

Martha Coakley Attorney General

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December 14, 2012

Tom King President National Grid US 40 Sylvan Road, Waltham, MA 02451

Re: Ongoing Wage Payment & Related Violations of Massachusetts Laws

Dear Mr. King,

As you are aware, the Attorney General's Office is responsible for enforcing the Massachusetts wage and hour laws, including the Massachusetts Wage Act, which requires timely payment of wages. Pursuant to the Wage Act, as a general rule, wages are due to be paid no later than six days from the end of the pay period during which the wages were earned. Employers who fail to comply with the obligation to pay wages in a timely manner may be subject to a range of sanctions under the provisions of the wage and hour laws, M.G.L. c. 149, Section 27C.

As you know, the Attorney General's Office has been closely monitoring the situation that arose when National Grid's new pay system encountered serious glitches that resulted in a host of pay-related issues in November 2012, largely in connection with work performed during Hurricane Sandy. Most concerning was the failure to pay straight and overtime wages in a timely manner to nearly 2,000 Massachusetts workers who had worked long, difficult hours to ensure that residents of Massachusetts and neighboring states had their power restored in a timely fashion.

We appreciate the responsiveness that National Grid has demonstrated over the course of the past six weeks in providing frequent updates regarding the status of the problem and the progress the company has made towards rectifying the pay issues. The time has come, however, for our Office to consider taking official enforcement action to address the violations that have taken place.

Nearly six weeks have now gone by, and despite the company's many efforts to address these issues, a great many Massachusetts workers continue to suffer pay-related problems. While the company originally set a target date of December 14, that date will now pass without the issues being rectified. This is unacceptable.

While we understand that the company has invested a good deal of resources to address the failures that its new system has wrought, it should not be the 2,000 Massachusetts workers and their families who shoulder the weight of the problem. And the financial stresses these families are now facing are only compounded with the holiday season upon us.

As such, we urge National Grid to rectify all Massachusetts unpaid wage issues by no later than December 21. Thereafter, should the company continue to fail to properly pay its workers, our Office will begin imposing penalties pursuant to Sec. 27C for all pay periods past and future, until such a time that National Grid employees are fully and timely paid their hard earned wages.

Very Truly Yours.

Jocelyn B/Jones Deputy Chief Fair Labor Division Office of Attorney General Martha Coakley

Cc: Martha Coakley, Attorney General Jennifer Stark, Business & Labor Bureau Chief, Attorney General's Office Phillip R. Scott, Assistant General Counsel & Director, National Grid