

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC COMPANY  
ELECTRIC RESTRUCTURING PLAN

DOCKET NO. 2515

REPORT AND ORDER

On December 31, 1996, the Narragansett Electric Company ("Narragansett" or "Company") filed with the Public Utilities Commission ("Commission") its restructuring plan, mandated by the Utility Restructuring Act of 1996 ("Act"). The Act is designed to open competition in the marketplace, allowing electric utilities to provide retail access to all customers.

Section 39-1-27.2(e) of the Act requires utilities to file unbundled rates which separately identify charges for use of transmission and distribution facilities and provide for retail access in accordance with the Act's schedule. In addition, utilities must file a plan for transferring ownership of generation, transmission and distribution facilities into separate affiliates. The Company's restructuring plan contained both of these elements.

Motions to intervene were received from The Energy Council of Rhode Island ("TEC-RI") on February 4, 1997; Providence Energy Corporation ("Prov Energy") on February 14, 1997; the Conservation Law Foundation, Inc. ("CLF") on February 28, 1997; and XENERGY, Inc. ("XENERGY") on March 3, 1997.

Following public notice, a hearing was convened at the Commission's offices, 100 Orange Street, Providence, on April 8, 1997.<sup>1</sup> The following appearances were entered:

FOR THE COMPANY:	Ronald Gerwatowski, Esq. Craig L. Eaton, Esq.
FOR THE DIVISION:	Patricia M. French, Esq. Assistant Attorney General
FOR TEC-RI:	Andrew J. Newman, Esq.
FOR PROV ENERGY:	Dennis Duffy, Esq.
FOR THE COMMISSION:	Adrienne G. Southgate General Counsel

The Company's first witness was Peter T. Zschokke,<sup>2</sup> Manager of Retail Rates for the New England Power Service Company ("NEPSCo"). Mr. Zschokke identified two sets of rates filed by the Company. The first set applies to customers who continue to purchase their electricity requirements through Narragansett.<sup>3</sup> They would remain in effect until Narragansett's "standard offer service" is tariffed and approved by the Commission. The second set of rates are the "Retail Delivery Service" tariffs, and they apply to customers eligible for retail choice who purchase their electricity supply from nonregulated power producers ("NPPs"). Mr. Zschokke also described the Company's

---

<sup>1</sup> At a hearing for public comment on April 2, 1997, testimony was given by Anthony LoPresti, Richard Bidwell, and Henry Shelton. Each commenter raised concerns related to low income consumers.

<sup>2</sup> Mr. Zschokke's prefiled testimony and exhibits were admitted as Narragansett Exs. 1 and 2.

<sup>3</sup> These rates were originally filed as "Ongoing Power Service" tariffs, but subsequently labeled as "Interim Power Service" tariffs.

proposed terms and conditions for distribution service; as well as terms and conditions for accounting, billing, metering and settlement procedures to implement retail choice, as required by the Commission's recently promulgated Reliability Responsibility Regulations for NPPs.

The unbundled rate filing was designed to be revenue-neutral to Narragansett. The Company used the results of its November, 1995 allocated cost of service and rate design from Docket No. 2290, including the approved revenue requirement. The costs were allocated and the rates were designed with the primary goal of maintaining continuity of customer bills, Mr. Zschokke testified, on the premise that customers should continue to pay the same amount for electric service after unbundling as they currently pay for bundled electric service.

The witness explained that Narragansett's rate revenues and purchased power expenses were normalized to reflect purchased power costs through W-92(S), the level currently reflected in Narragansett's base rates. These revenues and expenses were further adjusted for the incremental costs and revenues associated with the Purchased Power Cost Adjustment ("PPCA") W-95(S) and the Fuel Adjustment Factor.

The level of purchased power expense was unbundled into three categories: transmission expense, nonbypassable transition expense, and ongoing power expense.

Transmission costs will be assessed under a Federal Energy Regulatory Commission ("FERC") open access transmission tariff, FERC Electric Tariff No. 9, assuming FERC's approval of the tariff. Transmission costs are based on the coincident peak demand in Narragansett's service territory at the time of New England Power's

peak demand. Since the costs are demand-related, they are allocated to rate classes using the allocator for purchased power demand expenses which was approved in Docket No. 2290. The charges will be collected from customers through the transmission charges in base rates. Actual transmission costs of the Company will be reconciled through Narragansett's proposed Transmission Service Cost Adjustment provision. This adjustment clause will be a uniform cents per kilowatt hour factor applicable to all kilowatt-hours delivered by the Company.

The transition charge, set by the Act, is collected from Narragansett's distribution service customers at a rate of 2.8 cents per kilowatt-hour ("kWh") sold at retail. This rate is constant for all classes except storage cooling and the large industrial 3000 kW demand rates, G-62 and G-63. Mr. Zschokke said that using a 2.8 cent energy charge for the Rate G-60 class was problematic for two reasons. First, it made it more difficult for higher load factor customers to get to the market. That is, suppliers would have to come in with lower prices in such cases. Secondly, a constant energy charge would potentially shift costs amongst customers within the class. The Company did not wish to create a disincentive to customers' retail access. NEPSCo therefore used rate design to collect the same total amount from the G-60 class, eliminating the negative bill impacts and permitting unimpeded access to the competitive marketplace. The resulting G-60 rates were designed to collect the transition charge through a combination of demand and energy charges.<sup>4</sup>

---

<sup>4</sup> The demand rate is \$5.76 per kW and the energy rate is \$0.01546 per kWh.

There was also a problem in using the 2.8 cent transition charge for storage cooling customers on Rate E-10. To avoid raising off-peak rates, NEPSCo calculated separate transition charges for on-peak, shoulder, and off-peak periods, all of which for the class average 2.8 cents per kWh.

Mr. Zschokke was joined by Robert A. LaBarre, Director of Retail Engineering for Narragansett. He spoke about jurisdictional separations for two facilities: Pawtucket Power and the Northeast Landfill generation unit.

The topic of the unbundled bill format was discussed at some length. Narragansett does not propose to unbundle its bills on July 1, 1997, for all customers. Rather, the Company suggests that a phased-in approach, allowing for customer education, would reduce confusion and minimize the administrative burden on the utility. For example, some suppliers may wish to keep their prices confidential. In the event that a customer elects a single bill from the distribution company, Narragansett would send usage data to the NPP and the NPP would respond with a total energy cost. The Company's computer system will not be able to accommodate such a "pass back" situation until certain reprogramming is complete. Mr. Zschokke estimated that this option would be available in January, 1998, although the Company could manually perform such a billing function in the interim, if requested to do so.

The Company presented an unexecuted draft Settlement as an exhibit at the hearing.<sup>5</sup> Because it had not received final approval by the Division, nor been

---

<sup>5</sup> A revised settlement was submitted on April 14, and amended to reflect several minor changes on April 16, 1997. The final Settlement document is attached and incorporated by reference as Appendix A.

previously submitted to the intervenors, the witness devoted considerable time to reviewing the draft and commenting on its major constituents. It reflects agreement between the Company and the Division with regard to the rate design, Customer Terms and Conditions, Terms and Conditions for Nonregulated Power Producers, and the separation of plant between transmission and distribution in accordance with the Act and FERC guidelines. The parties maintain certain reservations of rights with regard to the adjustment clause for transmission service cost and the non-bypassable transition adjustment clause. Mr. Zschokke discussed agreed-to changes to the Terms and Conditions for both customers and NPPs. He began to respond to questions about the Company's education program, but most of these were deferred until Narragansett's witness, Shannon Larson, could return to the hearing room.

In the interim, the Division's expert, Dr. Charles E. Johnson, testified.<sup>6</sup> He explored the question of the proper kilowatt hour figure for the G-60 class, noting the mismatch in the values used between the rate design and the cost allocation. Dr. Johnson proposed a change and recalculation, which Narragansett agreed to provide.

Shannon Larson, Narragansett's vice-president of business services, testified regarding the consumer education campaign planned by the Company. The campaign approaches each group of customers separately, with information tailored to the group's needs. Four different strategies have been developed, depending upon the size of the

---

<sup>6</sup> Dr. Johnson's original prefiled testimony was admitted as DPU Ex. 1; his additional testimony was admitted as DPU Ex. 2.

customer and when choice will be available. The most challenging group to educate is the small commercial and residential customers, who will not have choice until July 1, 1998. To begin educating this group, without creating unrealistic expectations about the timing of access, Narragansett has initiated an awareness campaign. Customers will be contacted through several techniques: written materials, personal discussions, and potentially a videotape.

The largest customers, with retail access on July 1, 1997, had already received a letter from the Company, in compliance with the Act mandate. These customers have been visited personally by Narragansett account managers or by Ms. Larson. The second group of customers, including manufacturers over 200 kW and municipalities, will have retail access on January 1, 1998. Narragansett has commenced a series of breakfast meetings to provide a general overview of the issues to these customers. The meetings will discuss restructuring as well as the immediate changes that customers will see with unbundled rates.

Ms. Larson stated that the first group of customers, those with retail choice on July 1, would begin receiving bills reflecting unbundled rates as of that date. However, the plan for all other customers is to spend the remainder of the summer and early fall in the educational campaign, with a cutover to the unbundled rates during the month of November. The Company plans to have completed its campaign before the end of the year, so that if retail access for all customers is advanced to January, 1998, consumers will have sufficient information to permit them to make informed choices.

The witness detailed some of the plans for bill inserts, advertising, and information to be distributed through schools and libraries. She reported that the Home Show had shown that many people were not engaged in restructuring yet. However, the Company has developed a model which may be useful to demonstrate the separation between generation, transmission and distribution.

The executed Settlement was submitted by the Company and the Division on April 14, 1997. In this document, the settling parties agreed to the adoption of the unbundled tariffs filed by the Company, with certain modifications. The settling parties also agreed upon the customer terms and conditions, the terms and conditions for NPPs, and the transfer plan and jurisdictional separation.

A second hearing was conducted on April 21, 1997, in conjunction with proceedings in Docket No. 2514 (the electric restructuring filing made by the Eastern Utilities Associates companies). Mr. Zschokke was recalled to discuss the changes which were made in the Settlement agreement after the initial hearing, and prior to the filing of the executed document. Amongst other changes, Narragansett incorporated the recommendations made by Dr. Johnson regarding the G-60 allocators during the original hearing. There were also changes to the supplier terms and conditions. Mr. Zschokke proposed that the Commission consider permitting Narragansett to file changes to appendices of its Terms and Conditions, allowing thirty days for parties to comment on the filed changes, and allowing implementation without hearing if no objections are raised. This mirrors the Commission's present system of tariff advices.

The Act requires the Commission to establish performance standards to ensure that historic levels of safety, reliability and customer service do not deteriorate during the PBR period. These standards are to provide the Company an opportunity to be rewarded with or to incur a financial penalty equal to one percentage point return on common equity. The PBR period extends from January 1, 1997 through December 31, 1998. Narragansett filed proposed performance standards on February 7, 1997, and subsequently filed a settlement on this matter.<sup>7</sup>

A final hearing was held on May 21, 1997, to review the performance standards. In support of the settlement, the parties called a panel of witnesses including the Division's expert witness, Dr. John Stutz,<sup>8</sup> and Narragansett's Jose A. Rotger, a senior rate analyst for the NEPSCo. Dr. Stutz summarized the statutory requirements for performance standards: they must deal with customer service, reliability, and safety, with the goal of assuring no deterioration from historic levels of performance during the PBR period. The settlements look to historic benchmarks. There are no dead bands around these benchmarks. Any deviation from historical performance will produce some degree of reward, while failure to achieve the benchmark will produce some degree of penalty.

Mr. Rotger testified that the Company weighted reliability more heavily than the other two statutory areas. Sixty percent of the weighting is assigned to reliability.

---

<sup>7</sup> A copy of the Settlement on Performance Standards filed on May 19, as amended on June 10, 1997, is attached and incorporated by reference as Appendix B.

<sup>8</sup> Dr. Stutz's prefiled direct testimony was admitted as DPU Ex. 3.

Within that criterion, they have proposed two standards, for frequency and duration of outages. Likewise, they proposed two standards for customer service, based on overall customer satisfaction and a second for meter reading accuracy. A third customer service standard would be added for the 1998 performance year, focusing on a survey of customers immediately following their transactions with the company, i.e. a service call. Thirty percent of the weighting is assigned to customer service. In the safety realm, Narragansett proposed standards based on the frequency of lost time accidents. Ten percent of the weighting is assigned to safety. There was considerable discussion about the propriety of each of these performance indicia, and whether they could legitimately capture the utility's deviations from historic levels of performance. Following the hearing, Commission counsel was asked to work with the parties to try to create a more uniform application of performance standards across the three largest investor-owned utilities, and to share some of the Commission's thinking as the standards evolved.

The Commission considered the original Settlement, as amended, at an Open Meeting on May 20, 1997. The Commission voted unanimously to accept the Settlement on Rate Unbundling and the Transfer Plan. However, Narragansett was directed to file a compliance tariff for the G-60 rates to properly reflect the responses made during the hearing process.

There were numerous additional items to consider, raised *sua sponte* or in post-hearing memoranda filed by the parties. As to these items, the Commission reached unanimous agreement on the following:

- The proposal to simplify the process for making changes to Appendix B of the supplier terms and conditions was approved.
- Narragansett is directed to roll into base rates the FAS 106 factor and the PBR adjustment factor, bringing the components of the base rate into parity with the EUA companies. It also simplifies the calculation of a customer bill.
- Bill formats are to be essentially standardized, with the supplier's portion clearly distinguished. The Commission counsel was directed to work with the parties to develop consistency in billing formats.
- The Commission adopted Prov Energy's proposal that Narragansett's error-handling provision shall be limited to cases in which the error was not due to the Company's negligence.
- Narragansett shall develop more flexible authorization options than those allowed by § 1.3.2. The Commission endorsed the Federal Communications Commission's options for changing long distance service providers, and also recommended consideration of EUA's § 3.3 vehicles.
- The Commission agreed that the Company shall apply payments first to charges owed to Narragansett. No *pro rata* allocation of undesignated payments, as requested by Prov Energy, will be required.
- The Commission declined Prov Energy's request to make Standards of Conduct consistent with those in place for affiliated gas marketers.
- The Commission declined to bar transmission charges for customers purchasing electricity that was produced within the electric distribution system.
- The Commission deferred the question of "pass forward" billing by the supplier, given existing and pending legislation.
- The Commission declined to order recalculated transition costs and interim power rates or modification of the transmission service cost adjustment, as requested by TEC-RI.

Narragansett had also requested that certain language appear in this order regarding the division and transfer of easements. There was no objection to its incorporation.

The transfer of transmission facilities by Narragansett to Transco includes interests traditionally described as easements in gross. Narragansett has proposed to divide existing easements in gross and transfer to Transco the right to construct,

operate, and maintain transmission and communications facilities and appurtenances within the rights-of-way and retain the right to construct, operate and maintain distribution and communication facilities and appurtenances within such rights-of-way. The Commission finds such transfer and division of easements to be in the public interest and, therefore, authorizes such transfer and division in accordance with R.I.G.L. § 39-1-27(b).

The Settlement on Performance Standards was addressed at an open meeting on May 28, 1997. The Commission expressed concern at the subjective nature of several of the parameters. Moreover, it was felt that the meter correction criterion involved such a tiny percentage of customers that it was not capturing useful data. The statutory scheme was not designed to reward utilities for asking questions when the answers would be needed to provide ongoing and reliable utility service. More direct measurements are needed. The Chairman also pointed out that there was no consideration given to the impact of power surges. He proposed that the Company give thought to distribution system inspection standards. Commissioner Racine asked that Narragansett carefully review the EUA performance standards and emulate some of their categories.

At a joint meeting between EUA, Narragansett, the Division, and Commission counsel on May 29, the parties were able to reach consensus on a simplified bill format. The resultant material was reviewed at an open meeting on June 4, 1997. The Commission expressed concern about Narragansett's proposed November implementation of unbundled bills. In response to this concern, the Company

committed itself to move all customers to unbundled bills on the September billing cycle.<sup>9</sup>

The same cross-utility group was able to make progress on a parallel set of performance standards, which were submitted on June 10. The Commission considered the results at an open meeting on June 17, and approved the submission.

A compliance tariff for the G-60 rate class was filed on June 4, and approved during open meeting on June 17, 1997. On June 27, 1997, a full set of compliance tariffs was filed. In order to memorialize the Commission's approval of the stipulated unbundled tariffs in advance on the July 1, 1997 effective date, the Commission issued Order No. 15336 on that date.

Accordingly, it is

(15382) ORDERED:

1. The Settlement agreement filed on April 14, 1997, as modified, is hereby approved with the provisos indicated in the body of this order. The Commission specifically approves:

- a. the Transmission Service Cost Adjustment Provision;
- b. Customer Terms and Conditions;
- c. Terms and Conditions for Nonregulated Power Producers;
- d. Compliance tariffs for G-62 and G-63, filed on June 4 and on June 27, 1997.

2. The Settlement agreement filed on June 10, 1997, is hereby approved. The Commission specifically approves the Performance Standards.

---

<sup>9</sup> See Letter of Craig L. Eaton, Esq. to Luly Massaro, dated June 6, 1997.

3. In order to facilitate compliance with R.I.G.L. § 39-1-27.1(b), Narragansett shall file reports with the Commission and the Division every three months, indicating:

a. the number of customers in each Retail Delivery Service Group receiving energy from Non-regulated Power Producers;

b. the total energy purchases from NPPs by each Retail Delivery Service Group;

c. the overall average demand and energy prices, by Retail Delivery Service Group, for those taking retail access from NPPs;

d. the amount of energy sales billed for each NPP for each month of the quarter (one copy for the public record without the names of the NPPs, and one copy filed as a proprietary document, containing the names of the NPPs);

e. the number of customers that have direct billings from NPPs via “Pass thru Billing Service”;

e. the number of customers that are billed through “Passback Billing Service”;

f. the number of outstanding billing disputes with retail delivery customers and/or NPPs and the Company, as of the end of the quarter;

g. the number of customers who returned to Standard Offer Service in each month of the quarter;

h. the number of customers who are receiving Last Resort Service in each month of the quarter;

i. the “bid price” being paid by the Company for each month’s Last Resort power supply, and the retail price(s) charged for Last Resort power each month;

j. the number of bills issued in each month of the quarter reflecting a correction of a prior billing of retail delivery service; and

k. the number of purchasing cooperatives receiving retail delivery service from NPPs in each month and the amount of energy provided to each purchasing cooperative (one copy for the public record without the names of the purchasing cooperatives, and one copy filed as a proprietary document, containing the names of the purchasing cooperatives).

4. That Narragansett shall act in accordance with all other findings and instructions contained in this Report and Order.

EFFECTIVE AT PROVIDENCE, RHODE ISLAND, ON MAY 20, 1997,  
PURSUANT TO AN OPEN MEETING DECISIONS ON MAY 20, JUNE 4 AND 17,  
1997. WRITTEN ORDER ISSUED SEPTEMBER 4, 1997.

PUBLIC UTILITIES COMMISSION



  
James J. Malachowski, Chairman

  
Kate F. Racine, Commissioner

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

---

IN RE: UTILITY RESTRUCTURING RATE UNBUNDLING AND  
TRANSFER PLAN FILING

---

DOCKET NO. 2515

SETTLEMENT

**I. INTRODUCTION**

The Narragansett Electric Company (Narragansett or Company) and the Division of Public Utilities and Carriers (Division), hereby stipulate and agree on the following resolution of the issues in the above captioned proceeding.

**II. BACKGROUND**

On December 31, 1996, Narragansett filed with the Public Utilities Commission (Commission) a rate unbundling and transfer plan. This filing is required by the Rhode Island Utility Restructuring Act of 1996 (URA). Section 39-1-27.3(e) of the URA requires Narragansett to file unbundled rates which separately identify charges for use of transmission and distribution facilities and provide for retail access in accordance with the schedule set forth in the URA. In addition, Section 39-1-27(a) requires Narragansett to file a plan for transferring ownership of generation, transmission, and distribution facilities into separate affiliates.

Since Narragansett's filing, the Division has undertaken to investigate all aspects of the filing. On March 19, 1997, the Division submitted pre-filed direct testimony of Dr. Charles E. Johnson. Subsequently, on March 27, 1997, Dr. Johnson submitted additional pre-filed direct testimony.

### III. STIPULATION AND SETTLEMENT

The parties agree, in the interest of settling the instant proceeding, as follows:

#### A. UNBUNDLED RATE TARIFFS

(1) As modified by (2) through (7) below, the unbundled tariffs as filed by the Company (See Exhibit PTZ-14), comply with the URA and should be approved.

(2) The Company's proposed "Transmission Service Cost Adjustment Provision" shall go into effect for usage on and after July 1, 1997, pending action by the Federal Regulatory Commission (FERC) on New England Power Company (NEP) transmission filings currently pending at FERC. The Division reserves the right to petition the Commission for modifications to the terms of this provision, if necessary, after FERC's final ruling(s) on the charges that Narragansett will incur for transmission service to its customers. The Company also reserves the right to seek such modifications. Either party may oppose modifications sought by the other to the extent such party believes the proposed modifications are inconsistent with the final ruling(s) of FERC.

(3) The Company's proposed "Non-bypassable Transition Adjustment Provision" shall go into effect for usage on and after July 1, 1997, pending action by FERC in Docket ER97-680-000, relative to the charges that Narragansett will incur for contract termination charges to NEP. The Division reserves the right to petition the Commission for modifications to the terms of this provision, if necessary, after FERC makes such final ruling. The Company also reserves the right to seek such modifications. Either party may oppose modifications sought by the other to the extent such party believes the proposed modifications are

inconsistent with the final ruling of FERC.

(4) The title “Ongoing Power Service” shall be changed to “Interim Power Service”. Also, the alphanumeric designating for each rate for Interim Service and Delivery Service shall be as provided in Attachment 1.

(5) The paragraphs entitled “Term of Agreement” and “Bimonthly Billing”, contained in the Interim Power Service tariffs (formerly identified as Ongoing Power Service tariffs) and the Retail Delivery Service tariffs, shall be deleted.

(6) The Company’s Storage Cooling Rate (E-10) shall be redesigned as set forth in Attachment 2. The new rate design creates different energy rates for the transition and distribution charge for each period of use as currently defined in the tariff. This rate design maintains revenue neutrality for customers on the rate as they move to Interim Power Service.

(7) The Company’s Large Customer Rate G-60 shall be modified as shown in Attachment 3.

(8)† As restructuring moves forward, it may be desirable to consolidate certain distribution rates. Accordingly, the Company shall file with the Commission ~~by~~ ~~(Date)~~ consolidated rates if deemed reasonable by the Company and the Division.

*AMJ*  
*CLG*

**B. CUSTOMER TERMS & CONDITIONS**

The revised terms and conditions included in Attachment 4 to this Settlement are reasonable and shall be approved.

**C. TERMS AND CONDITIONS FOR NON REGULATED POWER PRODUCERS**

The terms and conditions for non regulated power producers included in Attachment 5 are reasonable and shall be approved.

**D. TRANSFER PLAN AND JURISDICTIONAL SEPARATION**

(1) Subject to paragraph (2) below, the Company's filing complies with the URA and FERC's seven factor test (established in FERC Order 888) in separating generation, transmission, and distribution plant and should be approved.

(2) A review of the Company's proposed restructuring plan by the Division revealed that certain facilities that have in the past been classified as distribution plant and that are proposed to be retained by the distribution company could also be classified as transmission under the FERC seven-factor test. The Division identified two such low voltage facilities in its additional testimony of Charles Johnson. The parties agree that since these instances are few in number, have a de minimus impact on the costs of either distribution or transmission service, and classification of the facilities as transmission would be burdensome to both the distribution company and the transmission company, their historical classification as distribution plant should be retained and there is no need to make any adjustment to the Company's proposal. As such, the parties agree that the restructuring plan should be accepted as filed, with the two existing facilities in service as of July 1, 1997 that may perform transmission-related service being accepted as distribution-related facilities, but this shall have no precedential effect in future definitions of transmission and distribution.

E. RULES PRESCRIBING STANDARDS FOR ELECTRIC UTILITIES

The Rules Prescribing Standards for Electric Utilities (Rules) are generic rules developed by the Division and which apply to all electric utilities within Rhode Island, effective May 25, 1995. The parties acknowledge the need to update these Rules to comport with electric industry restructuring, and agree a generic docket should be opened to address this issue, and that the Rules should not be considered in this docket.

IV. MISCELLANEOUS PROVISIONS

A. Unless expressly stated herein, the making of this Settlement establishes no principles and shall not be deemed to foreclose any party from making any contention in any other proceeding or investigation.

B. Unless expressly stated herein, the acceptance of this Settlement by the Commission shall not in any respect constitute a determination by the Commission as to the merits of any issue in any rate proceeding for this Company or another.

C. This Settlement is the product of settlement negotiations. The content of those negotiations is privileged and all offers of settlement shall be without prejudice to the position of any party.

D. This Settlement is submitted on the condition that it be approved in full by the Commission, and on the further condition that if the Commission does not approve the Settlement in its entirety, the Settlement shall be deemed withdrawn and shall not constitute a part of the record in any proceeding or used for any purpose.

E. The Attachments referenced in and attached to this Settlement shall be deemed an

integral part hereof. In the event that any inconsistency exists between the provisions of this Settlement and any of the Attachments hereto, the provisions of this Settlement shall supersede the provisions of any such Attachments.

V. CONCLUSION

The parties respectfully request the Commission to approve this Settlement to resolve all issues in Docket 2515.

Dated at Providence, this 14<sup>th</sup> day of April, 1997

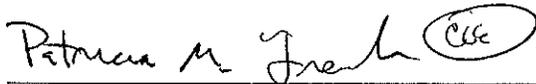
Respectfully submitted,

DIVISION OF PUBLIC UTILITIES  
AND CARRIERS

THE NARRAGANSETT ELECTRIC  
COMPANY

By its attorney

By its attorneys



Patricia M. French, Assistant Attorney General  
Office of the Attorney General  
150 South Main Street  
Providence, RI 02903



Craig L. Eaton  
Ronald T. Gerwatowski  
280 Melrose Street  
Providence, RI 02907

CERTIFICATE OF SERVICE

DOCKET 2515

Ms. Luly Massaro, Clerk  
Public Utilities Commission  
100 Orange Street  
Providence, RI 02903

Andrew J. Newman, Esq.  
Rubin and Rudman  
50 Rowes Wharf, 3rd Floor  
Boston, MA 02110-3319

Patricia French  
Assistant Attorney General  
Office of the Attorney General  
150 South Main Street  
Providence, RI 02903

Dennis Duffy, Esq.  
Partridge Snow & Hahn  
180 South Main Street  
Providence, RI 02903

Brian A. Goldman, Esq.  
Goldman & Biafore  
101 Dyer St.  
Providence, RI 02903

Mark E. Bennett, Esq.  
Conservation Law Foundation, Inc.  
62 Summer Street  
Boston, MA 02110-1008

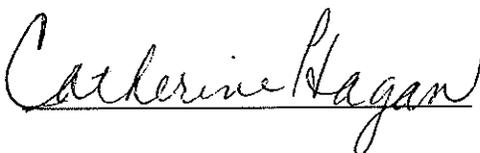
Shelly F. Fust, Principal  
XENERGY, Inc.  
1304 East Pine Street  
El Segundo, CA 90245

Karen Keefe Clark, Esq.  
Updike, Kelly & Spellacy  
One State Street  
P. O. Box 231277  
Hartford, CT 06123-1277

John Stutz  
Tellus Institute  
11 Arlington Street  
Boston, MA 02116-3411

Dr. Charles E. Johnson  
1338 Foothill Blvd. #243  
Salt Lake City, UT 84108

I certify that a copy of the cover letter and materials accompanying this certificate were mailed or hand delivered to the parties listed above.



Date: \_\_\_\_\_



## Attachment 1

NARRAGANSETT ELECTRIC COMPANY

CURRENT	As Filed		Per Settlement		As Filed		Per Settlement	
	DELIVERY	DELIVERY	DELIVERY	DELIVERY	ONGOING POWER	ONGOING POWER	INTERIM POWER	INTERIM POWER
A10		D01	A16		O01		A17	
A11	BASIC RESIDENTIAL	D02	A18		O02		A19	
A30	RES. WATER HEATER	D03	A32		O03		A33	
A65	RES. TOU	D04	A60		O04		A61	
C02	LOW INCOME	D05	C06		O05		C07	
CON	SMALL C&I							
	CONTRACT							
E01	RES. STORAGE HEAT	D06	E30		O06		E31	
E10	STORAGE COOLING	D07	E40		O07		E41	
G	GENERAL C&I	D08	G02		O08		G03	
G30	200 KW DEMAND	D09	G32		O09		G33	
G60	3000 KW DEMAND	D10	G62		O10		G63	
R00	LIM. TRAFFIC SIGNAL	D11	R02		O11		R03	
S06	LIM. SERV. PRIVATE	D12	S10		O12		S11	
S07	LIM. STREET LIGHTING	D13	S12		O13		S13	
S09	GEN. STREET LIGHT.	D14	S14		O14		S15	
T	LIM. ALL ELEC. LIVING	D15	T06		O15		T07	
V	LIM. BUSINESS HEAT.	D16	V02		O16		V03	

**Attachment 2**

File: SARADATA\UNBUNDLE\97NECO\PTZ-09B.WK4  
Range: E-10  
Date: 11-Apr-97

The Narragansett Electric Company  
Sample Unbundled Rate Design for Rate E-10

E-10	Units (1)	Present Rate (2)	Revenues (3)	Units (4)	Proposed Rate (5)	Revenues (6)
<b>Section 1: Rate Design</b>						
1 Customer Charge:	165	\$78.29	\$12,918	165	\$78.29	\$12,918
2 Energy Charges:						
Bundled On-Peak Winter kWh	85,757	\$0.11727	\$10,057	85,757		
Bundled On-Peak Summer kWh	108,204	\$0.26563	\$28,742	108,204		
Bundled Shoulder kWh	1,377,723	\$0.05789	\$79,756	1,377,723		
Bundled Off-Peak kWh	3,587,406	\$0.03382	\$121,326	3,587,406		
Total kWh	5,159,090		\$239,881	5,159,090		
Transmission Charge					\$0.00147	\$7,584
Nonbypassable Transition Charge: Onpeak					\$0.04198	\$8,142
Nonbypassable Transition Charge: Shoulder					\$0.03406	\$46,925
Nonbypassable Transition Charge: Offpeak					\$0.02659	\$95,389
On-Peak Winter Ongoing Power Charge					\$0.05153	\$4,419
On-Peak Summer Ongoing Power Charge					\$0.19989	\$21,629
Shoulder Ongoing Power Charge					\$0.00007	\$96
Off-Peak Ongoing Power Charge					\$0.00000	\$0
Distribution Charge: Onpeak & Shoulder					\$0.02229	\$35,033
Distribution Charge: Offpeak					\$0.00576	\$20,663
Fuel Adjustment and PPCA Revenue			\$76,612			\$76,612
Total Energy Revenue:		\$0.06135	\$316,494		\$0.06135	\$316,494
4 Total Design Revenue:			\$329,412			\$329,412

Section 2: Annual Calculation

1 Total Units:	Number of Bills	165			
	On-Peak KWh	85,757			
	Off-Peak KWh	1,377,723			
	Total kWh	5,159,090			
2 Unbundled Revenues:			<u>Proposed Rates</u>	<u>Revenue Requirement</u>	
• Transmission Costs			\$7,584	\$7,588	
• Nonbypassable Transition Charge			\$150,457	\$150,475	
• Ongoing Power Costs			\$26,144	\$26,117	
<b>Total Purchased Power Expense</b>			<b>\$184,185</b>	<b>\$184,180</b>	
<b>Total Distribution Expense</b>			<b>\$68,614</b>	<b>\$68,619</b>	
<b>Total Revenues</b>			<b>\$252,799</b>	<b>\$252,799</b>	
3 Percentage Difference:					0.0001%

NARRAGANSETT ELECTRIC COMPANY

**Summary of Changes in the E-10 Energy Charges**

	Distribution Energy Charge	Transmission Energy Charge	Transition Energy Charge	Ongoing Power Energy Charge	Total Energy Charge
<b><u>On Peak Winter kWh</u></b>					
Current					\$0.11727
Filed in December 1996	\$0.01079	\$0.00147	\$0.02916	\$0.05945	\$0.10087
Per Settlement	\$0.02229	\$0.00147	\$0.04198	\$0.05153	\$0.11727
<b><u>On Peak Summer kWh</u></b>					
Current					\$0.26563
Filed in December 1996	\$0.01079	\$0.00147	\$0.02916	\$0.20781	\$0.24923
Per Settlement	\$0.02229	\$0.00147	\$0.04198	\$0.19989	\$0.26563
<b><u>Shoulder kWh</u></b>					
Current					\$0.05789
Filed in December 1996	\$0.01079	\$0.00147	\$0.02916	\$0.00007	\$0.04149
Per Settlement	\$0.02229	\$0.00147	\$0.03406	\$0.00007	\$0.05789
<b><u>Off Peak kWh</u></b>					
Current					\$0.03382
Filed in December 1996	\$0.01079	\$0.00147	\$0.02916	\$0.00000	\$0.04142
Per Settlement	\$0.00576	\$0.00147	\$0.02659	\$0.00000	\$0.03382

The Narragansett Electric Company  
 Calculation of Monthly Typical Bill  
 Using Sample Unbundled Rates  
 Impact on E-10 Rate Customers

Summer  
 kWh Split  
 On Peak 3%  
 Shoulder 28%  
 Off Peak 69%

Monthly Summer kWh	Present Rate		Proposed Rate		Difference	
	Total	Fuel, UCCA	Total	Ongoing Power	Amount	% of Total
20,000	\$1,397.57	\$280.40	\$1,397.72	\$120.34	(\$0.15)	-0.0%
40,000	\$2,716.85	\$560.80	\$2,717.15	\$240.68	(\$0.31)	-0.0%
60,000	\$4,036.12	\$841.20	\$4,036.59	\$361.02	(\$0.46)	-0.0%
80,000	\$5,355.40	\$1,121.60	\$5,356.02	\$481.36	(\$0.61)	-0.0%
100,000	\$6,674.68	\$1,402.00	\$6,675.45	\$601.70	(\$0.77)	-0.0%

Present Rate:	E-10	Proposed Rate:	E-10
Customer Charge		Customer Charge	\$75.16
Energy Charge-On Peak	KWh x \$78.29	Transmission Charge	KWh x \$0.00141
Energy Charge-Shoulder	KWh x \$0.26563	Distr. Charge On Peak / Shoulder	KWh x \$0.02140
Energy Charge-Off Peak	KWh x \$0.05789	Distr. Charge Off Peak	KWh x \$0.00553
FAS106	KWh x \$0.03382	Nonbypassable Transition Chg On Peak	KWh x \$0.04030
PPCA and CC Factors	KWh x \$0.00138	Nonbypassable Transition Chg Shoulder	KWh x \$0.03270
	KWh x \$0.00305	Nonbypassable Transition Chg Off Peak	KWh x \$0.02553
		CC Factor	KWh x \$0.00206
		FAS106	KWh x \$0.00132
		UCCA	KWh x \$0.00007
		Fuel and PPCA Factors *	KWh x \$0.01426
		Gross Earnings Tax	4.00%
Fuel Adjustment	07/01/96 KWh x \$0.01395	Ongoing Power Charge-On Peak	KWh x \$0.19189
UCCA	01/03/96 KWh x \$0.00007	Ongoing Power Charge-Shoulder	KWh x \$0.00007
		Ongoing Power Charge-Off Peak	KWh x \$0.00000

\* Excluding Gross Earnings Tax

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Using Sample Unbundled Rates  
Impact on E-10 Rate Customers

Winter  
kWh Split  
On Peak 23%  
Shoulder 19%  
Off Peak 58%

Monthly Summer kWh	Present Rate		Proposed Rate		Difference	
	Total	Fuel, OCA, UCCA	Total	Ongoing Power "Wires"	Amount	% of Total
2,000	\$230.36	\$28.04	\$230.38	\$206.65	(\$0.02)	-0.0%
4,000	\$382.44	\$56.08	\$382.47	\$335.00	(\$0.03)	-0.0%
6,000	\$534.51	\$84.12	\$534.56	\$463.36	(\$0.04)	-0.0%
8,000	\$686.58	\$112.16	\$686.64	\$591.72	(\$0.06)	-0.0%
10,000	\$838.66	\$140.20	\$838.73	\$720.07	(\$0.07)	-0.0%

Present Rate: E-10

Customer Charge  
Energy Charge-On Peak  
Energy Charge-Shoulder  
Energy Charge-Off Peak  
FAS106  
PPCA and CC Factors

\$78.29  
\$0.11727  
\$0.05789  
\$0.03382  
\$0.00138  
\$0.00305

Proposed Rate: E-10

Customer Charge  
Transmission Charge  
Distr. Charge On Peak / Shoulder  
Distr. Charge Off Peak  
Nonbypassable Transition Chg On Peak  
Nonbypassable Transition Chg Shoulder  
Nonbypassable Transition Chg Off Peak  
CC Factor  
FAS106  
UCCA  
Fuel and PPCA Factors \*  
Gross Earnings Tax

\$75.16  
\$0.00141  
\$0.02140  
\$0.00553  
\$0.04030  
\$0.03270  
\$0.02553  
\$0.00206  
\$0.00132  
\$0.00007  
\$0.01426  
4.00%

KWh x  
KWh x

Fuel Adjustment  
UCCA

07/01/96  
01/03/96

Ongoing Power Charge-On Peak  
Ongoing Power Charge-Shoulder  
Ongoing Power Charge-Off Peak

\$0.01395  
\$0.00007

KWh x  
KWh x  
KWh x

\* Excluding Gross Earnings Tax

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Using Sample Unbundled Rates  
Impact on E-10 Rate Customers

Spring/Fall  
kWh Split  
On Peak 0%  
Shoulder 25%  
Off Peak 75%

Monthly Summer kWh	Present Rate Fuel, OCA, UCCA		Proposed Rate Ongoing Power	Difference	
	Total	Base		Amount	% of Total
7,500	\$515.45	\$410.30	\$0.14	(\$0.06)	-0.0%
12,500	\$806.88	\$631.63	\$0.23	(\$0.10)	-0.0%
17,500	\$1,098.32	\$852.97	\$0.32	(\$0.14)	-0.0%
22,500	\$1,389.76	\$1,074.31	\$0.41	(\$0.18)	-0.0%
27,500	\$1,681.20	\$1,295.65	\$0.50	(\$0.22)	-0.0%

Present Rate:	E-10	Proposed Rate:	E-10
Customer Charge	\$78.29	Customer Charge	\$75.16
Energy Charge-On Peak	KWh x \$0.00000	Transmission Charge	\$0.00141
Energy Charge-Shoulder	KWh x \$0.05789	Distr. Charge On Peak / Shoulder	\$0.02140
Energy Charge-Off Peak	KWh x \$0.03382	Distr. Charge Off Peak	\$0.00553
FAS106	KWh x \$0.00138	Nonbypassable Transition Chg On Peak	\$0.04030
PPCA and CC Factors	KWh x \$0.00305	Nonbypassable Transition Chg Shoulder	\$0.03270
		Nonbypassable Transition Chg Off Peak	\$0.02553
		CC Factor	\$0.00206
		FAS106	\$0.00132
		UCCA	\$0.00007
		Fuel and PPCA Factors *	\$0.01426
		Gross Earnings Tax	4.00%
Fuel Adjustment	07/01/96 KWh x \$0.01395	Ongoing Power Charge-On Peak	\$0.00000
UCCA	01/03/96 KWh x \$0.00007	Ongoing Power Charge-Shoulder	\$0.00007
		Ongoing Power Charge-Off Peak	\$0.00000

\* Excluding Gross Earnings Tax

**Attachment 3**

File: S:\RADATA\I\UNBUNDLE\97NECO\PTZ-09R.WK4  
 Range: G-60  
 Date: 11-Apr-97

The Narragansett Electric Company  
 Sample Unbundled Rate Design for Rate G-60

G-60	Units (1)	Present Rate (2)	Revenues (3)	Units (4)	Proposed Rate (5)	Revenues (6)
<b>Section 1: Rate Design</b>						
1 Customer Charge:	184	\$17,832.00	\$3,281,088	184	\$17,832.00	\$3,281,088
2 Demand Charge						
Bundled Demand Charge	858,058	\$13.37	\$11,472,235	858,058		
Transmission Demand Charge					\$1.45	\$1,244,184
Nonbypassable Transition Charge					\$6.00	\$5,148,348
Ongoing Power Demand Charge					\$5.14	\$4,410,418
Distribution Demand Charge					\$0.78	\$669,285
3 Total Customer & Demand Revenues			\$14,753,323			\$14,753,323
4 Customer & Demand Prorate						
Bundled C & D		-0.004990%	(\$736)			
Transmission C & D						(\$62)
Ongoing Power C & D						(\$220)
Distribution C & D						(\$454)
					-0.004990%	(\$736)
5 Prorated Customer & Demand Revenues:			\$14,752,587			\$14,752,587
6 Energy Charges						
On-Peak KWh	78,654,870	\$0.03248	\$2,554,710	78,654,870		
Shoulder KWh	100,192,598	\$0.03248	\$3,254,256	100,192,598		
Off-Peak KWh	215,206,730	\$0.01972	\$4,243,877	215,206,730		
Total kWh	394,054,198		\$10,052,842	394,054,198		
On-Peak Nonbypassable Transition Charge					\$0.01610	\$1,266,343
Shoulder Nonbypassable Transition Charge					\$0.01610	\$1,613,101
Off-Peak Nonbypassable Transition Charge					\$0.01610	\$3,464,828
On-Peak Ongoing Power Charge					\$0.01618	\$1,272,636
Shoulder Ongoing Power Charge					\$0.01618	\$1,621,116
Off-Peak Ongoing Power Charge					\$0.00342	\$736,007
Distribution Charge					\$0.00000	\$0
Fuel Adjustment and PPCA Revenue			\$5,794,288			\$5,794,288
Total Energy Revenue:		\$0.04022	\$15,847,130		\$0.04002	\$15,768,320
7 Total Bill			\$30,599,718			\$30,520,907
8 High Voltage Metering Discount (1%)						
Bundled Rates		-0.634071%	(\$194,024)			
Transmission						(\$7,889)
Fuel Adjustment and PPCA Revenue						(\$36,740)
Ongoing Power						(\$50,979)
Distribution						(\$97,917)
					-0.634071%	(\$193,524)
9 Transformer Ownership Credit(\$.39/kw)	529,954	(\$0.39)	(\$206,682)	529,954	(\$0.39)	(\$206,682)
10 Total Design Revenue:			\$30,199,012			\$30,120,701
<b>Section 2: Annual Calculation</b>						
1 Total Units:	Number of Bills			184		
	Billing KW			858,058		
	On-Peak KWh			78,654,870		
	Shoulder KWh			100,192,598		
	Off-Peak KWh			215,206,730		
	Total kWh			394,054,198		
2 Unbundled Revenues:				Proposed Rates		Revenue Requirement
• Transmission Costs				\$1,236,233		\$1,237,204
• Nonbypassable Transition Charge				\$11,492,621		\$11,493,247
• Ongoing Power Costs				\$7,988,978		\$7,984,810
Total Purchased Power Expense				\$20,717,832		\$20,715,261
Total Distribution Expense				\$3,645,320		\$3,647,737
Total Revenues				\$24,363,152		\$24,362,998
3 Percentage Difference:						0.0006%

## Attachment 4

**THE NARRAGANSETT ELECTRIC COMPANY**

**TERMS AND CONDITIONS**

The following Terms and Conditions where not inconsistent with the rates are a part of all rates. The provisions of these Terms and Conditions apply to all persons, partnerships, corporations or others (the Customer) who obtain local distribution service from The Narragansett Electric Company (the Company) and to companies that are non-regulated power producers, as defined in Rhode Island General Laws. All policies, standards, specifications, and documents referred to herein have been filed with the Rhode Island Public Utilities Commission (Commission) and Division, and such documents and any revisions have been filed at least 30 days before becoming effective. Compliance by the Customer and non-regulated power producer is a condition precedent to the initial and continuing delivery of electricity by the Company:

Service Connection

1. The Customer shall wire to the point designated by the Company, at which point the Company will connect its facilities. In addition, the Customer's facilities shall comply with any reasonable construction and equipment standards required by the Company for safe, reliable, and cost efficient service.

Application for Service

2. Application for new service or alteration to an existing service should be made as far in advance as possible to assure time for engineering, ordering of material, and construction. Upon the Company's reasonable request, the Customer shall provide to the Company all data and plans reasonably needed to process this application.

Line Extensions [Overhead (OH) & Underground (UG)]

3. The Company shall construct or install overhead or underground distribution facilities or other equipment determined by the Company to be appropriate under the following policies: Line Extension Policy for Residential Developments, Line Extension Policy for Individual Residential Customers, and Line Extension and Construction Advance Policy for Commercial, Industrial and Non-residential Customers. Whenever it is necessary to provide service and a Customer requests the Company to extend or install poles, distribution lines or other service equipment to the Customer's home, premises or facility in order to supply service, the Company will furnish the necessary poles, wires, or equipment in accordance with the Company's "Line Extension and Construction Advance Policies" on file with the Commission. Except as provided in the "Policies", all such equipment, poles, and wires shall remain the property of the Company and be maintained by it in accordance with

the "Policies". To the extent that any Company property needs to be located on private property, the Company will require the Customer to furnish a permanent easement.

#### Attachments

4. Any individual or organization who requests an attachment to distribution facilities, utility poles, or along any span between such poles, shall comply with the Company's specifications and policies governing the type of construction, metering, attachment fees, easements, permissions and electrical inspections required.

#### Outside Basic Local Distribution Services

5. Customers requesting the Company to arrange for Customer facility outages or additional maintenance or construction not normally part of basic local distribution service will be notified in a reasonable timely manner by the Company that the customer shall be required to pay these the Company's costs of reasonably meeting the request.

#### Acquisition of Necessary Permits

6. The Company shall make, or cause to be made, application for any necessary street permits, and shall not be required to supply service until a reasonable time after such permits are granted. The Customer shall obtain or cause to be obtained all permits or certificates, except street permits, necessary to give the Company or its agents access to the Customer's equipment and to enable its conductors to be connected with the Customer's equipment.

#### Service to "Out-Building"

7. The Company shall not be required to install service or meter for a garage, barn or other out-building, so located that it may be supplied with electricity through a service and meter in the main building.

#### Customer Furnished Equipment

8. The Customer shall furnish and install upon its premises such service conductors, service equipment, including circuit breaker if used, and meter mounting device as shall conform with specifications issued from time to time by the Company, and the Company will seal such service equipment and meter mounting device, and adjust, set and seal such circuit breaker, and such seals

shall not be broken and such adjustments or settings shall not be changed or in any way interfered with by the Customer.

The Customer shall furnish and maintain, at no cost to the Company, the necessary space, housing, fencing, and foundations for all equipment that is installed on its premises in order to supply the Customer with local distribution service, whether such equipment is furnished by the Customer or the Company. Such space, housing, fencing, and foundations shall be in conformity with the Company's specifications and subject to its approval.

#### Up-Keep of Customer Equipment

9. The Customer's wiring, piping, apparatus and equipment shall, at all times, conform to the requirements of any legally constituted authorities and to those of the Company, and the Customer shall keep such wiring, piping, apparatus and equipment in proper repair.

#### Installation of Meters

10. Meters of either the indoor or outdoor type shall be installed by the Company at locations to be designated by the Company. The Company may at any time change any meter installed by it. The Company may also change the location of any meter or change from an indoor type to an outdoor type, provided that the cost of the change shall be borne by the Company except when such change is pursuant to the provisions of Paragraph 11. Upon the reading of the Company's meter all bills shall be computed. If more than one meter is installed, unless it is installed at the Company's option, the monthly charge for local distribution service delivered through each meter shall be computed separately under the applicable rates.

#### Unauthorized and Unmetered Use

11. Whenever the Company determines that an unauthorized and unmetered use of electricity is being made on the premises of a Customer and is causing a loss of revenue to the Company, the Company may, at the Customer's

expense, make such changes in the location of its meters, appliance and equipment on said premises as will, in the opinion of the Company, prevent such unauthorized and unmetered use from being made.

#### Definition of Month

12. Whenever reference is made to "month" in connection with electricity delivered or payments to be made, it shall mean the period between two successive regular monthly meter readings or estimated meter readings, the second of which occurs in the month to which reference is made. If the Company is unable to read the meter when scheduled, the necessary billing determinants may be estimated. Bills may be rendered on such estimated basis and will be payable as so rendered. Should the Company be requested to perform an off-cycle meter reading to facilitate a Customer request to change their non-regulated power producer, the Company will reasonably accommodate such a request, for which the Customer will be charged a fee not to exceed \$20.

#### Payment Due Date -- Interest Charge

13. All bills shall be due and payable upon receipt. Bills rendered to customers, other than individually metered residential customers, on which payment has not been received by the "Avoid Interest Date" as shown on the bill, shall bear interest, at the rate of 1¼% per month on any unpaid balance, including any outstanding interest charges, from the date of receipt until the date of payment. The "Avoid Interest Date" corresponds to the next normal bill preparation date.

Bills disputed in good faith by a Customer will not be subject to the late payment charge until after the dispute is resolved.

Customer payment responsibilities with their non-regulated power producer will be governed by the particular Customer/non-regulated power producer contract. Payments made through the Company for electricity purchased from a non-regulated power supplier will be applied first to any Narragansett charges or arrearages.

#### Returned Check Fee

14. A \$15.00 Fee shall be charged to the Customer for each check presented to the Company that is not honored by the financial institution. This fee shall be applicable only where the check has been dishonored after being deposited for a second time.

#### Seasonal Customers

15. Seasonal Customers are those using local distribution services between June 1st and September 30th only, or those using local distribution services principally between June 1st and September 30th and incidentally or intermittently during the rest of the year.

#### Deposit and Security

16. The Company may require a cash deposit or other collateral satisfactory to it as security for prompt payment of the Customer's indebtedness to the Company. The rate of interest shall be adjusted on March 1st annually. The interest rate in effect in any year shall be based on the average rate over the prior calendar year for 10-year constant maturity Treasury Bonds as reported by the Federal Reserve Board.

#### Payments for Line Extensions

17. The Company may require a Customer to pay for all or a portion of the cost of extending or installing poles, distribution lines, or equipment to the Customer's home, premises or facility, consistent with the terms of the Company's "Line Extension and Construction Advance Policies" on file with the Commission.

#### Determining Customer's Demand

18. The demand is the maximum rate of taking electricity. Under ordinary load conditions it will be based upon one or more fifteen-minute peaks as herein defined. A fifteen-minute peak is the average rate of delivery of electricity during any fifteen-minute period as determined by any suitable instrument chosen by the Company. In the case of extremely fluctuating load, however, where the demand based on the average over fifteen minutes does not fairly represent the maximum demand imposed by the Customer, the demand will be based upon the instantaneous peak or the peak for a shorter period than fifteen minutes. Such measurements will be made by any suitable instrument chosen by the Company. The demand which is billed to the Customer is determined according to the terms of the appropriate tariffs approved by the PUC from time to time.

#### Customer Changing Rates

19. The Customer may change from any rate to any other rate applicable to a class of service subject to the terms of this section. Any change, however, shall not be retroactive, nor reduce, eliminate or modify any contract period, provision or guarantee made in respect to any line extension or other

special condition. Nor shall such change cause such service to be billed at any rate for a period less than that specified in such rate except during the first year of electric service to any Customer.

A Customer taking service on an Interim Power Service rate may change to another applicable Interim Power Service rate at any time, except that once a Customer changes to the new rate, the Customer must stay on that rate for at least one year.

Customers may change from a Interim Power Service rate to an applicable Retail Delivery Service rate at any time, subject to the limitations contained in the Terms and Conditions for Non-Regulated Power Producers.

A Customer taking service on a Retail Delivery Service rate may change to another applicable Retail Delivery Service rate at any time, except that once a customer changes to the new rate, the Customer must stay on that rate for at least one year.

Prior to Standard Offer Service being applicable, Customers taking Retail Delivery Service may switch back to an applicable Interim Power Service rate, subject to the limitations contained in the Terms and Conditions for Non Regulated Power Producers.

#### Discontinuance of Service

20. Subject to the Rules and Regulations of the Commission, the Company shall have the right to discontinue its service upon due notice and to remove its property from the premises in case the Customer fails to pay any bill due the Company for such service, or fails to perform any of its obligations to the Company. For restoration of service after such discontinuance, a reconnection charge of \$10.00 will be made.

#### Right of Access

21. The Company shall have the right of access to the Customer's premises at all reasonable times for the purpose of examining or removing the Company's meters, and other appliances and equipment. During emergency conditions, the Company shall have the right of access to the Customer's premises at all hours of the day to make conditions safe and/or to restore service.

#### Safeguarding Company Equipment

22. The Customer shall not permit access for any purpose whatsoever, except by authorized employees of the Company, to the meter or other appliances and equipment of the Company, or interfere with the same, and shall provide for their safe keeping. In case of loss or damage of the Company's property, the Customer shall pay to the Company the value of such property or the cost

of making good the same.

#### Temporary Service

23. A temporary connection is local distribution service which does not continue for a sufficient period to yield the Company adequate revenue at its regular local distribution service rates to justify the expenditures necessary to provide such a connection. The Company may require a Customer requesting a temporary connection to pay the full amount of the estimated cost of installing and removing the requested connection, less estimated salvage value, in advance of the installation of the connection by the Company. In addition, the customer shall pay the applicable regular local distribution service and, if applicable, basic or standard offer service rates.

#### Limitation of Liability for Service Problems.

24. The Company shall not be liable for any damage to equipment or facilities using electricity which damage is a result of Service Problems, or any economic losses which are a consequence of Service Problems. For purposes of this paragraph, the term "Service Problems" means any service interruption, power outage, voltage or amperage, fluctuations, discontinuance of service, reversal of its service, or irregular service caused by accident, labor difficulties, condition of fuel supply or equipment, federal or state agency order, failure to receive any electricity for which the Company has contracted, or any other causes beyond the Company's immediate control.

However, if the Company is unable for any reason to supply electricity for a continuous period of two days or more, then upon the request of the Customer, the Demand Charge, if any, shall be suspended for the duration of such inability.

The Company shall not be liable for damage to the person or property of the Customer or any other persons resulting from the use of electricity or the presence of the Company's appliances and equipment on the Customer's premises.

#### Limitation on Use of Electricity - Auxiliary & Temporary Local Distribution Service

25. Local distribution service supplied by the Company shall not be used to supplement or relay, or as standby or back up to any other electrical source or service except under the provisions of the Auxiliary Service Rate, unless the Customer shall make such guarantees with respect to the payment for such local distribution service as shall be just and reasonable in each case. Where such local distribution service is supplied, the Customer shall not operate its generation in parallel with the Company's system without the consent of the Company, and then only under such conditions as the

Company may specify from time to time.

Company Right to Place Facilities on Customer Property

26. The Company has the right to place on a Customer's property facilities to provide and meter electric service to the Customer.

Company Right to Request a Guarantee

27. Whenever the estimated expenditures for the services or equipment necessary to deliver electricity to a Customer's premises shall be of such an amount that the income to be derived therefrom at the applicable rates will, in the opinion of the Company, be insufficient to warrant such expenditures, the Company may require a Customer to guarantee a minimum annual payment or commitment for a term of years, or to pay the whole or a part of the cost of such equipment.

Interim Power Service

28. Customers who have not contracted for a power supply with a non-regulated power producer may elect service from the Company's approved tariffs for Interim Power Service until such time as Standard Offer Service is available, at which time Interim Power Service will not be available.

Fluctuating Load & Harmonic Distortion

29. In certain instances, extreme fluctuating loads or harmonic distortions which are created by a Customer's machinery or equipment may impair service to other Customers. If the fluctuating load or harmonic distortion causes a deterioration of the Company's service to other customers, the Company shall specify a service arrangement that avoids the deterioration and the Customer owning or operating the equipment that causes the fluctuation or distortion shall pay the cost to implement the new service arrangement together with applicable taxes.

Customer Tax Liability

30. The Company shall collect taxes imposed by governmental authorities on services provided or products sold by the Company. It shall be the Customer's responsibility to identify and request any exemption from the collection of the tax by filing appropriate documentation with the Company.

Customer/Supplier Relationship

31. For electricity supplied by non-regulated power producers, the Company is a local distribution service provider of electricity supplied by others. When such electricity is supplied and delivered to the Company's local distribution supply point, the Company then performs a delivery service for the electricity. Ownership of such electricity lies with either the non-regulated power producer or Customer, as per the specific agreement between the Customer and the non-regulated power producer. In no case shall the Company be liable for loss of electricity.

Customer Notice and Right to Appeal

32. Where practicable, the Company will give the Customer reasonable notice of actions taken pursuant to these Terms & Conditions. The Customer shall have the right to appeal, pursuant to the Division's Rules of Practice and Procedure, all action taken by the Company hereunder.

## Attachment 5

**THE NARRAGANSETT ELECTRIC COMPANY**  
**Terms and Conditions for Nonregulated Power Producers**

The delivery of electricity shall be in accordance with the provisions of law, regulation and these Terms and Conditions. Customers may purchase power only from Suppliers who meet the terms described below and are registered in good standing with the Rhode Island Division of Public Utilities and Carriers (Division) and the regional power pool (the current New England Power Pool (NEPOOL), or its successor).

**1.0 Obligations of Parties**

**1.1 Customer**

The Customer is the end user taking electric service and utilizing it at his or her home or facility. The Customer must be a registered Customer of record of The Narragansett Electric Company (hereinafter, Narragansett or Company). Each Customer is identified by a number assigned by Narragansett. This location identification number, which is unique to a Customer's home, facility or portion thereof is also referred to as the Customer Delivery Point.

A Customer will select one registered Nonregulated Power Producer (hereinafter "Supplier") from which to purchase electrical power. For purposes of billing and financial responsibility, each Customer Delivery Point will also be identified as an Account by Narragansett and assigned an Account number.

**1.2 Distribution Company**

Narragansett is responsible for providing local distribution services from the Transmission Delivery Point(s), as defined within these Terms and Conditions, to the Customer Delivery Point(s) which shall be the meter point for each Account.

Narragansett will:

- arrange for network transmission service on behalf of each Customer to each Customer Delivery Point,
- deliver power over distribution facilities to each Customer Delivery Point,
- provide customer service and support for delivery service,
- respond to service interruptions or power quality problems,
- handle connections and terminations,
- read meters,

- submit bills for local distribution services and generation services of the Customer's Supplier, unless the Customer requests separate billing from the Supplier,
- for Customers who receive one bill for electric service, forward payments for generation service to Suppliers,
- address billing inquiries for the local distribution services bill portion and, if contracted by the Customer's Supplier, the generation services portion,
- answer general questions about local distribution service,
- report Suppliers' loads, including distribution and applicable transmission losses, to the power pool, and
- report loads to Suppliers electronically, upon request.

Prior to the date that Standard Offer Service is available, Narragansett will provide Interim Power Service to any Customer who is not purchasing their requirements from a Supplier. Before Standard Offer Service becomes available, Narragansett will make a supplemental filing amending these Terms and Conditions.

### **1.3 Supplier**

A Supplier is a non-regulated power producer who has registered with the Division as a provider of electric generation service to Customers in Rhode Island. Suppliers shall comply with the Rhode Island Public Utilities Commission (PUC) Reliability and Responsibility Regulations for Nonregulated Power Producers. Suppliers shall be responsible for providing firm, all-requirements service, subject to interruptions of the Company, to meet the needs of each Account being served and to deliver the associated capacity and energy to a point or points on New England Power Company's (NEP) transmission system, or on the transmission systems of others that provide transmission service to NEP under filed tariffs or contracts to serve specific areas on Narragansett's system, as well as provide any and all necessary installed and operating reserves and ancillary services required to serve each Account's load. NEP will deliver the associated capacity and energy to Narragansett under its tariff for Local Network Service and the NEPOOL transmission tariff.

All Suppliers shall meet the requirements of these Terms and Conditions.

#### ***1.3.1 NEPOOL Registration***

Each Supplier must meet all registration requirements established by law and regulation, and be a member of NEPOOL<sup>1</sup>, having an own-load dispatch

---

<sup>1</sup> Membership in NEPOOL is open to any person or organization engaged in the electric utility business (the generation and/or transmission and/or distribution of electricity for consumption by the public, or the purchase, as principal or broker, of electric energy and/or capacity for resale at wholesale), whether in the United States of America

established within the NEPOOL billing system (as defined by NEPOOL) or have an agreement in place with a NEPOOL member whereby the NEPOOL member agrees to include the load to be served by the Supplier in its own-load dispatch.

Suppliers must provide to Narragansett written notification of the name of the NEPOOL participant in whose NEPOOL own-load dispatch the Suppliers' loads are to be included. This information needs to be provided to Narragansett one time, and must be received prior to the Supplier's enrollment of its first Customer. If the NEPOOL participant has more than one own-load dispatch, the Supplier shall designate the one in which its loads are to be included.

### *1.3.2 Customer Participation*

Once a Customer has indicated their choice of Supplier to the chosen Supplier, that Supplier must provide Narragansett with certain information via electronic file transfer, as specified in Appendix B, Section I. (All "electronic" information interchange will occur via the Advantis Value Added Network (VAN), following the specifications in Appendices A, B and C.) The Supplier transaction information, which includes specifics regarding customer identification and billing selection for generation service, must be received at least five (5) business days prior to the commencement of service.

If the data are correct, Narragansett will electronically inform the new Supplier of the commencement date for service (coincident with the Customer's next scheduled meter read date) and will inform the outgoing Supplier, as applicable, of the termination date for service. If the data are incomplete or incorrect, the Company will not be able to enroll the Customer with the new Supplier and the Supplier will be notified electronically of the error, so that the data may be corrected and resubmitted for processing. If the outgoing Supplier indicates an intention to challenge the legitimacy of the change, the Customer will not be enrolled with the new Supplier, and the new Supplier will receive notice of the challenge. In the event of such a dispute, the Customer will remain enrolled with the outgoing Supplier unless and until the Company receives a written confirmation from an authorized representative of the Customer, stating unambiguously that the outgoing Supplier is to be dropped and the new Supplier is to be selected. The Company will then enroll the Customer with the new Supplier,

---

or Canada or a state or province or a political subdivision thereof or a duly established agency of any of them, a private corporation, a partnership, an individual, an electric cooperative or any other person or organization recognized in law as capable of owning property and contracting with respect thereto. No person or organization shall be deemed to be eligible for membership if the generation, transmission, or distribution of electricity by such person or organization is primarily conducted to provide electricity for consumption by such person or organization or an affiliated person or organization.

subject to any timing restrictions that could delay such enrollment to the next scheduled meter read date. The Company shall have no liability or responsibility for the consequences to Suppliers or the Customer for complying in such case with the instructions of a Customer regarding enrollment with a Supplier.

Only in cases of a documented enrollment dispute between Suppliers will the Company enroll a Customer with a new Supplier upon the instructions of a Customer. All other enrollments must follow the procedures set forth in these terms and conditions.

Whenever an Account becomes inactive, such as when there's a change in occupant, the Supplier assignment for that Account is discontinued. If the Customer wishes to select the same Supplier for a new account, the Supplier must submit a new request for Customer enrollment accordingly.

Customers will begin service from their chosen Supplier on the Customer's normal cycle meter read date following notification, except when notification occurs five (5) or fewer business days prior to the cycle meter read date. In that case, the assignment will be made on the cycle meter read date in the following month. Suppliers will be charged an administrative fee of \$5 (Five Dollars) by Narragansett for each submitted Customer enrollment or change. No fee will be charged for a Customer moving from Standard Offer Service to a Supplier.

Suppliers shall be required to obtain a signed and dated statement from each Customer specifying the Customer's choice of Supplier. These records must be kept on file for a period of seven (7) years. Narragansett will keep Supplier electronic enrollment requests on file, also for seven (7) years.

#### **1.4 Dispute Resolution**

Narragansett will not be responsible for the resolution of disputes between Suppliers and Customers. Any disputes relating to compliance with these terms and conditions or the regulations of the Commission or Division may be referred by the Company, the Supplier or the Customer to the Division and such disputes shall be subject to the regulatory oversight of the Division or Commission, as applicable.

## 2.0 Billing and Customer Service

### 2.1 Supplier Billing

The Company shall issue a single bill for electric service to all Customers in its service territory; provided, however, that Customers of Suppliers may request the Supplier to provide separate bills for electricity supply. Should a Customer opt for a separate generation bill, each Supplier will be responsible for billing their Customers for the cost of generation service provided by the Supplier and collection of amounts due to the Supplier from their Customers. Narragansett will read meters on a monthly cycle and will use reasonable efforts to provide to the Supplier(s) on the next business day following the meter read, an electronic file containing the applicable billing determinants and records of billing data for each Account. The Company will make diligent efforts to read all Customer's meters in accordance with its terms and conditions as approved by the RIPUC. The record format for the file transfer is detailed in Appendix B, Sections IV and V. All electronic files, with the exception of payments, will be transmitted using the Advantis Value Added Network (VAN). Payment of funds collected on behalf of the Supplier are transferred electronically via an Automated Clearing House (ACH) bank funds transfer. VAN rates are set by Advantis. The cost of using the VAN is borne by the Supplier.

Narragansett offers the following standard and optional billing services:

#### *2.1.1 Complete Billing Service*

Under the Complete billing service, Suppliers would provide Narragansett with rates and pricing structures to be implemented for designated Narragansett customer classes. Narragansett would use the supplied rates to calculate the Supplier portion of Customer bills, then integrate this billing with the Transmission, Distribution and Transition Charge components in a single mailing to the Customer. While standard collection notices may be printed on Customer bills, the Supplier is responsible for collection of past due accounts for the Suppliers' portion of Customers' bills.

Suppliers must adhere to Customer classes and rate/pricing structures which follow the formats in Appendix B and meet the availability clauses of Narragansett's retail delivery tariffs on file with the PUC.

If Suppliers makes a written request for different Customer classes or rate structures, Narragansett will consider accommodating reasonable changes to its billing system. The requesting Supplier will be responsible for any costs incurred to make the designated changes, which will be quoted by Narragansett to the Supplier in advance of any changes.

Upon receipt of Customer payments, Narragansett will forward to Supplier notification of any and all revenue from Supplier sales which have been received and recorded by midnight of that business day, e.g., notification of any payment received on Monday normally will be forwarded to the Supplier by midnight on Monday. The format of the record to be transmitted is detailed in Appendix B, Section V., "*Customer Usage Record Format (Complete Option)*".

Payments to Suppliers will be made in a lump sum for all Customers revenue due to the Supplier in a given day. These lump sum Supplier payments will be transferred via a two-day ACH transaction and credited to a predetermined Supplier bank account. Each Supplier must provide Narragansett with the name of the receiving bank, routing and transmit number (ABA number) and bank account number to facilitate this transfer. The account detail of the Supplier credited amounts will be provided by a separately transmitted electronic file which includes a detailed payment breakdown of individual Customer payments. The format of the record to be transmitted is detailed in Appendix B, Section VI, "*Customer Payment/Adjustment Record Format.*"

Existing Narragansett service fees, such as interest charges for unpaid balances, bad check charges, etc., shall remain in effect and be assessed, as applicable, to each Account according to the Narragansett Retail Terms and Conditions, applicable to all Customers. The cash posting sequence for customer payments to Accounts is detailed in Appendix D, "*Cash Posting Sequence.*"

### **2.1.2 *Passthru Billing Service***

Narragansett will provide Passthru Billing Service to Suppliers for those Customers that have elected such service. Narragansett reserves the right to obtain confirmation from a Customer being served by a Supplier that such election has been made. Under this option, Narragansett will electronically transmit to the Supplier Customers' usage/demand information obtained via meter reads to the Supplier's VAN. The record format is detailed in Appendix B, Section IV., "*Customer Usage Record Format (Pass-thru Option).*" With this billing option, Suppliers will use this data to calculate Customer bills and mail a separate Supplier bill to the Customer.

### **2.1.3 *Passback Billing Service***

Narragansett is willing to provide Passback Billing Service for Suppliers whose Customers have elected to receive a single bill for delivery and supply of electricity. This optional service anticipates that some suppliers will elect to maintain the confidentiality of their pricing structures. Under this option,

Narragansett will pass Customers' usage and demand information obtained via meter reads to the Supplier and the Supplier will pass back to Narragansett a bill amount for inclusion in each Customer's bill. To offer this service not later than January 1, 1998, Narragansett will solicit Supplier inputs and propose in a supplemental filing to the PUC by October 1, 1997, the specific procedures, requirements and data formats to be followed, assuming at least some Suppliers have expressed interest.

#### *2.1.4 Summary Billing*

Narragansett offers a summary billing option to qualified Customers with multiple electric service Accounts. Designed to consolidate multiple individual account billings on a single bill format, this optional service allows Customers to pay numerous accounts with one check. Under this option, monthly billing for a Customer with multiple Accounts will occur when their last Account is billed for the month.

## **2.2 Customer Service Options**

Narragansett will consider offering optional customer service support to any Supplier who elects the complete billing service.

If optional customer service is offered to Suppliers, Narragansett will provide any Supplier with a unique toll-free phone number which will be printed on the Supplier portion of a Customer's bill. Telephone calls will be answered using the appropriate Supplier's name and operators will be able to respond to a wide variety of call types.

If optional customer service support is provided to Suppliers, Narragansett will customize the pricing for services to meet the individual needs of Suppliers, based on factors such as the volume of calls, requested hours of coverage and/or the specific number of customer service representatives requested.

## **2.3 Service Disconnection Procedures**

Should the Customer fail to pay the full amount billed by Narragansett, Narragansett may disconnect the Customer pursuant to the current PUC procedures for disconnection which apply to Customers of the applicable rate class. Narragansett will provide notification electronically to the Supplier of any Customer receiving a final bill as a result of a disconnection. Once a final bill is issued to the Customer, supply to the Customer is no longer the obligation of the Supplier. Narragansett shall not be liable for any and all revenue losses to the Supplier for participants lost to any disconnection.

The Supplier may discontinue supply to a Customer in conformance with the specific Customer/ Supplier contract. Suppliers will provide Narragansett with electronic notice of intent to discontinue supply five (5) or more business days prior to the Customer's scheduled meter read. Service by the Supplier will terminate upon the next scheduled meter read from the time of this written notice. Customers whose service from a Supplier is discontinued will become Interim Power Service Customers of Narragansett, unless or until they enroll with a new Supplier.

## **2.4 Distribution Service Interruptions**

Narragansett shall provide firm local distribution service to each Customer. In the event that the loading of the distribution system, or a portion thereof, must be reduced for safe and reliable operation, such reduction in loading will be proportionately allocated among all Customers whose load contributes to the need for the reduction when such proportional curtailments can be accommodated within acceptable operating practices.

In the event of power outages, Narragansett shall restore electrical service to Customers in accordance with the Company's service restoration procedures, as filed with the PUC from time to time.

Any other service interruptions which the Company is required to make for planned maintenance of the distribution and transmission system will be made according to normal operational procedures.

### **2.5 Release of Customer Information**

It is recognized that from time to time Suppliers may request information about customers. Suppliers seeking information about customers will be instructed to obtain a written consent from a customer before Narragansett will disclose any such information, consistent with the procedures set forth below:

The written consent should include a statement substantially the same as the following:

“[CUSTOMER] authorizes Narragansett Electric to disclose the following information to [NAME OF Supplier] about [CUSTOMER]:

[DESCRIPTION OF INFORMATION]”

The written consent must be signed by the customer. If the customer is a company, it must be signed by an officer on behalf of the company.

Narragansett reserves the right to provide standard billing information directly to the customer, who in such case will have the discretion to provide it to the Supplier. In such case, Narragansett will inform the Supplier that the data has been delivered to the customer and may be obtained directly from the customer.

### **3.0 Metering**

The meter that is currently installed at a customer site will be used to meet the basic distribution company and supplier billing requirements as well as any load estimation process requirements. Narragansett will own all billing meters, and have sole responsibility for meter reading, lock-outs, and programming changes.

#### **3.1 Telemetering Installation Requests**

If a Supplier requests additional metering and/or telecommunication capabilities for rate calculations, or in lieu of estimation in the daily load reporting process, the Supplier is responsible for all installation and operating costs and must arrange for the installation and

commissioning of all the necessary equipment (using a licensed electrician) in accordance with the conditions listed herein.

The Supplier is responsible for arranging the installation and maintenance of the remote access pulse recorder (RAPR) and telephone line, subject to standards set forth by the distribution company. Upon installation, the Supplier shall provide the information described in Appendix B, Section III.

Once all the necessary equipment is installed and the Company is notified, the Company will initialize the recorder (upon Supplier request). Upon completed commissioning of the device, the Company will begin collecting load data. Until telemetering requirements are fulfilled, the customer will be enrolled with an estimated load designation until the installation is complete and tested.

### **3.2 Product Options**

All telemetering installations will use external RAPR's unless and until other acceptable technologies become available. The RAPR is connected to the meter and is programmed with the correct energy values associated with each pulse output and quantity measured by the meter. There are a number of RAPR products on the market. Narragansett's requirement is that the RAPR data format be supported by the MV-90<sup>2</sup> data collection system.

### **3.3 Installation and Maintenance of Telephone Line**

In all cases,<sup>†</sup> the Supplier must provide the Company telephone access to the RAPR. The Supplier must notify the Company of the telephone number once it becomes available in order for the Company to access the RAPR electronically. The installation and ongoing operating and maintenance costs of the telephone line will be borne by the Supplier. It is the obligation of the Supplier to notify the Company of any change affecting the availability of the phone line for the duration of the prevailing Customer contract.

### **3.4 Ownership and Maintenance Responsibilities**

The Company owns all billing meters and is responsible for their installation, maintenance, and testing for accuracy. The Company's meter reading, meter testing, meter maintenance, meter security and data collection practices will continue and be unaffected by the presence of the Suppliers' RAPRs. Tests of

---

<sup>2</sup> MV-90 is the product name of the data collection system built and maintained by Utility Translation Services, Inc.

meter accuracy may be requested by either the Customer or the Supplier, under the terms approved by the RIPUC.

The Supplier owns any RAPRs and telephone lines that it installs (or pays to have installed), and is responsible for their maintenance. Should the telephone line or RAPR become unavailable and the Company is unable to collect the load profile data, the Customer's historic load profile data will be used in the estimation process. If the Customer's historic load data are unavailable, the class average load shape will be used, in accordance with the load estimation process described in Section 4.0. Once the phone line and/or RAPR access are restored and the Company is notified, use of actual customer load data will resume.

#### **4.0 Determination of Hourly Supplier Loads**

Generating units operated by Suppliers are dispatched by NEPOOL to meet the region's electrical requirements reliably, and at the lowest possible cost. As a result, a Supplier's electricity production may not match the demand of its Customers. In each hour some Suppliers with low cost production units are net sellers of electricity to NEPOOL, while other Suppliers are purchasing power from NEPOOL to meet the demand of their Customers. To determine the extent to which Suppliers are net buyers or sellers on an hourly basis, it is necessary to estimate the hourly aggregate demand for all of the Customers served by each Supplier ("own-load"). The distribution company is responsible for estimating each Supplier's "own-load" within the distribution company's service territory, as well as the total Standard Offer Service load, and reporting the hourly results to NEPOOL on a daily basis.

The estimation process is a cost-effective approach to producing results that are reliable, unbiased and reasonably accurate. The hourly load estimates are based on rate class load profiles which are developed from statistically designed samples. Each day, the class load shapes are scaled to the population of customers served by each Supplier. In cases where telemetered data on individual customers are available, they are used in place of the estimated shapes. On a monthly basis, the estimates are refined by incorporating actual usage data obtained from meter readings. In both processes, all Suppliers' loads are adjusted so that the sum of the estimated and telemetered loads matches the total load delivered into the distribution system. A description of the estimation process follows.

##### **4.1 Daily Estimation of Suppliers' Own Load**

The daily process estimates the hourly load for each Supplier for the previous day. There are five components in this process:

#### ***4.1.1 Select Load Shapes***

Select a proxy date from the previous year with load characteristics which most closely match the day for which the hourly demand estimates are being produced. Extract load shapes for each customer class for the selected proxy date from the load research data base.

#### ***4.1.2 Aggregate Usage Information***

Scale the class load shapes appropriately for each individual customer based on the usage level of the customer relative to the class average usage level. Calculate a factor for each customer which reflects their relative usage level and includes an adjustment for distribution losses ("load adjustment factor"). Aggregate the load adjustment factors across the customers served by each Supplier in each class.

#### ***4.1.3 Develop Preliminary Estimate of Hourly Loads***

Produce a preliminary estimate of each Supplier's hourly loads by combining the proxy day class load shapes with the Supplier's total load adjustment factors. Aggregate the loads across the classes for each Supplier.

#### ***4.1.4 Reconcile to Meters at Transmission Delivery Points***

Adjust the preliminary hourly supplier estimates so that their sum is equal to the Company's actual hourly metered loads (as metered at the point of delivery to the distribution system) by allocating any differences to Suppliers' in proportion to their estimated load.

#### ***4.1.5 Incorporate Transmission Losses***

Transmission losses will be approximated and added to the results of the previous steps.

### **4.2 Monthly Reconciliation Process**

The monthly process improves the estimates of Supplier loads by incorporating the most recent customer usage information, which is available after the monthly meter readings are processed. The Company will make diligent efforts to read all Customer's meters in accordance with its terms and conditions as approved by the RIPUC. A comparison is

made between customers' estimated and actual usage, by billing cycle, then summed across billing cycles for each Supplier. The ratio between the actual kWh and the estimated kWh reflects the kWh amount for which the Supplier may have been overcharged or undercharged by the power pool during the month. This ratio is used to develop a kWh adjustment amount for each Supplier for the calendar month. The sum of the adjustments for all suppliers is zero because the total kWh is still constrained to equal the Company's actual hourly metered loads during the month.

#### **4.3 Error Handling**

The process of supplier load estimation is not perfectly accurate and cannot be made perfectly accurate without large scale investment in special metering to record the hourly usage of all customers, as well as hourly line losses. Accordingly, some level of error will typically be reflected in the estimates.

To the extent that errors are identified by the Company through the monthly reconciliation process, discovery of metering errors, or through any other means, the Company will quantify and communicate these errors to NEPOOL for adjustment of supplier settlement results in accordance with NEPOOL rules. The Company will not be directly responsible for making such adjustments, nor shall the Company be responsible for reimbursing suppliers. NEPOOL settlement rules and procedures, including the applicability of any time limitations, shall be the exclusive means available to Suppliers for obtaining settlement adjustments and reimbursements arising out of any errors in Suppliers' estimated loads .

### **5.0 Generation Requirements**

#### **5.1 Reporting to NEPOOL**

Narragansett is responsible for reporting a set of hourly loads (including associated distribution and transmission losses) for each designated Supplier and their aggregate Customers to NEPOOL. The daily reporting of the hourly loads, and later reconciliation adjustments will be provided to NEPOOL in accordance with their scheduling requirements.

#### **5.2 Definition of Supplier Delivery Point**

Suppliers shall be obligated to deliver the capacity and energy actually used by each Account to a point or points on the NEP transmission system ("Supplier Delivery Point") where firm service is available. Suppliers shall be obligated to arrange for and pay all costs associated with delivery of its capacity and energy to the Supplier Delivery Point(s).

NEP will transmit the power received to Narragansett and deliver it to the interconnection(s) between NEP's transmission system and Narragansett's local distribution system (Transmission Delivery Points). This service will be provided to Narragansett by NEP under a transmission tariff on file at the Federal Energy Regulatory Commission.

Narragansett will provide local distribution service to deliver the power from the Transmission Delivery Points to the applicable Accounts (Customer Delivery Points).

### **5.3 Back up Supply Obligations**

Since the load for each Account will be included in Supplier's own-load dispatch at NEPOOL, Supplier will be responsible for obtaining any back up supply that it may need. This supply can be obtained from other supply sources or through service offered by NEPOOL to cover energy and/or capacity deficiencies.

### **5.4 Losses**

To compensate for transmission and distribution system losses and Company use requirements, Narragansett requires Suppliers to provide an additional quantity of electricity and associated ancillary services. The quantities actually delivered to each Supplier's retail Customers, in aggregate, in each hour of the billing period, as estimated by the Company, shall be scaled to include appropriate distribution and transmission loss factors.

Suppliers providing generation service to Narragansett local distribution service Customers from outside of NEPOOL will be responsible for any and all losses incurred on other transmission systems, which may also include losses on facilities linking generation to NEPOOL facilities.

## **6.0 Limitations of Liability**

The Company shall not be liable to a Supplier under any theory of recovery for any and all economic losses incurred by the Supplier (including without limitation lost profits and purchased power costs) caused by the failure of the Company to deliver electricity because of Service Problems. For purposes of this paragraph, the term "Service Problems" means any service interruption, power outage, fluctuation in voltage, amperage, or harmonics, discontinuance of service, reversal of service, or irregular service caused by accident, labor difficulties, condition of fuel supply or equipment, actions of transmission services provider(s) and suppliers, federal or state agency order, failure to receive any electricity for which the Company or Supplier has contracted, or any causes beyond the Company's immediate control.

## Appendix A Open Access Transactions

BUSINESS PROCESS	TRANSACTIONS			
	BUSINESS TRANSACTION	BUSINESS FLOW	TRANSACTION FREQUENCY	TRANSACTION RECORD FORMAT REFERENCE
ENROLL	REGISTER NEW CUSTOMER/CHANGE	NS→DC	DAILY	B.I
	UNSUCCESSFUL ENROLLMENT	DC→NS	DAILY	B.II
	SUCCESSFUL ENROLLMENT	DC→NS	DAILY	B.II
DISPUTE	EXISTING SUPPLIER DISPUTE SWITCH	ES→DC	DAILY	B.I
	NOTIFY NEW SUPPLIER OF DISPUTE	DC→NS	DAILY	B.II
TERMINATE	DISCO TERMINATES CUSTOMER	DC→ES	DAILY	B.II
	SUPPLIER TERMINATES CUSTOMER	ES→DC	DAILY	B.I
	CUSTOMER TERMINATES SUPPLIER	DC→ES	DAILY	B.II
	CUSTOMER MOVEMENT	DC→ES	DAILY	B.II
SETTLEMENT	DAILY SUPPLIER PULSE RESULTS	DC→ES	DAILY	
	MONTHLY RECONCILIATION RESULTS	DC→ES/NP	MONTHLY	
	DAILY AGGREGATE SUPPLIER RESULTS	DC→NP	DAILY	
TELEMETER	SUPPLIER TELEMETER REQUEST	ES/NS→DC	DAILY	B.I
	SUPPLIER TELEMETER TERMINATION	ES→DC	DAILY	B.I
	SUPPLIER TELEMETERING INSTALLED	ES→DC	DAILY	B.III
	SUPPLIER - TELEMETER COMMISSION	ES/NS→DC	DAILY	B.I
	TELEMETER FAILURE	DC→ES	DAILY	B.II
BILLING	CUSTOMER USAGE TRANSMISSION	DC→ES	DAILY	B.IV
	CUSTOMER PAYMENT TRANSMISSION	DC→ES	DAILY	B.V
	CUSTOMER ADJUSTMENTS	DC→ES→DC	DAILY	B.VI

LEGEND: ES=EXISTINGSUPPLIER  
 NS=NEW SUPPLIER  
 DC=DISTRIBUTION COMPANY  
 NP=NEPOOL

## Appendix B Transaction Record Formats

### I. Supplier Activity Record - Supplier to Distribution Company.

This record layout reflects the records that the Suppliers will be sending to the distribution companies for supplier change, disputes and terminations.

#### A. Header Record ..... ( One Per Transmission ):

•	Record Type	Pic X.	Type of Record (H - Header Record)
•	Supplier ID	Pic X(4).	Suppliers Identifier
•	Distribution Co. ID	Pic X(4).	Distribution Co's Identifier
•	Transmission Date	Pic 9(8).	File Transmission Date

#### B. Detail Record ..... ( Multiple Per Transmission ):

•	Record Type	Pic X.	Type of Record
•	Supplier Acct Number	Pic X(20).	Supplier Customer Account Number
•	Disco Acct Number	Pic X(20).	DISCO Customer Account Number
•	Customer Last Name	Pic X(4).	First 4 character of customer's last name
•	Option Code	Pic X.	Billing Option Code
•	Supplier Rate class	Pic XXX.	Supplier rate class for <b>Complete only</b>
•	Supplier Pricing option	Pic 9(5)	Supplier Price Option for <b>Complete only</b>
•	Supplier Transaction code	Pic XX.	Supplier Transaction Code

#### C. Trailer Record ..... ( One Per Transmission ):

•	Record Type	Pic X.	Type of Record (T - Trailer Record)
•	Supplier ID	Pic X(4).	Suppliers Identifier
•	Record Counts	Pic 9(7).	Number Detail Records Transmitted

## Appendix B Transaction Record Formats

### II. Disco Activity Record - Distribution Company to Supplier.

This record layout reflects the records that the Distribution company will be sending to the Suppliers for enrollment notification, dispute, movement and terminations.

#### A. Header Record ..... ( One Per Transmission ):

•	Record Type	Pic X.	Type of Record (H - Header Record)
•	Distribution Co. ID	Pic X(4).	Distribution Cos Identifier
•	Supplier ID	Pic X(4).	Suppliers Identifier
•	Transmission Date	Pic 9(8).	File Transmission Date

#### B. Detail Record ..... ( Multiple Per Transmission ):

•	Record Type	Pic X.	Type of Record
•	Disco Acct Number	Pic X(20).	DISCO Customer Account Number
•	Customer Last Name	Pic X(4).	First 4 character of customer's last name
•	Supplier Acct Number	Pic X(20).	Supplier Customer Account Number
•	Option Code	Pic X.	Billing Option Code
•	Supplier Rate class	Pic XXX.	Supplier rate class for <b>Complete only</b>
•	Supplier Pricing option	Pic 9(5)	Supplier Price Option for <b>Complete only</b>
•	DisCo Transaction code	Pic XX.	DisCo Transaction Code
•	Billing Cycle	Pic XX.	Billing cycle assigned to account.
•	Projected Load Date	Pic 9(8).	Projected date of changed load responsibility
•	Existing Supplier ID No	Pic X(20)	Dispute Supplier Account Number
•	Error code	Pic 3(2)	Error Code

#### C. Trailer Record ..... ( One Per Transmission ):

•	Record Type	Pic X.	Type of Record (T - Trailer Record)
•	Distribution Co. ID	Pic X(4).	Distribution Co's Identifier
•	Record Counts	Pic 9(7).	Number Detail Records Transmitted

## Appendix B Transaction Record Formats

### III. Supplier Telemetry Record-Supplier and Distribution Company

This record layout reflects the records that will be sent between the supplier and the Distribution Company (depending on who will initialize the RAPR) to notify of completed RAPR and telephone line installation. This will enable to Distribution Company to complete telemetry commissioning and perform daily data collection.

#### A. Header Record ..... ( One Per Transmission ):

•	Record Type	Pic X.	Type of Record (H - Header Record)
•	Distribution Co. ID	Pic X(4).	Distribution Cos Identifier
•	Supplier ID	Pic X(4).	Suppliers Identifier
•	Transmission Date	Pic 9(8).	File Transmission Date

#### B. Detail Record ..... ( Multiple Per Transmission ):

•	Record Type	Pic X.	Type of Record
•	Disco Acct Number	Pic X(20).	DISCO Customer Account Number
•	Customer Last Name	Pic X(4).	First 4 character of customer's last name
•	Supplier Acct Number	Pic X(20).	Supplier Customer Account Number
•	RAPR Initialize Code	Pic X	RAPR Initialization Status
•	RAPR Initialization Date	Pic 9(8)	If Initialized, RAPR Initialization Date
•	RAPR Password	Pic X(12)	If Initialized, RAPR Password
•	RAPR Device ID	Pic X(20)	If Initialized, RAPR Identification Number
•	RAPR Baud rate	Pic X(4)	If Initialized, RAPR Modem Speed
•	RAPR No. of Channels	Pic X	If Initialized, Number of RAPR Channels
•	RAPR Channel 1 UOM	Pic X(4)	If Initialized, Channel Unit of Measure
•	RAPR Channel 2 UOM	Pic X(4)	If initialized, Channel Unit of Measure
•	RAPR Interval Size	Pic XX	If initialized, Number of Minutes per Interval
•	RAPR Type	Pic X(10)	RAPR Vendor Model
•	RAPR Serial	Pic X(12)	RAPR Serial Number
•	RAPR Phone Number	Pic X(10)	RAPR Telephone Line Number

#### C. Trailer Record ..... ( One Per Transmission ):

•	Record Type	Pic X.	Type of Record (T - Trailer Record)
•	Distribution Co. ID	Pic X(4).	Distribution Co's Identifier
•	Record Counts	Pic 9(7).	Number Detail Records Transmitted

**Appendix B**  
**Transaction Record Format**

**IV. Customer Usage Record Format: (Passthru Option)**

This record layout reflects the Customer Usage information that will be forwarded to Supplier(s) on a daily basis. This daily transmission is to be completed by midnight of the next business day after DisCo's cycle meter reads for individual Accounts for the Supplier. These records will be transmitted to all Suppliers, whose billing option is "Passthru".

**Note:** On days that there are no usage records to transmit, a header and a trailer record with a record count of zero will be transmitted .

**A. Header Record ..... ( One Per Transmission ):**

●	Record Type	Pic X.	Type of Record (H - Header Record)
●	File Type	Pic X.	Type of File (U - Cust Usage File)
●	Distribution Co. ID	Pic X(4).	DisCo's Identifier (DisCo)
●	Supplier ID	Pic X(4).	Suppliers Identifier
●	Bill Cycle Date	Pic 9(8).	Billing Cycle Date
●	Transmission Date	Pic 9(8).	File Transmission Date

**B. Detail Record ..... ( Multiple Per Transmission ):**

●	Record Type	Pic X.	Type of Record
●	File Type	Pic X.	Type of File (U - Cust Usage File)
●	Distribution Co. ID	Pic X(4).	DisCo's Identifier (DisCo)
●	Supplier ID	Pic X(4).	Suppliers Identifier
●	Option Code	Pic X.	Billing Option Code
●	Activity Code	Pic X.	Activity Code
●	Disco Acct Number	Pic X(20).	DisCo Customer Account Number
●	Supplier Acct Number	Pic X(20).	Supplier Customer Account Number
●	Billing cycle number	Pic XX.	Billing cycle number
●	Disco Rate class	Pic XXX.	Distribution Company's rate class
●	Current Read Date	Pic 9(8).	Current Read Date
●	Previous Read Date	Pic 9(8).	Previous Read Date
●	Peak KWH	Pic 9(9).	Peak Kilowatt Hour Usage
●	Ofpk KWH	Pic 9(9).	Off-Peak Kilowatt Hour Usage
●	Actual Pk KW	Pic 9(6)v9.	Actual peak Kilowatt Hours
●	Actual Pk KVA	Pic 9(6)v9.	Actual Peak KVA
●	Actual Ofpk KW	Pic 9(6)v9.	Actual Off-Peak Kilowatts
●	Actual Ofpk KVA	Pic 9(6)v9.	Actual Off-Peak KVA
●	Billing Demand	Pic S9(6)V9.	Billing Demand
●	Shoulder KWH	Pic 9(9).	Shoulder Kilowatt Hour Usage
●	Actual Shoulder KW	Pic 9(6)v9.	Actual shoulder Kilowatt Hours
●	Actual Shoulder KVA	Pic 9(6)v9.	Actual shoulder KVA

**C. Trailer Record ..... ( One Per Transmission ):**

●	Record Type	Pic X.	Type of Record (T - Trailer Record)
●	File Type	Pic X.	Type of File (U - Cust Usage File)
●	Distribution Co. ID	Pic X(4).	DisCo's Identifier (DisCo)
●	Supplier ID	Pic X(4).	Suppliers Identifier
●	Record Counts	Pic 9(7).	Number Detail Records Transmitted

**Appendix B**  
**Transaction Record Format**

**V. Customer Usage Record Format: (Complete Billing Service)**

This record layout reflects the Customer Usage information that will be forwarded to Supplier(s) on a daily basis. This daily transmission, to be completed by midnight of the same business day that the Account is billed, will correspond to DisCo's cycle meter reads for individual Accounts for the Supplier. These records will be transmitted to all Suppliers, whose billing service is "Complete".

The expanded usage record will, in addition to the usage being billed, contain the calculated billing amounts for the current bill cycle, and if applicable, any outstanding Customer balances for each Account.

**Note:** On days that there are no usage records to transmit, a header and a trailer record with a record count of zero will be transmitted .

**A. Header Record ..... ( One Per Transmission ):**

•	Record Type	Pic X.	Type of Record (H - Header Record)
•	File Type	Pic X.	Type of File (U - Cust Usage File)
•	Distribution Co. ID	Pic X(4).	DisCo's Identifier (DisCo)
•	Supplier ID	Pic X(4).	Suppliers Identifier
•	Bill Cycle Date	Pic 9(8).	Billing Cycle Date
•	Transmission Date	Pic 9(8).	File Transmission Date

**B. Detail Record ..... ( Multiple Per Transmission ):**

•	Record Type	Pic X.	Type of Record
•	File Type	Pic X.	Type of File (U - Cust Usage File)
•	Distribution Co. ID	Pic X(4).	DisCo's Identifier (DisCo)
•	Supplier ID	Pic X(4).	Suppliers Identifier
•	Option Code	Pic X.	Billing Option Code
•	Activity Code	Pic X.	Activity Code
•	Disco Acct Number	Pic X(20).	DisCo Customer Account Number
•	Supplier Acct Number	Pic X(20).	Supplier Customer Account Number
•	Billing cycle number	Pic XX.	Billing cycle number
•	Disco Rate Class	Pic XXX.	Distribution Company's rate class
•	Current Read Date	Pic 9(8).	Current Read Date
•	Previous Read Date	Pic 9(8).	Previous Read Date
•	Peak KWH	Pic 9(9).	Peak Kilowatt Hour Usage
•	Ofpk KWH	Pic 9(9).	Off-Peak Kilowatt Hour Usage
•	Actual Pk KW	Pic 9(6)v9.	Actual peak Kilowatt Hours
•	Actual Pk KVA	Pic 9(6)v9.	Actual Peak KVA
•	Actual Ofpk KW	Pic 9(6)v9.	Actual Off-Peak Kilowatts
•	Actual Ofpk KVA	Pic 9(6)v9.	Actual Off-Peak KVA
•	Billing Demand	Pic S9(6)V9.	Billing Demand
•	Current Bill Amount	Pic S9(9)V99.	Current Bill Amount
•	Current Peak Amount	Pic S9(9)V99.	Current Peak Amount
•	Current Ofpk Amount	Pic S9(9)V99.	Current Ofpk Amount
•	Current Shld Amount	Pic S9(9)V99.	Current Shld Amount
•	Demand Charges	Pic S9(9)V99.	Demand Billing Charges
•	Customer Charge	Pic S9(9)V99.	Customer Charge
•	Sales tax	Pic S9(9)V99.	Sales tax
•	Arrears Interest	Pic S9(9)v99.	Arrears Interest
•	Supplier Arrears	Pic S9(9)V99.	Supplier Arrears
•	Total Bill Amount	Pic S9(9)V99.	Total Bill Amount
•	Shoulder KWH	Pic 9(9).	Shoulder Kilowatt Hour Usage
•	Actual Shoulder KW	Pic 9(6)v9.	Actual shoulder Kilowatt Hours
•	Actual Shoulder KVA	Pic 9(6)v9.	Actual shoulder KVA

**Appendix B**  
**Transaction Record Format**

**C. Trailer Record ..... ( One Per Transmission ):**

- Record Type                      Pic X.                      Type of Record (T - Trailer Record)
- File Type                            Pic X.                      Type of File (U - Cust Usage File)
- Distribution Co. ID                Pic X(4).                 DisCo's Identifier (DisCo)
- Supplier ID                        Pic X(4).                 Suppliers Identifier
- Record Counts                    Pic 9(7).                 Number Detail Records Transmitted

**Appendix B**  
**Transaction Record Format**

**VI. Customer Payment/Adjustment Record Format:**

This record layout reflects the Supplier payments received by DisCo. These records will be transmitted to those Suppliers who use the *Complete* billing service. This daily transmission is to be completed by midnight of the same business day following receipt of payment at DisCo's payment processing center, e.g., by midnight Wednesday following receipt on Monday.

This record layout also reflects the Supplier adjustments. These records will be transmitted to DisCo Suppliers who use the *Complete* billing service. This daily transmission is to be completed by noon of the next business day.

**A. Header Record ..... ( One Per Transmission ):**

•	Record Type	Pic X.	Type of Record (H - Header Record)
•	File Type	Pic X.	Type of File (P - Cust Payment File)
•	Distribution Co. ID	Pic X(4).	DisCo's Identifier (DisCo)
•	Supplier ID	Pic X(4).	Suppliers Identifier
•	Bill Cycle Date	Pic 9(8).	Billing Cycle Date
•	Transmission Date	Pic 9(8).	File Transmission Date
•	ACH Transfer Date	Pic 9(8).	ACH Transfer Date

**B. Detail Record ..... ( Multiple Per Transmission ):**

•	Record Type	Pic X.	Type of Record (D - Detail Record)
•	File Type	Pic X.	Type of File (P - Cust Payment File)
•	Distribution Co. ID	Pic X(4).	DisCo's Identifier (DisCo)
•	Supplier ID	Pic X(4).	Suppliers Identifier
•	Disco Acct Number	Pic X(20).	DisCo Customer Account Number
•	Supplier Acct Number	Pic X(20).	Supplier Customer Account Number
•	Type Code	Pic XX.	Pay/Adjustment Code (See Section D)
•	Type Description	Pic X(40).	Type Description
•	Payment/Bill Date	Pic 9(8).	Payment Posting Date
•	Pay/Adj Amount	Pic 9(9)v99.	Payment / Adjustment Amount
•	Filler	Pic x(10).	Filler of spaces

**C. Trailer Record ..... ( One Per Transmission ):**

•	Record Type	Pic X.	Type of Record (T - Trailer Record)
•	File Type	Pic X.	Type of File (P - Cust Payment File)
•	Distribution Co. ID	Pic X(4).	DisCo's Identifier (DisCo)
•	Supplier ID	Pic X(4).	Suppliers Identifier
•	Record Counts	Pic 9(7).	Number Detail Records Transmitted
•	Net Total Dollars	Pic S9(9)V99.	Total Dollars
•	Total supplier credits	Pic S9(9)V99.	Total credits
•	Total supplier debits	Pic S9(9)V99.	Total debits
•	Total ACH transfer	Pic S9(9)V99.	Total dollars transferred
•	Total amt due	Pic S9(9)V99.	Total amount due to DISCO

## Appendix C Transaction Field Definitions

**ACH Transfer Date:**

This field will contain the date that the ACH transfer is expected to be deposited for the Distribution Company.

**Activity Code:**

This will contain a code to indicate the type of billing that was performed on the Account. Valid codes are:

- 0 = Normal On cycle bill
- 1 = Cancellation
- 2 = Manual Bill
- 3 = Final Bill
- 4 = Off cycle bill
- 5 = No bill
- 6 = Estimated on cycle bill
- 7 = Estimated off cycle bill
- 8 = Late read/Late booked
- 9 = Final for non-payment

**Actual Pk KW:**

This will contain the actual greatest peak measured in kilowatts during peak hours, if applicable. Otherwise the field will contain zeroes.

**Actual Pk KVA:**

This will contain the actual greatest peak measured in kilovolt-amperes during peak hours, if applicable. Otherwise the field will contain zeroes.

**Actual Ofpk KW:**

This will contain the actual greatest peak measured in kilowatts during off peak hours, if applicable. Otherwise the field will contain zeroes.

**Actual Ofpk KVA:**

This will contain the actual greatest peak measured in kilovolt-amperes during off peak hours, if applicable. Otherwise the field will contain zeroes.

**Actual Shoulder KW:**

This will contain the actual greatest peak measured in kilowatts during the shoulder periods, if applicable. Otherwise the field will contain zeros.

**Actual Shoulder KVA:**

This will contain the actual greatest peak measured in Kilovolt-amperes during the shoulder periods, if applicable. Otherwise the field will contain zeros.

**Arrears Interest:**

This field will contain any arrears interest charged on supplier arrears. Otherwise this field will contain zeros.

**Bill Cycle Date:**

Date field on the header record indicating the billing date used by the local Distribution company. The usage records will be transmitted by midnight of this day. Format of the field is: YYYYMMDD

**Billing Cycle Number:**

This is the current billing cycle for the Account assigned by the local Distribution Company. Similar to the DisCo Account number, this field may change at any time as the result of a reroute.

**Billing Demand:**

This field if needed will contain the demand that was used to bill the account. This field is calculated depending on the rate. For a cancellation this will contain the demand being canceled. For a non demand rate this field will contain zeroes.

**Note:** Currently the Distribution Company tracks and processes usage at a component level by meter, i.e. peak, shoulder, and off peak for KW and KVA. A determination on how the demand will be billed by Suppliers is needed in order to supply them the necessary information.

## Appendix C Transaction Field Definitions

**Current Bill Amount:**

This will contain the total Supplier charges for the current bill. This is an accumulation of the following Supplier charges:

- Total KWH Charges (Peak and Off peak)
- Demand Charges
- Customer Charge
- Sales Tax
- Arrears Interest

**Current Peak Amount:**

This will contain the total peak KWH Supplier charges. This will contain the total KWH charges for non time of use Customers, and the total peak KWH charges for time of use Customers

**Current Ofpk Amount:**

This will contain the total off peak KWH Supplier charges for a time of use Customer. Otherwise this field will contain zeros.

**Customer Charge:**

This field will contain any applicable supplier Customer charge. Otherwise this field will contain zeros.

**Customer Last Name:**

This will contain the first four characters of the residential customer's last name. For a commercial industrial account this will be the first four characters of the name that is identified on the account. This is used to ensure that the correct account is being processed.

**Current Read Date:**

This will contain the current read date. This would either be the date the account was being billed to, or the date that the account was being canceled back to. The format for the field is: YYYYMMDD.

**Demand Charges:**

This field will contain the Supplier charges for the demand that was billed. This will be dependant on the Customer's rate. For non demand Customers this field will contain zeroes.

**DisCo Account Number:**

This will contain the Account number assigned by the local Distribution Company to an Account. If the Account number is changed due to a reroute this field would contain the new number.

Note: This field may change at any time.

**Distribution Company Transaction Codes:**

- 01= Dispute notice received, stop transaction
- 02= Change customer name
- 03= Dispute notification too late
- 04= Change cycle date
- 10= Customer account in transition, unable to process
- 15= Telemetering recorder failure
- 16= Telemetering phone line failure
- 17= Terminate telemetering service
- 18= Terminal block installed
- 19= Telemetering commission

**Distribution Company ID:**

Distribution Company's identification number. It will indicate the Distribution Company for the Customer's Account and the Company making the transmission. For MECo the ID will be "MECo" for Nantucket- "NANT" for Granite State- "GSEC" and for NECO- "NECO"

**Error Codes:**

- 01 = Invalid record Type

## Appendix C Transaction Field Definitions

02 =	Invalid distribution company account number
03 =	Invalid Customer Name
04 =	Invalid Supplier account number
05 =	Customer billing option not specified or invalid
06 =	Supplier rate class invalid or missing ( <b>Complete Only</b> )
07 =	Supplier price option invalid or missing ( <b>Complete Only</b> )
08 =	Invalid Transaction Code

**Existing Supplier ID Number:**

Existing supplier identifier for the existing supplier . This will only be provided to a new supplier attempting to enroll a customer if the existing supplier disputes the transaction.

**File Type:**

Single byte indicating type of file being transmitted. Field is used on header, detail and trailer records. Valid values are:

B = Billing file  
P = Payment file  
U = Usage file

**Net Total Dollars:**

This field will contain the total of the Pay/Adj amount fields for the supplier. This will be used to verify that the correct total was received.

**Option Code:**

This will contain the billing option for the Account. The valid codes are:

1 = Complete  
2 = Passthru

**Ofpk KWH:**

Will contain the total off peak Kilowatt Hour Usage amount if applicable. Otherwise the field will contain zeroes.

**Payment/Adjustment Type Codes and Descriptions:**

Type 01 = Payment Received from Customer  
Type 02 = Transfer - Debit Adjustment  
Type 03 = Transfer - Credit Adjustment  
Type 04 = Bad Check - Debit Adjustment  
Type 05 = Bad Check - Credit Adjustment  
Type 06 = Arrears Interest - Credit Adjustment  
Type 07 = Arrears Interest -Debit Adjustment  
Type 08 = Flat Credit Adjustment  
Type 09 = Supplier Write-Off - Supplier Changed  
Type 10 = Supplier Write-Off - Account Written-Off  
(Account Charge-Off or Purge)

**Note:** The only adjustment that comes from the Supplier will be a Type Code 08 -Flat Credit Adjustment.

**Payment/Bill Date:**

This is the date the payment/adjustment was processed by the local distribution company. The format of the field is YYYYMMDD.

**Pay/Adj Amount:**

This field will the payment amount or the adjusted amount. This field is a numeric field and the amount should be processed in conjunction with the type code for debit or credits.

**Peak KWH:**

Will contain the total Kilowatt Hour Usage amount for non time of use customers and the total peak Kilowatt Hour Usage amount for time of use customers.

**Previous Read Date:**

This will contain the last read date. This date should be the same as the prior months new read date. The format for the field is YYYYMMDD.

## Appendix C Transaction Field Definitions

**Projected Load Date:**

The scheduled on-cycle meter reading date when the load will be terminated for an old supplier and be assigned to the new supplier. Format of the field is: YYYYMMDD.

**RAPR Baud Rate:**

Following initialization, this field should contain the Modem Speed (Baud Rate) programmed into the RAPR during initialization procedures.

**RAPR Number of Channels:**

Following RAPR initialization, this field should contain the number of channels programmed into the RAPR.

**RAPR Channel 1 UOM:**

Following RAPR initialization, this field should contain the Unit Of Measure for RAPR Channel 1.

**RAPR Channel 2 UOM:**

Following RAPR initialization, this field should contain the Unit Of Measure for RAPR Channel 2.

**RAPR Device ID:**

Following RAPR initialization, this field should contain the identification number programmed into the RAPR during initialization procedures.

**RAPR Initialization Status**

Single byte indicating if the Supplier has previously initialized the RAPR or if the Distribution Company should initialize the RAPR as part of its commissioning procedure. Valid values are:

Y = RAPR initialization previously completed by Supplier  
N = RAPR not initialized, DisCo should complete.

**RAPR Initialization Date**

This field should contain the date on which the RAPR was initialized. The format for the field is YYYYMMDD.

**RAPR Interval Size**

Following RAPR initialization, this field should contain the number of minutes per interval.

**RAPR Password:**

Following RAPR initialization, this field should contain the new read-only password required to access the RAPR.

**RAPR Phone Number:**

This field should contain the telephone line number which can be called to access the RAPR data.

**RAPR Serial:**

This field should contain the RAPR manufacturer serial number.

**RAPR Type:**

This field should contain the RAPR vendor and model designation.

**Rate Class:**

This will contain the Customer's local Distribution Company rate.

**Record Count:**

This field is on the trailer record in the variable-block file and will contain the total number of records transmitted for each record type. It will be used to verify that the correct number of records was received.

**Record Type:**

Single byte indicating type of record in the variable-block file. Field is used on header, detail and trailer records. Valid values are:

H = Header record  
  = Detail record descriptions  
T = Trailer Record

## Appendix C Transaction Field Definitions

**Sales Tax:**

This field will contain the sales tax applied on the Supplier charges for commercial Accounts. For Customers exempt from sales tax this field will contain zeros.

**Shoulder KWH:**

Will contain the total shoulder Kilowatt Hour Usage amount if applicable. Otherwise the field will contain zeros.

**Supplier Account Number:**

This will contain the Account number assigned by the Supplier to an Account. As the DisCo Account number may change at any time, Suppliers should utilize this field to identify their Customers. If a supplier does not provide a unique account number, the DisCo account number will be substituted in this field.

**Supplier Arrears:**

This field will contain the total Supplier arrears amount. Arrears interest is not included in this field.

**Supplier ID:**

Supplier's identification number. This will indicate the Supplier Company for the Customer's Account and the Supplier for which the transmission is intended.

**Supplier Pricing Option:**

This contains a value to identify the price that the customer will be charged. Each supplier rate class can support one or many pricing options. This is required for the "Complete" billing option.

**Supplier Rate Class:**

This is a three character identifier for the supplier's rate. This is required for the "Complete" billing option.

**Supplier Transaction Codes:**

01=	Add customer
02=	Drop customer
03=	Change (supplier price,rate,acct number, or billing option)
04=	Disputes switch
05=	Terminate telemetering service
06=	Request telemetering service
07=	Telemetering (RAPR) installed

**Transmission Date:**

Date field on the header record indicating date of transmission. Format of the field is: YYYYMMDD

**Total Bill Amount:**

This field will contain the total Supplier charges billed. This is a total of:  
Current Bill Amount  
Supplier Arrears

**Total Supplier Credits:**

This field will contain the total of all the cash payments, and cash supplier credit transactions.

**Total Supplier Debits:**

This field will contain the total of all the cash supplier debit transactions.

**Total ACH transfer:**

If the Total Supplier Credits is greater than the Total Supplier Debits, this field will contain the total of the supplier dollars that are being transmitted via ACH. Otherwise this field will contain zeros.

**Total Amount due:**

If the Total Supplier Debits is greater than the Total Supplier Credits, this field will contain the total amount that is owed to the local Distribution Company. Otherwise this field will contain zeros.

## Appendix D Cash Posting Sequence

For those Suppliers electing the 'Complete' billing services, the following Account cash posting sequence will be in effect upon receipt of customer payments:

### A. DisCo Cash Posting:

- 1) Rental Arrears
- 2) Arrears, 120 Days and Greater
- 3) Arrears, 90 Days
- 4) Arrears, 60 Days
- 5) Arrears, 30 Days
- 6) Rental Current
- 7) Net Current Balance
- 8) Miscellaneous Arrears
- 9) Miscellaneous Current
- 10) Charge Off Transfer Balance

**Note:** Following the DisCo Cash Posting sequence as outlined above, remaining dollars will be credited to the Supplier as follows:

### B. Supplier Cash Posting:

- 1) Arrears, 120 Days and Greater
- 2) Arrears, 90 Days
- 3) Arrears, 60 Days
- 4) Arrears, 30 Days
- 5) Net Current Balance

**Note:** Following the Supplier Cash Posting sequence as outlined above, any remaining dollars..i.e., credit balance, will be held and applied to the DisCo Net Current Balance.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

IN RE:            PERFORMANCE STANDARDS FILING

DOCKET NO. 2515  
PERFORMANCE STANDARDS

**REVISED SETTLEMENT**

**I.     INTRODUCTION**

The Narragansett Electric Company (Narragansett or Company) and the Division of Public Utilities and Carriers (Division), hereby stipulate and agree on the following resolution of the issues in the above captioned proceeding. This is a revised Settlement, and shall supersede in its entirety the previous Settlement entered into between the Division and Narragansett on May 15, 1997.

**II.    BACKGROUND**

Section 39-1-27.5 of the Rhode Island Utility Restructuring Act of 1996 (URA) requires the establishment of a set of performance standards in the areas of safety, reliability, and customer service. On February 7, 1997, Narragansett, filed with the Rhode Island Public Utilities Commission (Commission) a proposal for performance standards.

Since Narragansett's proposal, the Division investigated all aspects of the performance standards filing. On April 11, 1997, the Division submitted pre-filed direct testimony of Dr. John

K. Stutz of Tellus Institute in Boston, Massachusetts. On May 19, 1997, Narragansett and the Division filed a Settlement resolving all performance standard issues. Thereafter, on May 28, 1997 the Commission rejected the Settlement and directed Narragansett to meet with the Division, Commission Counsel, and representatives from Newport and Blackstone Valley Electric (EUA) in order to bring more consistency between the EUA and Narragansett standards, and include standards with more objective criteria.

### **III. STIPULATION AND SETTLEMENT**

The parties agree, in the interest of settling the instant proceeding, as follows:

#### **A. ABSENCE OF DEADBANDS**

The performance standards schedules of penalties and rewards shall not contain deadbands around the baseline level of performance. All baseline levels shall be set at historical levels of performance.

#### **B. WEIGHTING**

The maximum reward/penalty for the performance standards of reliability, customer service, and safety shall be 60%, 30%, and 10% respectively, of one percent return on common equity (ROE).

#### **C. RELIABILITY PERFORMANCE STANDARDS**

Reliability of service shall be measured by the frequency and duration of outages. Any exclusions of events from these reliability measurements shall be in accordance with Attachment 1.

(1) **Frequency of Outages**

Frequency of outages is the number of times the customer is interrupted each year. A customer interruption is the loss of electric service to more than one customer for more than one minute. Attachment 2 provides the derivation of the average and standard deviation, and the schedule of penalties and rewards for which 0.30% ROE shall apply.

(2) **Duration of Outages**

Duration of outages is the total length of time in minutes that an average customer is without service per year based on outages greater than one minute. Attachment 3 provides the calculation of the duration standard and schedule of rewards and penalties under this standard. A maximum penalty or reward of 0.30% ROE shall apply.

**D. CUSTOMER SERVICE PERFORMANCE STANDARDS**

Customer Service standards shall be based on a satisfaction survey, total telephone calls answered, and telephone calls answered within 20 seconds.

(1) **Customer Satisfaction Survey**

The customer satisfaction survey shall be based on interviews by an independent market research firm with a representative sample of Narragansett customers. Customers shall be asked to rate their service on a scale of 1 to 7, where 1 means poor and 7 means excellent. The responses in the top three categories of satisfaction shall form the basis for the performance standard as set forth in Attachment 4. A maximum reward or penalty of 0.10% of ROE shall

apply. For this standard, Narragansett agrees to provide to the Division a copy of the question(s) to be asked to Narragansett customers before the survey is conducted.

**(2) Telephone Calls Answered**

The telephone calls answered standard shall be based on the percentage of calls abandoned versus the number of calls answered. Attachment 5 provides the calculation of this percentage and schedule of rewards and penalties under this standard. A maximum penalty or reward 0.10% ROE shall apply.

**(3) Telephone Calls Answered Within 20 Seconds**

The telephone calls answered within 20 seconds standard shall be based on the percentage of all calls to customer service answered within this time frame. This standard applies to all calls to customer service, regardless of their nature. Attachment 6 provides the calculation of calls answered within 20 seconds and schedule of rewards and penalties under this standard. A maximum penalty or reward of 0.10% ROE shall apply.

**E. SAFETY PERFORMANCE STANDARD**

The safety performance standard shall be based on the Company's Lost Time Accidents (LTA) as recorded by the Company under the Occupational Safety & Health Administration (OSHA) guidelines for work day cases. The standard shall be based on lost time accident frequency rate per 200,000 hours worked. This frequency rate converts the absolute number of LTA's to a measure that compensates for changes in hours worked and number of employees. Attachment

7 provides the schedule of rewards and penalties under this standard. A maximum penalty or reward of 0.10% ROE shall apply.

#### **IV. IMPLEMENTATION**

A. The performance standards contained in this Settlement shall be effective for the Company's performance beginning January 1, 1997 through December 31, 1998.

B. Narragansett will file Quarterly and Annual Performance Standards Reports as follows:

(1) Annual Performance Standards Reports shall be filed with the Commission by April 1 of 1998 and 1999. In these filings, Narragansett will provide the following:

- (a) a determination of the Company's performance against each of the Performance Standards based on actual data for the 12 months ending December 31 of the previous year;
- (b) a determination of the total revenue increase or decrease allowable under the plan by summing the results of the Performance Standards and applying the increase or decrease in ROE percentage points to average common equity for the previous year; and
- (c) a schedule showing the development of a per kilowatthour factor to provide the revenue increase or decrease allowable under the Performance Standards. This factor would take effect on July 1 of that year and remain in effect until June 30 of the following year.

(2) Quarterly Performance Standards Reports regarding the Reliability, Call Center Activity, and Safety Performance Standards shall be filed with the Division by the following dates

and shall contain the following information:

- (a) August 1, 1997; actual reliability, call center activity, and safety data for the months of January through June 1997;
- (b) November 1, 1997; actual reliability, call center activity, and safety data for the months of July through September 1997;
- (c) May 1, 1998; actual reliability, call center activity, and safety data for the months of January through March 1998;
- (d) August 1, 1998; actual reliability, call center activity, and safety data for the months of April through June 1998; and
- (e) November 1, 1998; actual reliability, call center activity, and safety data for the months of July through September 1998.

The Quarterly Performance Standards Reports will be provided to the Division for informational purposes. The Annual Performance Standards Reports shall serve as the basis for the calculation of penalties or rewards under the Performance Standards.

V. **MISCELLANEOUS PROVISIONS**

- A. Unless expressly stated herein, the making of this Settlement establishes no principles and shall not be deemed to foreclose any party from making any contention in any other proceeding or investigation.
- B. Unless expressly stated herein, the acceptance of this Settlement by the Commission shall not in any respect constitute a determination by the Commission as to the merits of any issue in any proceeding for this Company or another.
- C. This Settlement is the product of settlement negotiations. The content of those

negotiations is privileged and all offers of settlement shall be without prejudice to the position of any party.

D. This Settlement is submitted on the condition that it be approved in full by the Commission, and on the further condition that if the Commission does not approve the Settlement in its entirety, the Settlement shall be deemed withdrawn and shall not constitute a part of the record in any proceeding or used for any purpose.

E. The Attachments referenced in and attached to this Settlement shall be deemed an integral part hereof. In the event that any inconsistency exists between the provisions of this Settlement and any of the Attachments hereto, the provisions of this Settlement shall supersede the provisions of any such Attachments.

F. This Settlement shall supersede in its entirety the May 15, 1997 Settlement previously filed between Narragansett and the Division in this Docket.

**VI. CONCLUSION**

The parties respectfully request the Commission to approve this Settlement to resolve all issues in Docket 2515.

Dated at Providence, this 10th day of June, 1997

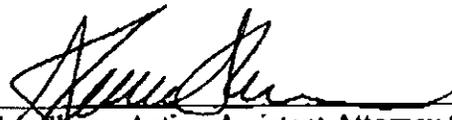
Respectfully submitted,

**DIVISION OF PUBLIC UTILITIES  
AND CARRIERS**

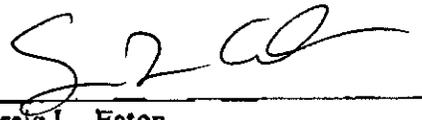
**THE NARRAGANSETT ELECTRIC  
COMPANY**

By its attorney

By its attorneys



Alan Shoer, Acting Assistant Attorney General  
Office of the Attorney General  
150 South Main Street  
Providence, RI 02903



Craig L. Eaton  
Ronald T. Gerwatowski  
280 Melrose Street  
Providence, RI 02907

**THE NARRAGANSETT ELECTRIC COMPANY**

**CRITERIA FOR EXCLUSION OF AN EVENT  
FROM PERFORMANCE STANDARDS PLAN  
RELIABILITY MEASUREMENTS**

The following guidelines are established to determine whether an extraordinary event qualifies for an exemption from reliability measurements for the Company's Performance Standards Plan.

A particular event will not count towards the Reliability Performance Standards if it meets one of the following criteria:

- (1) The customer outages are the result of a major weather event which causes more than 10% of a district or total Company customers to be without service at a given time.
- (2) The outages resulting from the event were due to the failure of other companies' supply or transmission to Narragansett Electric customers and restoration of service was beyond the reasonable control of the Company and its employees.
- (3) Any extraordinary circumstance, including, without limitation, a major disaster, earthquake, wild fire, flood, terrorism, or any other event beyond the reasonable control of the Company.

THE NARRAGANSETT ELECTRIC COMPANY  
R.I.P.U.C. No. 2515  
Revised Performance Standards Settlement  
Attachment 2

**THE NARRAGANSETT ELECTRIC COMPANY  
PERFORMANCE STANDARDS FOR RELIABILITY**

**FREQUENCY OF OUTAGES PER CUSTOMER SERVED**

<u>YEAR</u>	<u>Frequency* of Outages</u>
1996	0.79
1995	1.14
1994	1.04
1993	0.85
1992	0.71
1991	1.10
1990	0.76
1989	1.17
1988	1.18
1987	0.85
1986	1.02
Mean (Average)	0.96

<b>PERFORMANCE STANDARD:</b>	
Frequency per Customer Served =	0.96

$$* \text{ Frequency per Customer Served} = \frac{\text{Number of Customers Interrupted}}{\text{Number of Customers Served}}$$

<b>SCHEDULE OF REWARDS/PENALTIES</b>
--------------------------------------

<u>Frequency of Outages *</u>	<u>ROE Reward/ (Penalty)</u>
less than 0.56	0.3000%
0.56 to 0.65	0.1500%
0.66 to 0.75	0.0375%
0.76 to 0.85	0.0075%
0.86 to 0.95	0.0003%
0.96	0.0000%
0.97 to 1.06	-0.0003%
1.07 to 1.16	-0.0075%
1.17 to 1.26	-0.0375%
1.27 to 1.36	-0.1500%
more than 1.36	-0.3000%

\* Actual performance will be rounded to the nearest 0.01 (one tenth)

THE NARRAGANSETT ELECTRIC COMPANY  
PERFORMANCE STANDARDS FOR RELIABILITY

DURATION OF OUTAGES PER CUSTOMER SERVED

<u>YEAR</u>	<u>Duration* of Outages (minutes)</u>
1996	57.0
1995	65.7
1994	70.8
1993	58.1
1992	50.2
1991	66.7
1990	50.0
1989	82.6
1988	90.2
1987	53.1
1986	63.9
Mean (Average)	64.4

PERFORMANCE STANDARD:	
Duration per Customer Served (min.) =	64

\* Duration per Customer Served (minutes) =  $\frac{\text{Customer Minutes Interrupted}}{\text{Number of Customers Served}}$

<b>SCHEDULE OF REWARDS/PENALTIES</b>
--------------------------------------

<u>Duration of Outages (minutes) *</u>	<u>ROE Reward/ (Penalty)</u>
less than 32	0.3000%
32 to 39	0.1500%
40 to 47	0.0375%
48 to 55	0.0075%
56 to 63	0.0003%
64	0.0000%
65 to 72	-0.0003%
73 to 80	-0.0075%
81 to 88	-0.0375%
89 to 96	-0.1500%
more than 96	-0.3000%

\* Actual performance will be rounded to the nearest minute

THE NARRAGANSETT ELECTRIC COMPANY  
R.I.P.U.C. No. 2515  
Revised Performance Standards Settlement  
Attachment 4

**THE NARRAGANSETT ELECTRIC COMPANY  
PERFORMANCE STANDARDS FOR CUSTOMER SERVICE**

**CUSTOMER SATISFACTION**

<u>YEAR</u>	% of Respondents Satisfied or Extremely Satisfied
1996	86%
1995	86%
1994	85%
1993	83%
1992	80%
Mean (Average)	84%

<b>PERFORMANCE STANDARD:</b>	
% respondents in top 3 categories =	84%

Note: In 1995, survey question response changed from four point scale (extremely satisfied, satisfied, somewhat dissatisfied, very dissatisfied) to seven point scale (1 = poor and 7 = excellent). 1995-96 figures represent % of responses in top 3 categories, i.e. 5, 6, 7.

<b>SCHEDULE OF REWARDS/PENALTIES</b>
--------------------------------------

% of Responses in Top Three Categories <u>(5, 6, 7) *</u>	ROE Reward/ <u>(Penalty)</u>
less than 72%	-0.1000%
72% to 74%	-0.0500%
75% to 77%	-0.0125%
78% to 80%	-0.0025%
81% to 83%	-0.0001%
84%	0.0000%
85% to 87%	0.0001%
88% to 90%	0.0025%
91% to 93%	0.0125%
94% to 96%	0.0500%
more than 96%	0.1000%

\* Actual performance will be rounded to the nearest one percent (1%)

**THE NARRAGANSETT ELECTRIC COMPANY  
PERFORMANCE STANDARDS FOR CUSTOMER SERVICE**

**TELEPHONE CALLS ANSWERED**

<u>1996</u>	<u>Total Calls</u>	<u>Calls Abandoned</u>	<u>% of Calls Answered</u>
January	52,455	3,349	93.6%
February	44,328	2,755	93.8%
March	44,253	1,835	95.9%
April	53,465	2,106	96.1%
May	53,166	2,106	96.0%
June	48,038	1,341	97.2%
July	55,202	2,721	95.1%
August	50,373	1,648	96.7%
September	49,607	1,331	97.3%
October	54,301	2,232	95.9%
November	42,683	1,130	97.4%
December	45,123	1,536	96.6%
<b>TOTAL</b>	<b>592,994</b>	<b>24,090</b>	<b>95.9%</b>
<b>Mean (Average)</b>			<b>95.9%</b>

<b>PERFORMANCE STANDARD:</b>	
% calls answered =	95.9%

**SCHEDULE OF REWARDS/PENALTIES**

<u>% of Calls Answered</u>	<u>ROE Reward/ (Penalty)</u>
less than 92.7%	-0.1000%
92.7% to 93.4%	-0.0500%
93.5% to 94.2%	-0.0125%
94.3% to 95.0%	-0.0025%
95.1% to 95.8%	-0.0001%
95.9%	0.0000%
96.0% to 96.7%	0.0001%
96.8% to 97.5%	0.0025%
97.6% to 98.3%	0.0125%
98.4% to 99.1%	0.0500%
more than 99.1%	0.1000%

\* Actual performance will be rounded to the nearest one tenth of 1% (0.1%)

THE NARRAGANSETT ELECTRIC COMPANY  
R.I.P.U.C. No. 2515  
Revised Performance Standards Settlement  
Attachment 6

**THE NARRAGANSETT ELECTRIC COMPANY  
PERFORMANCE STANDARDS FOR CUSTOMER SERVICE  
TELEPHONE CALLS ANSWERED WITHIN 20 SECONDS**

1996	Total Calls	Calls Answered within 20 seconds	% of Calls Answered within 20 seconds
January	52,455	31,006	59.1%
February	44,328	27,368	61.7%
March	44,253	30,122	68.1%
April	53,465	38,347	71.7%
May	53,166	36,812	69.2%
June	48,038	38,901	81.0%
July	55,202	35,865	65.0%
August	50,373	36,355	72.2%
September	49,607	38,394	77.4%
October	54,301	37,680	69.4%
November	42,683	33,068	77.5%
December	45,123	32,189	71.3%
<b>TOTAL</b>	<b>592,994</b>	<b>416,107</b>	<b>70.2%</b>
Mean (Average)			70.2%

<b>PERFORMANCE STANDARD:</b>	
% calls answered within 20 seconds =	70.2%

<b>SCHEDULE OF REWARDS/PENALTIES</b>
--------------------------------------

% of Calls Answered within 20 seconds	ROE Reward/ (Penalty)
less than 55.8%	-0.1000%
55.8% to 59.3%	-0.0500%
59.4% to 62.9%	-0.0125%
63.0% to 66.5%	-0.0025%
66.6% to 70.1%	-0.0001%
70.2%	0.0000%
70.3% to 73.8%	0.0001%
73.9% to 77.4%	0.0025%
77.5% to 81.0%	0.0125%
81.1% to 84.6%	0.0500%
more than 84.6%	0.1000%

\* Actual performance will be rounded to the nearest one tenth of 1% (0.1%)

**THE NARRAGANSETT ELECTRIC COMPANY  
PERFORMANCE STANDARD FOR SAFETY**

**FREQUENCY OF LOST TIME ACCIDENTS**

<u>YEAR</u>	<u>LTA's</u>	<u>Average Number of Employees</u>	<u>Hours Worked</u>	<u>Frequency Rate</u>
1996	6	685	1,372,740	0.87
1995	12	690	1,382,760	1.74
1994	7	690	1,382,760	1.01
1993	4	685	1,372,740	0.58
1992	17	705	1,412,820	2.41
1991	12	730	1,462,920	1.64
1990	10	730	1,462,920	1.37

Mean (Average) 1.37

**PERFORMANCE STANDARD:**

Frequency of Lost Time Accidents = 1.37

Lost Time Accident Frequency Rate =  $\frac{\text{Number of Lost Time Accidents}}{\text{Standardized Hours Worked}} \times 200,000 \text{ hours}$

Standardized Hours Worked = Avg. # employees x 167 x 12

**SCHEDULE OF REWARDS/PENALTIES**

<u>LTA Frequency Rate *</u>	<u>ROE Reward/ (Penalty)</u>
less than 0.13	0.1000%
0.13 to 0.43	0.0500%
0.44 to 0.74	0.0125%
0.75 to 1.05	0.0025%
1.06 to 1.36	0.0001%
1.37	0.0000%
1.38 to 1.68	-0.0001%
1.69 to 1.99	-0.0025%
2.00 to 2.30	-0.0125%
2.31 to 2.61	-0.0500%
more than 2.61	-0.1000%

\* Actual performance will be rounded to the nearest 0.01 (one tenth)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC COMPANY  
ELECTRIC RESTRUCTURING PLAN

DOCKET NO. 2515

NOTICE OF ERRATA

( 15399 ) ORDERED: That on September 4, 1997, the Rhode Island Public Utilities Commission issued Order No. 15382 in the above-captioned docket. The Report and Order is hereby corrected as follows:

1. Page 14, which reads:

"3. In order to facilitate compliance with R.I.G.L. § 39-1-27.1(b), Narragansett shall file reports with the Commission and the Division every three months, indicating:

\* \* \*

c. the overall average demand and energy prices, by Retail Delivery Service Group, for those taking retail access from NPPs;"

should be corrected to read as follows:

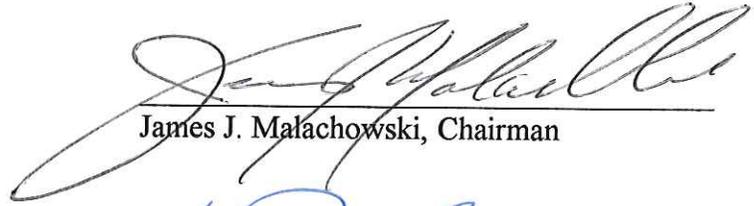
"3. In order to facilitate compliance with R.I.G.L. § 39-1-27.1(b), Narragansett shall file reports with the Commission and the Division every three months, indicating:

\* \* \*

c. the overall average demand and energy prices, by Retail Delivery Service Group, for those taking retail access from NPPs (one copy filed as a proprietary document);”.

DATED AND EFFECTIVE AT PROVIDENCE, RHODE ISLAND ON  
SEPTEMBER 19, 1997.

PUBLIC UTILITIES COMMISSION



James J. Malachowski, Chairman



Kate F. Racine, Commissioner