

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

In Re: The Narragansett Electric Company

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Docket No. 3617

**STATEMENT BY THE DEPARTMENT OF THE NAVY
IN SUPPORT OF SETTLEMENT**

The United States Department of the Navy (Navy), through authorized counsel, was a signatory to the Distribution Rate Plan Stipulation and Settlement, filed with the Commission on June 29, 2004 in Docket 3617. Our study and analysis led to the conclusion that the settlement provides economic benefits to all ratepayers including the Navy and we would be best served by the settlement to which we have signed our consent.

Narragansett's allocation of the rate decrease and customer credit and the subsequent rate design was reasonable. Therefore, the stipulation appropriately resolves class cost of service, revenue allocation, and tariff design and the Navy supports approval of the settlement

AUDREY VAN DYKE
For the Secretary of the Navy

Dated: