOB targets (weighting in brackets as of plan)
A&B (UK)	Financial 60% Individual 40%	Company 35% LOB 25%	EPS (35%)	UK Gas D Op profit (12.5%) UK Transmission Op profit (12.5%)
A&B (US)	Financial 60% Individual 40%	Company 35% LOB 25%	EPS (35%)	US Gas D Op profit (8.33%) US Transmission Op profit (8.33%) US ED&G Op profit (8.33%)
C&D (UK)	Financial 50% Individual 50%	Company 20% LOB 30%	EPS (20%)	UK Gas D Op profit (15%) UK Transmission Op profit (15%)
C to F (US)	Financial 50% Individual 50%	Company 20% LOB 30%	EPS (20%)	US Gas D Op profit (10%) US Transmission Op profit (10%) US ED&G Op profit (10%)

Corporate Centre Corporate Affairs Government Affairs

Band	Split Financial Individual of plan	Financial Company Targets only of plan	Company targets (weighting in brackets as of plan)
A & B	Financial 60% Individual 40%	60%	EPS (30%) Consolidated Cashflow (20%) ROE (10%)
C to F (UK) & C to F (US)	Financial 50% Individual 50%	50%	EPS (25%) Consolidated Cashflow (16.67%) ROE (8.33%)

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Note: Appendix 1 provides a reminder of the global banding framework, Annual Performance Plan maximums by Band and illustrates the key principles as detailed in the text below.

Framework - Bands A B (incl. UK Senior Managers)

The plan framework for 2009 10 will be split 60%:40% for Band A and Band B employees (including UK Senior Managers) ie based on 60% financial targets and 40% individual objectives. However, the financial element for those in LOBs (including those in Finance roles in the LOB) and IS and Shared Services will be split 35% Company targets and 25% LOB (or IS, or Shared Services) targets. This split emphasises the Company perspective, which is appropriate for our most senior levels of employee.

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		Performance Objectives (What)				
		5	4	3	2	1
Leadership Qualities (How)	Strongly Demonstrated 1	5/1	4/1	3/1	2/1	1/1
	Demonstrated 2	5/2	4/2	3/2	2/2	1/2
	Not Demonstrated Consistently 3	5/3	4/3	3/3	2/3	1/3
		More is Expected	Meets Most Expectations	Consistently Meets Expectations	Frequently Exceeds Expectations	Creates Exceptional Value

The matrix and distribution ratings ranges for use in 2009 10 are therefore detailed below, **note** the ranges represent the proportion of the individual part of the plan to be paid:

Leadership Qualities (How)	Strongly Demonstrated	1	35% - 49%	50% - 74%	75% - 84%	85% - 94%	95% - 100%
	Demonstrated	2	21% - 34%	35% - 49%	50% - 74%	75% - 84%	85% - 94%
	Not Demonstrated Consistently	3	0% - 20%	21% - 34%	35% - 49%	50% - 74%	75% - 84%
			5	4	3	2	1
			More is expected	Meets Most Expectations	Consistently Meets Expectations	Frequently Exceeds Expectations	Creates Exceptional Value
			Performance Objectives (What)				

Distribution Guidelines	
0% - 20%	5%
21% - 34%	10%
35% - 49%	20%
50% - 74%	30%
75% - 84%	20%
85% - 94%	10%
95% - 100%	5%

Finally, it is important to note that quality conversations which allow the opportunity for constructive feedback and encourage greater awareness understanding of required performance and demonstration of leadership qualities are paramount to a successful performance review meeting. The matrix ranges and distribution curve should be seen as purely a tool to convert the outcome of those conversations into the percentage payable for the individual element of the plan.

APPENDIX 1

Global Banding the following shows how in general, geographic grades tie into the Global Banding structure.

Band A	Leadership Team Senior Executives EVP SVP
Band B	Senior Managers VP
Band C	Managers Directors (US terminology) Managers & Specialists
Band D	Team Manager & Specialist US Managers and US High level professionals.
Band E	UK Levels 6 to 8 US Supervisors and US mid level professionals.
Band F	UK Levels 1 to 5 US entry level professionals and US admin and clerical
Band G	UK Industrial Staff Field force and US employees covered by union negotiated terms.

Annual Performance Plan maximum by Band - NB. Target is 45 of the maximum

Grade	Max UK of salary	Max US of salary
Band A	70	90
Band B	35	70
Band C	20	40
Band D	15	30
Band E	Covered by Staff Reward Framework	20
Band F		10

Note: Max for UK red-circled Senior Managers 25, legacy UK TMAs and TMBs retain previous levels. Corporate Centre staff Band E 10 and Band F 6

Framework

LOB Global IS

Band	Split Financial Individual of plan	Financial split Company LOB of plan	Company targets (weighting in brackets as of plan)	LOB targets (weighting in brackets as of plan)
A & B	Financial 60% Individual 40%	Company 35% LOB 25%	EPS (35%)	Operating Profit (16.67%) Cashflow (8.33%) (for IS Cashflow replaced with total Opex & Capex see Appendix 2 for details).
C&D (UK) & C to F (US)	Financial 50% Individual 50%	Company 20% LOB 30%	EPS (20%)	Operating Profit (30%) (for IS Cashflow replaced with total Opex & Capex see Appendix 2 for details).

Legal Audit US Regulation SHES Shared Services Customer Markets (US only)

Band	Split Financial Individual of plan	Financial split Company LOB of plan	Company targets (weighting in brackets as of plan)	LOB targets (weighting in brackets as of plan)
A&B (UK)	Financial 60% Individual 40%	Company 35% LOB 25%	EPS (35%)	UK Gas D Op profit (12.5%) UK Transmission Op profit (12.5%)
A&B (US)	Financial 60% Individual 40%	Company 35% LOB 25%	EPS (35%)	US Gas D Op profit (8.33%) US Transmission Op profit (8.33%) US ED&G Op profit (8.33%)
C&D (UK)	Financial 50% Individual 50%	Company 20% LOB 30%	EPS (20%)	UK Gas D Op profit (15%) UK Transmission Op profit (15%)
C to F (US)	Financial 50% Individual 50%	Company 20% LOB 30%	EPS (20%)	US Gas D Op profit (10%) US Transmission Op profit (10%) US ED&G Op profit (10%)

Corporate Centre Corporate Affairs Government Affairs

Band	Split Financial Individual of plan	Financial Company Targets only of plan	Company targets (weighting in brackets as of plan)
A & B	Financial 60% Individual 40%	60%	EPS (30%) Consolidated Cashflow (20%) ROE (10%)
C to F (UK) & C to F (US)	Financial 50% Individual 50%	50%	EPS (25%) Consolidated Cashflow (16.67%) ROE (8.33%)

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
Staff's Data Requests – Set #1

Date Received: May 11, 2010
Request No.: Staff 1-76

Date of Response: June 3, 2010
Witness: Frank Lombardo

REQUEST: Ref. EN 2-2-2 Schedule 2, p. 8-9. Explain how the target compensation was calculated and provide supporting work papers.

RESPONSE: When establishing the appropriate level of compensation and benefits National Grid seeks to balance the need to attract, retain and motivate qualified employees with the cost of the programs being offered. To this end, the Company's objective is to provide a total compensation and benefit package that is competitive with the marketplace for both utilities and general industry.

Attachment Staff 1-76 includes the work papers that support the target compensation calculation. Attachment Staff 1-76(a) includes the company-specific target incentive compensation amounts that are presented in EN 2-2-2 Schedule 2, p. 8-9. Attachment Staff 1-76(b) includes the company-wide target percentages that are used in determining the annual incentive target amounts. For management employees, the target rates for variable compensation differ based on their level within the organization. For union employees covered by a collective bargaining agreement, the target rates are contractual.

Energy North Report
Employee Count, Annual Salary & Annual Incentive At Target
By Company

Company Name	Company Code	Employee Affiliation	Union Name	Union Code	Employee Count	Annual Salary	Annual Incentive At Target	Annual Salary Plus Annual Incentive At Target
National Grid Corp Svcs LLC					3417	250,987,007	20,558,095	271,545,102
	CSV				3417	250,987,007	20,558,095	271,545,102
		Management			1758	160,720,921	19,712,808	180,433,729
					1758	160,720,921	19,712,808	180,433,729
					1758	160,720,921	19,712,808	180,433,729
		Union			1659	90,266,086	845,287	91,111,374
			Brother Utility Workers 318		3	224,615	2,272	226,887
				318	3	224,615	2,272	226,887
			Energy North 12012		1	60,683	1,517	62,200
				120	1	60,683	1,517	62,200
			Local 101, Utility Division		496	24,032,503	600,813	24,633,316
				101	496	24,032,503	600,813	24,633,316
			Local 1049, Electrical Workers		161	11,631,630	0	11,631,630
				049	161	11,631,630	0	11,631,630
			Local 1381, Electrical Workers		751	38,439,375	0	38,439,375
				381	751	38,439,375	0	38,439,375
			Local 3, Electrical Workers		6	446,767	11,169	457,936
				003	6	446,767	11,169	457,936
			USWA Local 13507		2	129,397	0	129,397
				CAP	2	129,397	0	129,397
			Utd Steelworkers 12012-04		15	1,074,779	16,122	1,090,901
				012	15	1,074,779	16,122	1,090,901
			Utd Steelworkers of Am 12003		224	14,226,336	213,395	14,439,731
				US3	224	14,226,336	213,395	14,439,731
National Grid NH (Energy North)					83	5,262,504	168,915	5,431,419
	ENH				83	5,262,504	168,915	5,431,419
		Management			7	539,124	50,831	589,955
					7	539,124	50,831	589,955
					7	539,124	50,831	589,955
		Union			76	4,723,380	118,084	4,841,464
			Energy North 12012		76	4,723,380	118,084	4,841,464
				120	76	4,723,380	118,084	4,841,464
National Grid Utility Services					168	14,359,377	1,263,284	15,622,661
	USV				168	14,359,377	1,263,284	15,622,661
		Management			117	10,488,211	1,191,309	11,679,520
					117	10,488,211	1,191,309	11,679,520
					117	10,488,211	1,191,309	11,679,520
		Union			51	3,871,166	71,975	3,943,141
			Local 101, Utility Division		37	2,794,179	69,854	2,864,033
				101	37	2,794,179	69,854	2,864,033
			Local 1049, Electrical Workers		11	859,747	0	859,747
				049	11	859,747	0	859,747
			Local 1381, Electrical Workers		2	132,413	0	132,413
				381	2	132,413	0	132,413
			Local 3, Electrical Workers		1	84,827	2,121	86,948
				003	1	84,827	2,121	86,948
National Grid USA Service Company					2843	226,487,019	23,774,472	250,261,491
	99				2843	226,487,019	23,774,472	250,261,491
		Management			2304	196,065,036	22,689,392	218,754,428
					2304	196,065,036	22,689,392	218,754,428
					2304	196,065,036	22,689,392	218,754,428
		Union			539	30,421,983	1,155,794	31,577,777
			Brotherhood of Utility Workers		83	4,911,546	179,272	5,090,818
				BUW	83	4,911,546	179,272	5,090,818
			Intl Brotherhood of Elec Wrkrs		246	17,831,876	697,930	18,529,806
				IBE	246	17,831,876	697,930	18,529,806
			Utility Wrkrs Union of America		210	7,678,561	278,592	7,957,153
				UWU	210	7,678,561	278,592	7,957,153
Grand Total					7173	552,325,213	48,900,580	601,225,793

National Grid Union Goals Program Targets			
		2008-09 Target Award (1)	2009-10 Target Award (1)
Participating Unions - by Local			
Legacy KeySpan Downstate NY			
Local 101, Utility		2.5%	2.5%
Local 3, Utility		2.5%	2.5%
Legacy KeySpan New England			
Local 12003		1.5%	1.5%
Local 13507		1.5%	1.5%
Local 350		2.5%	2.5%
Local 343		2.5%	2.5%
Local 12012-03		1.5%	1.5%
Local 12012-04		1.5%	1.5%
Local 318		1.5%	1.5%
Local 251		3.0%	3.0%
National Grid New England			
Electric Unions:			
BUW Local 310		3.5%	3.5%
BUW Local 317		3.5%	3.5%
BUW Local 322		3.5%	3.5%
BUW Local 329		3.5%	3.5%
BUW Local 330		3.5%	3.5%
IBEW Local 326		3.5%	3.5%
IBEW Local 486		3.5%	3.5%
IBEW Local 1345		3.5%	3.5%
IBEW Local 1465		3.5%	3.5%
UWUA Local 369		3.5%	3.5%
Gas Unions:			
BUW Local 310 (Cumberland)		3.5%	3.5%
USW 12431		3.5%	3.5%
National Grid Upstate New York			
Local 97		3.5%	3.5%

National Grid Management Employee Annual Performance Award Targets			
		2008-09 Target Award (2)	2009-10 Target Award (2)
Management employees			
Legacy KeySpan Management			
Band A		40.5%	40.5%
Band B		31.5%	31.5%
Band C		18.0%	18.0%
Band D		13.5%	13.5%
Band E		9.0%	9.0%
Band F		4.5%	4.5%
Legacy Grid Management			
Band A		40.5%	40.5%
Band B		31.5%	31.5%
Band C		18.0%	18.0%
Band D		13.5%	13.5%
Band E		9.0%	9.0%
Band F		4.5%	4.5%

(2) Target is defined as 45% of maximum award potential.

(1) As defined by the collective bargaining agreements

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
Staff's Data Requests – Set #1

Date Received: May 11, 2010
Request No.: Staff 1-93

Date of Response: June 4, 2010
Witness: Frank Lombardo

REQUEST: Ref. p. 34-36. In the National Grid/EnergyNorth merger docket (DG 06-107) the Company provided a calculation of net synergy by year, Exhibit 1, Schedule JGC-1. Please update that schedule to reflect actual costs and savings to date and updated estimates.

RESPONSE: It is not possible to update the exhibit referred to in the data request without making numerous assumptions and conducting various additional analyses. Because of the complexity and other difficulties involved in attempting to update the Company's initial estimates of synergy savings, the parties to the settlement in DG 06-107 agreed to an alternative method for calculating those savings, which is the methodology used in the Company's filing in this case.

National Grid remains committed to its original target of \$200M in annual synergy savings resulting from the National Grid/KeySpan Corporation merger. The \$200M was originally allocated based upon revenues across the 16 companies identified in Schedule JGC-1, Page 2 of 4, of the exhibit referred to in the data request. An update to these revenues would require the Company to scrub all revenues by individual entity (identify original revenues as net or gross revenues and follow those into the update) and incorporate all company updates (e.g., all asset sales, renegotiated LIPA contracts). In addition, once updated in response to this request, revenues would be impacted by proposed consolidations in existing rate cases (i.e., consolidation of Boston Gas Company and Essex Gas Company) as well as the resulting outcome of all open rate filings, which would be likely to change the revenue weightings utilized. In terms of costs to achieve, the estimated \$400M (Schedule JGC-1, Page 3 of 4), which was also allocated based upon revenues across the 16 companies identified (Schedule JGC-1, Page 2 of 4), would also be impacted by all revenue adjustments. Based upon the estimate of levelized cost to achieve and National Grid's commitment to the \$200M in synergy savings, an annual amortization of \$409,203 is being recorded by the Company.

The calculation of net synergy by year referenced in the request would require the Company to obtain an update to the Mercer Study (Schedule JGC-1, Page 4 of 4) so as to update the labor/non-labor spread of the merged company. The Company

would also have to update the assumption on the 'Phase in' percentage of Schedule JGC-1, Page 4 of 4 (Col D), which was originally derived from a prior National Grid USA settlement in the National Grid USA/Niagara Mohawk Power Corporation merger. In addition, the Company would need to include a review of the assumption utilized in establishing the annual percentage of 'Cost to Achieve', which was originally derived from a prior National Grid settlement relating to the National Grid USA/Niagara Mohawk Power Corporation merger. The resulting 'synergy multiplier' (Schedule JGC-1, Page 4 of 4, Col B), which is used to spread the synergies assigned to each company, as discussed above, would need to be adjusted as a result of the updates discussed above.

ENERGYNORTH NATURAL GAS, INC.
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National Grid NH's Responses to
Staff's Data Requests – Set #2

Date Received: June 18, 2010
Request No.: Staff 2-1

Date of Response: July 13, 2010
Witness: Frank Lombardo

REQUEST: Ref. Response OCA 1-11. Describe the 'free boiler program,' the status of the program and cost of the program included in test year expense.

RESPONSE: The “Free Boiler Program” is an older description of a marketing program currently being used by the Company. The Company provides discounted heating equipment (Burnham boilers and American Standard furnaces) to existing customers who do not heat with natural gas (low use) or new customers living in an existing home without natural gas service seeking a new account (conversion). The Company is able to negotiate discounts with the manufacturers so that it can offer this equipment to qualifying customers at a discount to retail. The cost of the “free boiler program” for EnergyNorth’s test year totaled \$778,829 – the Company excluded 50% of the total from the revenue requirement. Please also see OCA 2-45.

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
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National Grid NH's Responses to
Staff's Data Requests – Set #2

Date Received: June 18, 2010
Request No.: Staff 2-10

Date of Response: July 15, 2010
Witness: Susan L. Fleck

REQUEST: Ref. Response Staff 1-19, Attachment. For each item described in the NH Revenue Increase and Spending Reduction Initiatives what costs were included in test year expense and if the initiative has been completed, what was the completion date?

RESPONSE: The items listed in Attachment Staff 1-19 reflect opportunities that the Company investigated to either increase revenue or reduce spending. The “Complete” status indicates that the Company’s investigation of the opportunity was completed. The explanations for the requested line items below also include an update regarding the implementation of each item.

Item 1: Implemented and ongoing. The costs for field collections incurred in test year are \$422,975.

Item 2: Completed and Implemented. The A-Tech transferred from Maintenance to Customer Meter Service on 5/11/09 to perform field collections. The transfer was done in conjunction with initiative described in Attachment Staff 1-19, Item 1. Since the employee was transferred, there were no net savings achieved.

Item 3: Completed and Implemented. An employee who was no longer able to perform the duties of an “A” technician due to medical restrictions was transferred to the Customer Meter Service on 10/26/09 to perform field collections work. The transfer was done in conjunction with initiative described in Attachment Staff 1-19, Item 1. Since the employee was transferred, there were no net savings achieved.

Item 4: Ongoing. This item referred to efforts to control overall spending reductions that were in place during the test year. There are no net savings from this initiative.

Item 5: [left blank in Staff 1-19 chart]

Item 6: Completed and Partially Implemented. Two of the three compressors were removed in August 2009, reducing annual lease expense by \$4,000.

Item 7: Completed and Implemented. Administrative Assistant position was eliminated in November 2009. Annual expense was reduced by \$49,350.

Item 8: Analysis Completed. No changes were implemented and thus there are no savings.

Item 9: Completed and Implemented. The trailer was removed in August 2009, reducing annual lease expense by \$2,000.

Item 10: Completed and Implemented. Avoided cost savings only.

Item 11: Completed and Implemented. Two employees transferred from Maintenance to Customer Meter Service in October 2009 to perform field collections. The transfers were done in conjunction with initiative described in Attachment Staff 1-19, Item 1. Since the employees were transferred, there were no net savings achieved.

Item 12: Completed and Implemented. The trailer was removed in August 2009, reducing annual lease expense by \$5,000.

Item 13: Completed Analysis, Not Implemented. No savings achieved.

Item 14: Completed and Implemented in August 2009. The stock was consolidated, resulting in some efficiency improvements. However, there were minimal savings associated with this consolidation since the Company did not find an excess of the consolidated material in any of its locations.

Item 16: Verizon Wireless Arena. Effective August 2010, National Grid chose not to renew its annual ticket contract for the Verizon Wireless Arena. The annual cost savings is \$37,500.

Item 17: Completed Analysis. The Company investigated whether it was entitled to any tax abatements associated with abandoned facilities. The investigation determined that the Company was receiving all credits for which they were entitled. No savings resulted from this initiative.

Item 20: Completed and implemented in August 2009. Company crews completed an additional 42 service installations and one main installation job during the test year versus the previous 12 month period. The estimated avoided cost was approximately \$200,000 in capital expense.

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
Staff's Data Requests – Set #2

Date Received: June 18, 2010
Request No.: Staff 2-39

Date of Response: July 16, 2010
Witness: Frank Lombardo

REQUEST: Please identify the amount of incentive pay included in the test year that is tied to the Company's financial performance and how the financial performance is/was measured.

RESPONSE: The Annual Performance Plan is comprised of financial targets and individual objectives.

However, National Grid does not account for these two elements on a segregated basis on a company-wide basis, and therefore the requested information is not available. In addition, the revenue requirement in this case has been adjusted to reflect the Company's target level of incentive compensation, rather than the actual level incurred in the test year, and therefore the amount included for cost of service purposes is lower than the actual amount incurred.

Financial performance under the plan is measured as follows. The particular financial goals for individual employees vary depending on the level of the employee—Band A through Band F. For employees in Band A and Band B the financial targets represent up to 60% of the maximum amount that can be paid under the plan (i.e., if the financial goals are fully attained or exceeded). For Band C to Band F they represent 50% of the plan maximum. If the financial goals are not fully attained or exceeded, employees may still earn a portion of the incentive compensation, but something below the maximum. The specific financial targets utilized under the plan are earnings per share on a company-wide basis, operating cash flow for the line of business in which the individual works, and operating profit for the line of business in which the individual works.

Financial performance against the targets is measured at the end of the performance year (i.e., the fiscal year). The resulting percentage for each element under the plan is then added to the percentages for the other individual elements and the total percentage is then applied to the employee's eligible base pay earned throughout the year. Although the resulting percentage for financial results is the same for all employees within the same band in the same line of business, the cash amount will vary depending upon the employee's eligible earnings and individual results. Thus, for example, all Band C employees in a particular line of

business will be eligible to receive the same percentage of their base pay if National Grid achieves 75% of its earnings per share target and the line of business in which those employees work achieved 100% of its operating profit target and 80% of its cash flow target, but the actual dollar amount received by each employee would vary depending on the employee's base salary.

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
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National Grid NH's Responses to
Staff's Technical Session Requests – Set 1

Date Received: August 12, 2010
Request No.: Staff Tech 1-14

Date of Response: August 20, 2010
Witness: Frank Lombardo

REQUEST: Reference Staff 1-19 and 2-10, Item 7. Does the expense reduction of \$49,350 for the administrative assistant position include all salary and benefits expenses or only part of those expenses? If the \$49,350 does not include all salary and benefits, what is the full amount of the expense?

RESPONSE: The \$49,350 represents only the annual salary amount associated with the position. The annual benefits would be an additional \$19,740 for a total amount of \$69,090.

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
Staff's Technical Session Data Requests – Set # 3

Date Received: September 22, 2010
Request No.: Staff Tech 3-22

Date of Response: October 4, 2010
Witness: Frank Lombardo

REQUEST: Ref. EN2-4, schedule 3, deferred taxes. What amount of \$2 million adjustment for the accounting change related to plant placed into service during Fiscal Year 2010 is related to plant placed into service during the first quarter, April through June 2009.

RESPONSE: The amount of deferred tax adjustment for the accounting change related to plant placed into service during the first quarter, April through June 2009, is approximately \$600,000.

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
Staff's Technical Session Data Requests – Set # 3

Date Received: September 22, 2010
Request No.: Staff Tech 3-26

Date of Response: October 4, 2010
Witness: Frank Lombardo

REQUEST: Ref. OCA 3-7. For each month of the test year please list and quantify the month's growth (revenue producing) mains and services capital additions.

RESPONSE: For each month of the test year, please see the following list of growth (revenue producing) mains and services capital additions:

<u>Month</u>	<u>Mains</u>	<u>Services</u>
July-08	\$86,034	\$0
August-08	\$173,767	\$0
September-08	\$330,613	\$0
October-08	\$144,131	\$0
November-08	\$338,414	\$1,862,665
December-08	\$355,633	\$255,450
January-09	\$91,409	\$470,838
February-09	\$70,893	\$0
March-09	(\$96,215)	\$16,409
April-09	\$510,932	\$0
May-09	\$67,114	\$302,577
June-09	\$98,503	\$335,321
Total	<u>\$2,171,229</u>	<u>\$3,243,260</u>

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
Staff's Technical Session Data Requests – Set # 3

Date Received: September 22, 2010
Request No.: Staff Tech 3-29

Date of Response: October 4, 2010
Witness: Frank Lombardo

REQUEST: Ref. OCA 1-49. Please provide the same analysis for gainsharing.

RESPONSE: The total amount of Gainsharing charged to O&M in Exhibit EN 2-2-2, schedule 2, page 9, line 2 is \$104,633. Netting the Gainsharing labor adjustment of (\$10,315) from Exhibit EN 2-2-2, schedule 2, page 9, line 6, the amount that remains in the request related to Gainsharing is \$94,318.

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
Staff's Technical Session Data Requests – Set # 3

Date Received: September 22, 2010
Request No.: Staff Tech 3-43

Date of Response: October 19, 2010
Witness: Frank Lombardo

REQUEST: Please set forth all adjustments to the revenue requirement that the Company agrees should be made based on information provided during the audit and discovery process.

RESPONSE: As indicated in the Company's initial filing and in response to a number of discovery requests, the Company intends to update its proposed revenue requirement and rate design to reflect the updated rate base (through September 30, 2010) that it is requesting be used for ratemaking purposes in this case and for other adjustments, including the updated lead/lag study that was filed on April 27, 2010 and changes in the marginal cost study. Attachment Staff Tech 3-43 sets forth the items for which the Company has agreed to adjust the revenue requirement in response to specific issues raised by the Commission staff or Office of Consumer Advocate during the audit and discovery process.

Adjustments:	Expense Change	Rate Base Chang
1(a) OCA Set 2 - 72; Set 1-73 Rate Base - June 2009 plant of 1,281,821 included in error		(1,281,821)
(b) Associated depreciation of 32,000	(32,000)	
2 Audit Issue 1 OCA Set 3-12 Analysis of an invoice to Vanguard resulted in the Company's decision to write-off and to reduce the proposed revenue requirement by 13,372.15 due to the invoice being recorded during the test year.	(13,372)	
3 Audit Issue 3 Audit Request 74 Project: Spoil Plant Everett - Costs booked to this project were allocated to EnergyNorth in error. Further research identified 20,591 of costs incorrectly allocated to EnergyNorth during the test year. Plant is located in Massachusetts. The Company identified the incorrect allocation in September 2009 (outside of the test year) and made the correction to remove the allocation from EnergyNorth.	(20,591)	
4 Audit Issue 5 OCA Set 2-101 (Lobbying Memberships) The Company does not control decisions by the AGA to lobby on specific matters, but does benefit from AGA membership through greater access to industry technology and knowledge applied to the operation and maintenance of the company's gas network. Nevertheless, the Company will remove the amount of 1,923 from the revenue requirement based upon the response to OCA 2-101.	(1,923)	
5 Audit Issue 6 (Outside Services CTA) In the test year, the Company reversed the year end accrual for Desola Group, which should have been treated as a cost to achieve rather than a recurring operating expense. The Company reversed the allocated amount of 3,405. The resulting balance in the test year of 345, will be removed from the filing.	(345)	
6 Audit Issue 7 Audit Request 68 (SIR Costs) The Company agrees that the charge of 4,554 related to administrative costs associated with site investigation and remediation activities and therefore should be recovered through the Company's MGP cost recovery mechanism, rather than being treated as a test year expense.	(4,554)	
7 Audit Issue 8 Staff Set 2-36 OCA Set 3-25; 3-26 (Violations Penalties) The Staff audit identified 18,042 of DigSafe damage costs with completion dates that should be removed because they were incurred during the test year.	(18,042)	
8 Audit Issue 12 OCA Set 3-33 The Company agrees to remove the amount of 1,976 from the revenue requirement that relates to the non-utility property of Broken Bridge property tax.	(1,976)	
9 Audit Issue 13 OCA Set 3-34 (Property Tax Interest Penalties)	(100)	
10 Audit Request 76 (Low Income Settlement Penalty) The Company incurred 77,834 during the test year as a payment for the benefit of low income customers for which the Company agreed not to seek to recover through rates. Of that amount, 25,899 was adjusted out of the revenue requirement in the Company's initial filing (see Volumes 1A & 1B, Exhibit EN 2-2-2, Schedule 13, p.2). The balance of 51,933 should have been removed as well.	(51,933)	
11 OCA Set 3-5 (Property Insurance Credit) OCA Set 3-10 The July 2009 credit of 8,302.86, which occurred outside the test year, is a reversal of property insurance premiums that were incorrectly applied in the months of May and June 2009. In reviewing Account 9240K, Property Insurance, the Company identified additional rate year charges incurred in August 2009 (4,279.37), September 2009, (2,103.30) and January 2010 (197.79) that should have been included as a proforma adjustment to the test year, resulting in a net credit reduction to the revenue requirement of 1,722.40.	(1,722)	
12 OCA Set 3-15 (Boston Gas O M) Maintain Rivermoor is a cost center description that refers to one of the Massachusetts maintenance yards. This cost center relates to Boston Gas and therefore the identified expense should not have been included in the revenue requirement.	(5,842)	
13 OCA Tech Session 1-12 (Rate Case Expense) The Company's initial filing included an adjustment of 589,217 to remove rate case expenses incurred in the test year that related to DG 08-009 (see Exhibit EN 2-2-2 Schedule 9 Page 2 - Purchase Services). Additional analysis of EnergyNorth's travel expense has identified 134,015.58 in prior rate case expenses that were inadvertently included in the revenue requirement as part of Total O&M included in Exhibit EN 2-2-2.	(134,016)	
14 Staff Tech Session 1-10 (Essex Norfolk County Sheriff s Department) Reference OCA 2-99. The Company agreed to remove the identified charges totaling 16,084.	(16,084)	
15 Supplemental Testimony on Eliminating Expat and Officer Expenses	(60,681)	

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
OCA's Data Requests – Set #1

Date Received: May 7, 2010
Request No.: OCA 1-49

Date of Response: June 2, 2010
Witness: Frank Lombardo

REQUEST: Page 20 (Bates p. 22), lines 5-7, of Mr. Lombardo and Mr. Adams' testimony refers to adjustments for variable compensation and gain sharing as shown on Exhibit EN 2-2-2, Schedule 2, "Operating Expenses by Component." Page 2 of that Schedule, "Labor - Adjustments," shows a reduction for Management Incentive Compensation of \$299,840. After making that adjustment what amount remains in the request related to Management Incentive Compensation?

RESPONSE: The total amount of Incentive Compensation charged to O&M in Exhibit EN 2-2-2, schedule 2, page 8, line 2 is \$663,197. Netting the Incentive Compensation labor adjustment of (\$299,840) from Exhibit EN 2-2-2, schedule 2, page 8, line 6, the amount that remains in the request related to Incentive Compensation is \$363,357.

	200801	200802	200803	200804	200805	200806	200807	200808	200809	200810	200811	200812	200901	200902
	3,026.99	1,734.37	3,754.63	4,176.35	2,401.85	4,153.75	2,690.29	2,709.16	3,106.95	3,752.29	1,881.11	3,264.86	2,395.11	1,054.05
	85.62	115.42	134.35	462.05	201.77	127.10	61.43	115.46	87.69	164.53	90.30	143.41	125.10	(215.61)
	415.52	442.27	654.34	795.42	600.05	792.72	746.53	445.27	666.37	774.05	342.22	663.42	549.99	399.48
	138.26	70.15	203.76	304.24	259.52	193.86	367.49	242.44	316.91	381.04	224.52	289.41	189.75	82.64
	209.97	101.05	173.25	216.63	169.81	189.92	176.87	103.00	221.19	258.30	143.62	213.12	201.02	135.11
	1,459.88	1,247.26	2,367.82	2,070.87	1,971.09	2,420.72	2,214.59	1,834.41	2,614.36	3,426.74	1,616.89	3,542.43	915.30	1,031.52
	760.73	662.86	958.24	1,159.48	862.33	980.50	839.33	819.21	841.33	1,338.75	485.62	746.15	893.61	(83.50)
	89.26	59.87	46.30	50.62	33.57	138.71	65.43	50.60	165.03	122.36	66.77	79.32	52.45	83.37
	6,186.23	4,433.25	8,292.69	9,235.66	6,499.99	8,997.28	7,161.96	6,319.55	8,019.83	10,218.06	4,851.05	8,942.12	5,322.33	2,487.06

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 10-017

National Grid NH's Responses to
OCA's Data Requests – Set # 2

Date Received: June 18, 2010
Request No.: OCA 2-83

Date of Response: July 12, 2010
Witness: Susan F. Tierney

REQUEST: Please reference the response to Staff 1-36. How many residential non-heating customers became heating customers in the test year as well as the twelve months following the test year? What was the average base revenue of a residential heating customer as compared to a non-heating customer in the test year as well as the twelve months following the test year?

RESPONSE: During the test year, 343 non heating customers converted to residential heating, while 186 non heating customers converted during July 2009 through June 2010. The average base revenue for a residential heating customer during the test year was \$352 per customer while the average base revenue for a residential non heating customer during the test year was \$152 per customer. During the period July 2009 through June 2010, the actual average base revenue for a residential heating customer was \$346 per customer while the average base revenue for a residential non heating customer was \$152.