

**Cases: 06-M-0878
06-G-1185
06-G-1186**

National Grid/KeySpan Merger

Interrogatory/Document Request

Response of National Grid/KeySpan

Re: Thermal Billing-Related Capital Projects

Request #: DPS-275

Response Date: December 27, 2006

Respondent: A. Dinkel

Q:

1. For both KEDNY and KEDLI provide all thermal billing related projects in the rate year and include the following for each project:

A. Forecasted In-Service date.

B. Forecasted budget amount.

C. Has project completed the engineering phase?

D. Has project been approved for construction phase?

E. Has company solicited for bids, and what was the selected bid amount?

F. Does the project create a new thermal billing zone?

2. For both KEDNY and KEDLI, are any customers billed based on thermal content measurement at the actual customer meter?

A:

1.

A.

The need for the KEDLI and KEDNY therm billing projects is being driven by the introduction of new gas supplies into the Companies' service territories. As such, the in-service date for the KEDLI therm billing project will coincide with the in-service date of the Islander East project, which is currently forecasted for November, 2008. The in-service date for KEDNY therm billing project is dependent on various gas supply projects.

B.

A review of the therm billing projects has lead to a change in our approach to implementing these projects. Based on further engineering analyses, we have concluded that the Companies can create customer billing zones that align with existing meter books, thus eliminating the need to modify customer and billing systems. KEDNY's and KEDLI's January 10, 2007, update filing will reflect this revised approach.

C.

Gas Engineering work to establish the approximate number of new therm billing zones for KEDLI has been completed. IT support work and customer billing work still needs to be performed and has not yet begun. None of the work required to implement a revised therm billing methodology for KEDNY has been performed at this point in time.

D.

No.

E.

No.

F.

The project creates up to 34 therm billing zones for KEDLI. The number of therm billing zones for KEDNY has yet to be determined.

2.

Yes. Most power plants are billed based on thermal content measurement at the actual customer meter.