



November 10, 2004

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Narragansett Electric Company – Annual Rate Reconciliation Filing
RIPUC Docket No. _____**

Dear Ms. Massaro:

Enclosed on behalf of The Narragansett Electric Company (“Narragansett” or the “Company”) are ten copies of the Company’s annual filing reconciling its tariff adjustment provisions through September 2004, estimating its 2005 transmission expenses pursuant to its Transmission Service Cost Adjustment Provision, calculating the weighted average non-bypassable transition charge pursuant to its Non-Bypassable Transition Charge Adjustment Provision, and proposing rate changes resulting from these reconciliations, estimates and calculations effective for consumption on and after January 1, 2005. In addition, as part of this filing, Narragansett is also proposing a Standard Offer Service rate to become effective on and after January 1, 2005.

As set forth in the attached testimony and exhibits of Jeanne A. Lloyd, Michael J. Hager, and Carol A. Currier, the Company is reconciling its actual revenues and expenses for the 12 months ending September 30, 2004 under its Non-Bypassable Transition Adjustment Charge Provision, its Standard Offer Service Adjustment Provision, and its Transmission Service Cost Adjustment Provision. The Company has also estimated its 2005 annual expenses under its Transmission Service Cost Adjustment Provision. As a result, the Company is proposing to decrease its Transition Charge for 2005 from the present level of 0.855¢ per kWh to 0.845¢ per kWh. The Company is proposing to increase its Transmission Service Adjustment Factor for 2005 from 0.042¢ per kWh to 0.239¢ per kWh. Finally, the Company is proposing to increase its Standard Offer Service charge for 2005 from 6.7¢ per kWh to 7.5¢ per kWh.

The rate changes presented by this filing would increase the total bill of a typical residential customer consuming 500 kWh by \$5.13 per month or 8.3 percent. The rate changes are proposed to become effective for customer usage on and after January 1, 2005.

Thank you for your attention to this matter. Please contact me if you have any questions concerning this filing.

Very truly yours,

Laura S. Olton

Enclosures

cc: Steve Scialabba
Paul Roberti
Dr. John Stutz

Certificate of Service

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



Joanne M. Scanlon

Date: November 10, 2004

Narragansett Electric Co. Dkt. 3571 Updated 7/2/04

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The Narragansett Electric Company

January 2005 Retail Rate Filing

Testimony and Schedules
of
Jeanne A. Lloyd
Michael J. Hager, and
Carol A. Currier

November 10, 2004

Submitted to:
Rhode Island Public Utilities Commission
R.I.P.U.C. Docket No. _____

Submitted by:



Testimony of
Jeanne A. Lloyd

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

DIRECT TESTIMONY

OF

Jeanne A. Lloyd

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1 **I. Introduction and Qualifications**

2 Q. Please state your full name and business address.

3 A. Jeanne A. Lloyd, 55 Bearfoot Road, Northborough, Massachusetts 01532.

4

5 Q. Please state your position.

6 A. I am a Principal Financial Analyst in the Distribution Regulatory Services Department of
7 National Grid USA Service Company, Inc. The Distribution Regulatory Services
8 Department provides rate related support to The Narragansett Electric Company
9 (“Narragansett” or “Company”).

10

11 Q. Please describe your educational background and training.

12 A. In 1980, I graduated from Bradley University in Peoria, Illinois with a Bachelor’s Degree
13 in English. In December 1982, I received a Master of Arts Degree in Economics from
14 Northern Illinois University in De Kalb, Illinois.

15

16 Q. Please describe your professional experience?

17 A. I was employed by EUA Service Corporation in December 1990 as an Analyst in the
18 Rate Department. I was promoted to Senior Rate Analyst on January 1, 1993. My
19 responsibilities included the study, analysis and design of the retail electric service rates,
20 rate riders and special contracts for the EUA retail companies. I assumed my present
21 position after the merger of New England Electric System and Eastern Utilities
22 Associates in April 2000. Prior to my employment at EUA, I was on the staff of the
23 Missouri Public Service Commission in Jefferson City, Missouri in the position of

1 research economist. My responsibilities included presenting both written and oral
2 testimony before the Missouri Commission in the areas of cost of service and rate design
3 for electric and natural gas rate proceedings.

4
5 Q. Have you previously testified before Rhode Island Public Utilities Commission
6 (“Commission”)?

7 A. Yes.

8
9 **II. Purpose of Testimony**

10 Q. What is the purpose of the Company’s filing?

11 A. The Company is requesting Commission approval of the Company’s proposed base non-
12 bypassable transition charge (“transition charge”), transition charge adjustment factor,
13 transmission service adjustment factor, and Standard Offer Service charge effective for
14 usage on and after January 1, 2005. The Company is also presenting the results of its
15 annual Standard Offer Service, Last Resort Service, transition charge and transmission
16 service reconciliations.

17
18 The total impact of the rate changes proposed by the Company in this proceeding would
19 increase the typical monthly 500 kWh bill of a residential customer by \$5.13 per month
20 or approximately 8.3%.

21
22 Q. Please describe the changes being proposed to each component of the Company’s
23 charges.

1 A. First, the Company is proposing to decrease its transition charge from its current level of
2 0.855¢ per kWh to 0.845¢ per kWh for all customers in its service territory for calendar
3 year 2005. The proposed charge is based upon New England Power Company's ("NEP")
4 annual Contract Termination Charge ("CTC") for 2005 for Narragansett, the former
5 Blackstone Valley Electric Company ("Blackstone Valley" or "BVE") and the former
6 Newport Electric Corporation ("Newport"). At the time of this filing, NEP has not
7 finalized its 2005 CTCs, but expects to do so by way of a reconciliation report that will
8 be issued to the Commission and other parties to the wholesale restructuring settlements
9 by December 1, 2004. The Company intends to update its transition charge prior to the
10 hearing in this proceeding if the final CTC is modified significantly from the current
11 proposal.

12
13 Second, the Company is proposing a transmission service adjustment factor of 0.239¢ per
14 kWh, an increase of 0.197¢ per kWh from the current factor of 0.042¢ per kWh. The
15 increase in the factor is due primarily to an increase in the forecast of transmission
16 expenses for 2005 and an under collection of transmission expenses incurred for the
17 period October 2003 through September 2004. In addition, the proposed 2005
18 transmission service adjustment factor reflects a three-year recovery of certain deferred
19 ISO Tariff expenses that the Commission approved in Docket No. 3617.

20
21 Third, the Company is requesting to increase the current Standard Offer Service charge
22 of 6.7¢ per kWh to 7.5¢ per kWh effective January 1, 2005. The requested increase is
23 based upon a scheduled increase in the wholesale base Standard Offer Service rate to

1 5.5¢ per kWh plus increased fuel index payments the Company expects to make under its
2 Standard Offer Service supply contracts next year.

3
4 Q. Has the Company summarized its proposed rate changes for January 1, 2005?

5 A. Yes. Exhibit JAL-1 presents a summary of the proposed rate changes.

6
7 **III. Base Transition Charge and Transition Charge Reconciliation**

8 Q. Please describe the Company's transition charge.

9 A. The transition charge is intended to recover from all retail delivery service customers the
10 CTC billed to the Company by NEP, including charges in effect under the former
11 Montaup Electric Company ("Montaup") CTC. The transition charge was originally
12 designed to change annually as NEP and Montaup established their CTCs for the
13 upcoming calendar year. In addition, the Company reconciles the revenue it bills under
14 its transition charge against the CTC billed to it by NEP and can propose to implement a
15 transition charge adjustment factor to refund an over recovery of CTC costs or collect an
16 under recovery of CTC costs.

17
18 Q. What is the Company's proposal in this proceeding?

19 A. The Company is proposing a transition charge during 2005 of 0.845¢ per kWh. The
20 charge represents (i) the weighted average base transition charge of 0.850¢ per kWh and
21 (ii) a transition charge adjustment factor credit of 0.005¢ per kWh designed to refund the
22 transition charge over recovery for the period October 2003 through September 2004.

1 Q. How is the weighted average base transition charge calculated?

2 A. Exhibit JAL-2, page 1, shows the calculation of the weighted average base transition
3 charge for 2005. The individual CTCs and estimated GWhs for Narragansett, BVE and
4 Newport, shown in Section I of page 1, are based upon the most recent estimate of NEP's
5 2005 CTC. The individual company CTCs determined in Section I are aggregated in
6 Section II and divided by the total GWh deliveries to arrive at a weighted average base
7 transition charge of 0.850¢ per kWh.

8

9 Transition Charge Reconciliation

10 Q. Please describe how the Company reconciles its transition charge.

11 A. The Company reconciles transition charge revenue and CTC expense in accordance with
12 its Non-Bypassable Transition Charge Adjustment Provision, which provides for an
13 annual reconciliation of the Company's total CTC expense against the Company's total
14 revenue from its Non-Bypassable Transition Charge. The excess or deficiency is to be
15 refunded to or collected from customers with interest accruing at the rate in effect for
16 customer deposits. The reconciliation is prepared on a monthly basis and for this filing
17 covers the reconciliation period October 2003 through September 2004, as reflected in
18 Exhibit JAL-3. Page 1 shows a summary of the reconciliation for the combined
19 company. Pages 2 through 4 show individual reconciliations for Blackstone Valley,
20 Newport, and Narragansett.

21

22 Q. What is the total Company transition charge reconciliation balance for the year ending
23 September 30, 2004?

1 A. The balance for the period October 2003 through September 2004, shown in Exhibit
2 JAL-3, page 1, reflects an over recovery of \$437,110. The beginning balance of
3 \$125,166 shown in Exhibit JAL-3, page 1, column (a) reflects the transition charge over
4 recovery for the period January 2002 through September 2003 as filed in R.I.P.U.C.
5 Docket No. 3571.
6

7 Q. How is the Company proposing to treat the over recovery for the period October 2003
8 through September 2004?

9 A. As discussed earlier, the Company is proposing to reduce the weighted average transition
10 charge of 0.850¢ per kWh, calculated on Exhibit JAL-2, page 1, by a transition charge
11 adjustment factor credit of 0.005¢ per kWh, as calculated in Exhibit JAL-2, page 2. The
12 transition charge over recovery, including interest during the refund period of \$8,934, on
13 Line (2) on page 2 of Exhibit JAL-2, is divided by the 2005 forecasted kWh deliveries,
14 resulting in a credit of 0.005¢ per kWh. This credit, when subtracted from the weighted
15 average transition charge of 0.850¢ per kWh, produces a net transition charge of 0.845¢
16 per kWh, as shown on Line (5).
17

18 **IV. Transmission Adjustment Factor and Transmission Service Reconciliation**

19 Q. What is the Company's proposed Transmission Adjustment Factor?

20 A. The Company's proposed Transmission Adjustment Factor is 0.239¢ per kWh as shown
21 on Exhibit JAL-4, Line (12). The adjustments made to arrive at the proposed factor are
22 as follows:

23 1) An increase of 0.061¢ per kWh, representing an increase in the

1 Company's 2005 forecasted transmission expenses,

2 2) An increase of 0.048¢ per kWh designed to collect an under recovery of
3 approximately \$3.8 million incurred for the period October 2003 through
4 September 2004,

5 3) An increase of 0.064¢ per kWh, due to the elimination of the 2004
6 transmission reconciliation factor, and

7 4) An increase of 0.024¢ per kWh designed to recover approximately \$5.6
8 million over three years, as approved by the Commission in Docket No.
9 3617, of costs billed to the Company by the Independent System Operator,
10 New England ("ISO-NE") that had been deferred ("ISO Tariff expenses").

11
12 Each of these adjustments is discussed in more detail below.

13
14 Transmission Cost Forecast

15 Q. Has the Company prepared a forecast of transmission costs for 2005?

16 A. Yes, it has. It is included in the testimony and exhibits of Ms. Carol A. Carrier, who will
17 explain the forecast and how it was derived.

18
19 Q. How has the Company evaluated this forecast?

20 A. The Company has evaluated this forecast by comparing it on a cents per kWh basis to the
21 average rate currently in effect. This comparison is performed in Exhibit JAL-4.

22
23 Q. Please describe the evaluation contained in Exhibit JAL-4.

1 A. The average transmission cost per kWh is calculated by dividing forecasted transmission
2 cost for 2005 of approximately \$44.2 million by the Company's forecast of kWh
3 deliveries during 2005. This results in a forecasted transmission cost of 0.564¢ per kWh
4 for calendar year 2005, as shown on Line (3), an increase of 0.061¢ per kWh from the
5 2004 average transmission expense of 0.503¢ per kWh shown on Line (4).

6

7 Transmission Service Reconciliation

8 Q. Please provide a status of the Company's current transmission service reconciliation.

9 A. The Company's transmission service reconciliation is shown in Exhibit JAL-5. This
10 reconciliation reflects actual transmission revenue for the period October 2003 through
11 September 2004, actual transmission expenses for the period October 2003 through
12 August 2004 and estimated expenses for September 2004. This reconciliation is provided
13 in accordance with the Company's Transmission Service Cost Adjustment Provision,
14 which allows for the reconciliation, along with interest on any balance, and the recovery
15 or refund of any under collection or over collection, respectively.

16

17 Q. What is the balance of the transmission reconciliation as of September 2004?

18 A. Exhibit JAL-5, page 1, shows that the balance of the transmission reconciliation as of
19 September 2004 is an under recovery of approximately \$3.8 million.

20

21 Q. Is the Company proposing to collect the under recovery of transmission expense
22 beginning January 1, 2005?

23 A. Yes. The under collection of \$3.8 million plus interest accrued through December 2005

1 of \$76,810, translates to a recovery factor of 0.048¢ per kWh, which is calculated by
2 dividing the amount to be collected, including an estimate of interest incurred during the
3 recovery period, by estimated kWh deliveries for the period January 2005 through
4 December 2005. This calculation is shown on page 11 of Exhibit JAL-5.

5
6 Q. How does the Company plan to reconcile estimated expenses for September 2004 to
7 actual expenses?

8 A. Actual expenses for September 2004 will be compared to the estimated expenses
9 included in this period's reconciliation. The difference, positive or negative, will be
10 included as an adjustment in October 2004 to the transmission reconciliation for the
11 period October 2004 through September 2005 to be filed with the Commission at this
12 time next year.

13
14 Q. Why is the Company proposing to eliminate the 2004 credit factor, as shown on Exhibit
15 JAL-4, Line (6) effective January 1, 2005?

16 A. The credit factor of 0.064¢ per kWh shown on Line (6) of Exhibit JAL-4, was
17 implemented on January 1, 2004 and designed to refund an over recovery of
18 approximately \$4.9 million incurred during the period October 2002 through September
19 2003. The 2004 credit factor was approved in Docket No. 3571 on December 9, 2003
20 and was intended to be a 12-month factor. Page 5 of Exhibit JAL-5 shows that as of
21 October 31, 2004, the balance remaining to be refunded is approximately \$1 million. The
22 Company will continue to refund customers through December 2004 and any residual
23 balance, positive or negative, will be credited or charged to the base transmission

1 reconciliation in the month of January 2005.

2
3 Q. Please describe the deferred ISO Tariff expenses referred to above.

4 A. Since June 1999, Narragansett has incurred certain uplift costs and other related ISO-NE
5 tariff expenses on behalf of two of the Company's Standard Offer suppliers. As stated in
6 prior proceedings, the two suppliers contended that they were not responsible for these
7 charges billed to them by ISO-NE that were associated with their provision of Standard
8 Offer service. To ensure that the two suppliers continued to provide service,
9 Narragansett agreed to have ISO-NE bill it for such disputed costs until such time as a
10 final resolution of the dispute was reached pursuant to the dispute resolution process
11 provided for in the supply contracts.

12
13 In its orders in Docket Nos. 3031, 3402, 3479 and 3571, the Commission directed the
14 Company to defer recovery of the uplift costs and other related ISO-NE expenses until
15 the ongoing disputes with the two suppliers were resolved. The formal dispute
16 resolution process with one supplier was completed in June 2003 with the arbitration
17 panel finding Narragansett responsible for the ISO-NE Tariff expenses that had been
18 deferred.

19
20 On June 18, 2004, the Company filed a Statement of Facts associated with its request for
21 recovery of the deferred ISO-NE Tariff expenses which the Commission docketed as
22 R.I.P.U.C. Docket No. 3616. This docket was ultimately resolved as part of the Second
23 Amended Stipulation and Settlement approved by the Commission in Docket No. 3617

1 ("3617 Settlement").

2

3 Q. What is the total amount of the deferred expenses incurred?

4 A. As indicated in the 3617 Settlement, Exhibit 10, the Company had accumulated
5 approximately \$7.45 million in deferred expenses from January 1999 through May 2004.
6 For reference, this exhibit is included in this filing as Exhibit JAL-6.

7

8 Q. Was the issue of the recovery of the deferred expenses resolved in Docket No. 3617?

9 A. Yes. Section 10 of the 3617 Settlement specifies that the Company will recover
10 approximately \$5.6 million of the total \$7.45 million of deferred expenses through the
11 Transmission Service Adjustment Provision, with interest, over a three year period. In
12 addition, all uplift costs incurred since May 2004 and prospectively will be recovered in
13 the appropriate year's transmission reconciliation.

14

15 Q. Please describe the calculation of the proposed three-year uplift cost recovery factor of
16 0.024¢ per kWh.

17 A. The three-year factor is calculated by dividing the amount to be collected, including an
18 estimate of interest incurred during the recovery period, by the estimated kWh deliveries
19 for the period January 2005 through December 2007. This calculation is shown on page
20 12 of Exhibit JAL-5.

21

22 **V. Standard Offer Service Rate and Reconciliation**

23 Current Standard Offer Service Rate

1 Q. What is the Company's current Standard Offer Service rate?

2 A. Effective August 1, 2004, the Company implemented its current Standard Offer Service
3 rate of 6.7¢ per kWh.

4
5 Q. How was the current Standard Offer Service rate calculated?

6 A. In its July 1, 2004 filing in Docket No. 3571, the Company proposed a Standard Offer
7 Service rate of 6.7¢ per kWh designed to recover all expected base and fuel related
8 Standard Offer Service expenses through December 31, 2004. In its filing, the Company
9 had projected that continuation of the Standard Offer Service rate of 5.9¢ per kWh in
10 effect prior to August 1, 2004, would have resulted in an under collection of Standard
11 Offer Service expenses of approximately \$28.0 million as of December 31, 2004 based
12 on the fuel price estimates as reported in the Wall Street Journal on June 23, June 24 and
13 June 25, 2004.

14
15 Q. Based on the most recent forecast of fuel prices, does the Company expect to keep
16 current on its recovery of Standard Offer Service costs through December 2004?

17 A. Exhibit JAL-7 shows that, based on the most recent forecast of fuel prices, the Company
18 expects to incur an under recovery of approximately \$3.3 million through December
19 2004. Exhibit JAL-7, page 1, described in more detail below, shows an under collection
20 of Standard Offer Service expenses through September 2004 of approximately \$349
21 thousand and a projected under recovery through December 2004 of approximately \$3.3
22 million.

23

1 Q. Has the Company prepared an estimate of costs expected to be incurred under the Fuel
2 Index Adjustment Provision through December 2005?

3 A. Yes. The Company's Energy Supply Department has provided an estimate of expected
4 costs under the Fuel Index Adjustment Provision that is explained in detail in the
5 testimony of Mr. Michael J. Hager.

6
7 Q. What is the Company's estimate of the Standard Offer Service reconciliation balance
8 through December 2005?

9 A. Based upon the most recent fuel price estimates, and assuming the continuation of the
10 currently effective Standard Offer Service rate of 6.7¢ per kWh, the Company is
11 estimating that the Standard Offer Service under recovery would grow to approximately
12 \$59.3 million by December 2005, as shown on page 4 of Exhibit JAL-7. The Company's
13 projected Standard Offer Service reconciliation is described in more detail later in my
14 testimony.

15
16 Q. Is the Company proposing a change to the current Standard Offer Service rate?

17 A. Yes. The Company is proposing a Standard Offer Service rate of 7.5¢ per kWh
18 beginning January 1, 2005. The calculation of the proposed charge is shown on Exhibit
19 JAL-8. The estimated under recovery at December 31, 2005 of approximately \$59.3
20 million is divided by projected 2005 Standard Offer Service deliveries, resulting in a
21 factor of 0.8¢ per kWh. This adjustment, when added to the current Standard Offer
22 Service rate of 6.7¢ per kWh, results in a total charge of 7.5¢ per kWh.

23

1 Q. What if the fuel price estimates prove to be incorrect and the expected fuel index
2 payments are significantly different than those currently projected?

3 A. In Docket Nos. 3508 and 3571, the Commission directed the Company to monitor the
4 Standard Offer Service reconciliation on a monthly basis and file with the Commission
5 for an adjustment to the Standard Offer Service rate if the projected balance in the
6 reconciliation for the year ending December 2003 reached \$16 million, positive or
7 negative. The Company has continued this reporting requirement into 2004. The
8 Company intends to continue such compliance with the Commission directive and to file
9 monthly reports with the Commission showing the projected reconciliation balance
10 through December 2005 using the most recent fuel price estimates available. If the
11 balance in the account is projected to exceed \$16 million in either direction, the
12 Company will make a filing with the Commission to adjust the Standard Offer Service
13 rate.

14

15 Standard Offer Service Reconciliation

16 Q. Has the Company prepared a Standard Offer Service reconciliation for the period
17 October 2003 through September 2004?

18 A. Yes. The Company is required, on an annual basis, to reconcile its total cost of
19 purchased power for Standard Offer Service and Last Resort Service supply against its
20 total purchased power revenue pursuant to the Standard Offer Adjustment Provision,
21 R.I.P.U.C. No. 1153. The Company's Standard Offer Service reconciliation for the
22 period October 2003 through September 2004 is shown in Exhibit JAL-7, Page 1, Section
23 1. The reconciliation compares the Company's Standard Offer Service revenue to the

1 Standard Offer Service expenses that Narragansett has incurred pursuant to contracts
2 with its wholesale suppliers of Standard Offer Service, plus any adjustments.
3

4 Q. Please describe the costs that Narragansett incurs under the Standard Offer Service
5 supply contracts.

6 A. The Standard Offer Service supply contracts contain two price components – a pre-set
7 base price that increases on January 1 of each year and fuel index payments designed to
8 provide additional payments to Standard Offer Service suppliers in the event of
9 substantial increases in the market price of No. 6 residual fuel oil (1% sulphur) and/or
10 natural gas. The fuel index payment, pursuant to the Fuel Index Adjustment Provision, is
11 described more fully in the testimony of Mr. Hager.
12

13 Q. Has the Company incurred fuel index payments pursuant to the Fuel Index Adjustment
14 Provision for the period October 2003 through September 2004?

15 A. Yes. As shown in column (d) of Exhibit JAL-7, page 1, Section 1, the Company incurred
16 approximately \$84.6 million in fuel index payments for the period October 2003 through
17 September 2004.
18

19 Q. What is the balance in the Standard Offer Service reconciliation for the period October
20 2003 through September 2004?

21 A. Page 1, Section 1 of Exhibit JAL-7 shows that the balance in the Standard Offer
22 reconciliation as of September 2004 is an under recovery of approximately \$349
23 thousand.

1

2 Q. Please describe the development of the projected Standard Offer Service reconciliation.

3 A. Pages 5 and 6 of Exhibit JAL-7 support the calculation of the projected revenue and
4 expenses. Projected revenue is estimated on page 5 by applying the current Standard
5 Offer Service rate of 6.7¢ per kWh to the Company's forecasted retail Standard Offer
6 Service deliveries. Standard Offer Service base expenses are calculated on page 6 by
7 multiplying the forecasted Standard Offer Service kWh deliveries by the base wholesale
8 charge in effect for each period under the Company's wholesale Standard Offer Service
9 supply contracts. Estimated fuel index payments have been calculated in accordance
10 with the Fuel Index Adjustment Provision contained in these contracts using the average
11 of projected gas and crude oil prices reported in the Wall Street Journal on October 25,
12 26, and 27 of 2004.

13

14 **VI. Last Resort Service Reconciliation**

15 Q. Has the Company prepared a Last Resort Service reconciliation for the year ending
16 September 2004?

17 A. Yes. The Company's Last Resort Service reconciliation for the period October 2003
18 through September 2004 is shown in Exhibit JAL-9. This exhibit shows that the balance
19 is an over recovery of \$72,938.

20

21 Q. Please describe the Last Resort Service reconciliation in more detail.

22 A. The Last Resort Service reconciliation compares the total cost of purchased power for
23 Last Resort Service to revenue billed to Last Resort Service customers. Any excess or

1 deficiency is to be refunded to or collected from customers, with interest, under a
2 methodology approved by the Commission at the time of the Company's annual
3 reconciliation filing.

4
5 Included in this year's reconciliation are separate reconciliations for residential Last
6 Resort Service, shown on Exhibit JAL-9, page 2 and for commercial and industrial
7 ("C&I") Last Resort Service, shown on page 3.

8
9 Q. Why has the Company prepared separate reconciliations for residential and for C&I Last
10 Resort Service?

11 A. The Company is now tracking the recovery of Last Resort Service expenses separately
12 for the residential and C&I classes because the retail rates charged to each class and the
13 monthly wholesale prices incurred by each class are different. Beginning in September
14 2003, the Company began procuring Last Resort Service for residential and C&I
15 customers under separate contracts. Each contract specifies monthly prices for Last
16 Resort Service, but the prices for residential service are different from those contained in
17 the C&I contract. Pursuant to the Last Resort Service tariff, R.I.P.U.C. No. 1165,
18 residential customers pay the Standard Offer Service rate for Last Resort Service while
19 C&I customers pay the monthly prices specified in the C&I Last Resort Service contract,
20 adjusted for losses.

21
22 Q. What are the results of the reconciliations?

23 A. The residential reconciliation, Exhibit JAL-9, page 2 of 5, shows an under recovery of

1 \$1,767 for the period October 2003 through September 2004. The C&I reconciliation,
2 Exhibit JAL-9, page 3 of 5, for the same period is an over recovery of \$74,704. The net
3 over recovery for Last Resort Service is \$72,938.

4
5 Q. How is the Company proposing to treat the Last Resort Service over recovery?

6 A. Because the over recovery is relatively small, the Company is proposing to carry the over
7 recovery balance forward into the next period's Last Resort Service reconciliation.

8
9 **VII. Revised Standard Offer Service Tariff and Tariff Cover Sheets**

10 Q. Has the Company prepared a revised Standard Offer Service tariff and revised tariff
11 cover sheets reflecting the proposed rates effective for usage on and after January 1,
12 2005?

13 A. Yes. The revised Standard Offer Service tariff is in Exhibit JAL-10 and the revised tariff
14 cover sheets are included in Exhibit JAL-11.

15
16 **VIII. Typical Bills**

17 Q. Has the Company provided a typical bill analysis to illustrate the impact of the proposed
18 rate changes?

19 A. Yes it has. The typical bill analysis for each rate class is in Exhibit JAL-12.

20
21 Q. What is the impact on a typical residential customer of the Company's proposed rate
22 changes?

23 A. Exhibit JAL-12, page 1, shows the proposed rates would increase the monthly bill for a

1 500 kWh residential customer by \$5.13, or 8.3%, from \$61.80 to \$66.93. Of this
2 increase, \$4.00 is attributable to the proposed Standard Offer Service rate increase.

3

4 **IX. Conclusion**

5 Q. Does this conclude your testimony?

6 A. Yes it does.

Exhibits of
Jeanne A. Lloyd

Exhibits

Table of Contents

Exhibit JAL-1	Summary of Proposed Rate Changes
Exhibit JAL-2	Calculation of Proposed Non-Bypassable Transition Charge for January 2005
Exhibit JAL-3	Non-Bypassable Transition Charge Reconciliation
Exhibit JAL-4	Calculation of Proposed Transmission Adjustment Factor for January 2005
Exhibit JAL-5	Transmission Service Reconciliation
Exhibit JAL-6	Second Amended Stipulation and Settlement, RIPUC Docket No. 3617, Exhibit 10 (Disputed Uplift Charges)
Exhibit JAL-7	Standard Offer Service Reconciliation
Exhibit JAL-8	Proposed Standard Offer Rate for January 2005
Exhibit JAL-9	Last Resort Service Reconciliation
Exhibit JAL-10	Proposed Standard Offer Tariff
Exhibit JAL-11	Tariff Cover Sheets
Exhibit JAL-12	Typical Bill Analysis

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-1
Summary of Proposed Rate Changes

The Narragansett Electric Company
 Summary of Proposed Rate Changes for January 1, 2005
 Effective for All Rate Classes

		<u>Current Rate</u> (a)	<u>Proposed Change in Rate</u> (b)	<u>Proposed Rate</u> (c)
(1)	Standard Offer Rate	\$0.06700	\$0.00800	\$0.07500
(2)	Transition Charge	\$0.00855	(\$0.00010)	\$0.00845
(3)	Transmission Adjustment Factor	\$0.00042	<u>\$0.00197</u>	\$0.00239
			\$0.00987	

Column (a):

- (1) per current tariff
- (2) per current tariff
- (3) per current tariff

Column (b):

- (1) Line (1), Column (c) - Line (1), Column (a)
- (2) Line (2), Column (c) - Line (2), Column (a)
- (3) Line (3), Column (c) - Line (3), Column (a)

Column (c):

- (1) Exhibit JAL-8
- (2) Exhibit JAL-2, page 2
- (3) Exhibit JAL-4, Line (11)

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-2
Calculation of the Proposed Non-Bypassable Transition Charge
for January 2005

Narragansett Electric Company
 Calculation of Transition Charge

Section I: Individual CTC Amounts

	<u>CTC</u>	<u>GWhs</u>	<u>Expected</u>
	(1)	(2)	CTC Costs
			(3)
Narragansett			
2005	\$0.00670	5,428	\$36,367,600
BVE			
2005	\$0.01400	1,423.866	\$19,934,124
Newport			
2005	\$0.01190	580.288	\$6,905,427
Total CTC Costs			\$63,207,151

Section II: Total Estimated CTC Costs and Transition Charge Calculation

	<u>Total</u>	<u>Total</u>
	Company	Company
	<u>GWhs</u>	<u>CTC Costs</u>
	(4)	(5)
Total		
2005	7,432.154	\$63,207,151
(6) 2005 Transition Charge		0.850

- (1) Per preliminary November 2004 NEP and Montaup CTC Reconciliation Reports, Schedule 1 for 2005
 (2) Per preliminary November 2004 NEP and Montaup CTC Reconciliation Reports, Schedule 1 for 2005
 (3) (1) x (2)
 (4) Sum of Narragansett, BVE and Newport GWhs for appropriate year
 (5) Sum of Narragansett, BVE and Newport CTC Costs for appropriate year
 (6) (5) ÷ (4)

Narragansett Electric Company
Calculation of Transition Charge

(1) 2005 Transition Charge		\$0.00850
(2) Transition Over recovery at September 30, 2004	(\$446,044)	
(3) divided by: forecasted kWh deliveries for 2005	<u>7,839,511,000</u>	
(4) Transition charge kWh credit		<u>(\$0.00005)</u>
(5) Proposed Transition Charge for January 1, 2005		\$0.00845

(1) Page 1 of 2, (6)

(2) Exhibit JAL-3, page 1 of 4; 2004 over recovery of \$437,110 plus interest during refund period of \$8.934.

(3) from Company forecast

(4) Line (2) ÷ Line (3), truncated after 5 decimal places

(5) Line (1) + Line (4)

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-3
Non-bypassable Transition Charge Reconciliation

The Narragansett Electric Company
Non-Bypassable Transition Charge Adjustment Reconciliation - Total Company

Company	(Under)/Over Beginning Balance (a)	Transition Charge Revenue (b)	Contract Termination Expense (c)	(Under)/Over (d)	(Under)/Over Ending Balance (e)	Interest (f)	(Under)/Over Ending Balance (g)
Narragansett	\$125,166	\$50,578,865	\$36,942,877	\$13,635,988	\$13,761,154	\$293,689	\$14,054,843
Blackstone Valley Electric	\$0	\$12,084,161	\$22,001,146	(\$9,916,985)	(\$9,916,985)	(\$273,330)	(\$10,190,315)
Newport	\$0	\$5,479,097	\$8,807,993	(\$3,328,896)	(\$3,328,896)	(\$98,522)	(\$3,427,418)
Total Company	\$125,166	\$68,142,123	\$67,752,016	\$390,107	\$515,273	(\$78,163)	\$437,110

Column (a) From Pages 2, 3 and 4, column (a): January
 Column (b) From Pages 2, 3 and 4, column (b): Total
 Column (c) From Pages 2, 3 and 4, column (c): Total
 Column (d) column (b) - column (c)
 Column (e) column (a) + column (d)
 Column (f) From Pages 2, 3 and 4, column (h): Total
 Column (g) column (e) + column (f)

The Narragansett Electric Company
Non-Bypassable Transition Charge Adjustment Reconciliation - Narragansett Electric Company

Month	(Under)/Over Beginning Balance (a)	Transition Charge Revenue (b)	Contract Termination Expense (c)	Monthly (Under)/Over (d)	(Under)/Over Ending Balance (e)	Interest Balance (f)	Monthly Interest Rate (g)	Monthly Interest (h)	Adjustments (i)	Ending Balance (j)
Oct-03	\$125,166	\$4,200,408	\$3,021,623	\$1,178,785	\$1,303,951	\$714,559	0.384%	\$2,745		\$1,306,696
Nov-03	\$1,306,696	\$4,145,483	\$2,987,155	\$1,158,327	\$2,465,024	\$1,885,860	0.384%	\$7,245		\$2,472,269
Dec-03	\$2,472,269	\$4,616,276	\$3,319,752	\$1,296,524	\$3,768,793	\$3,120,531	0.384%	\$11,988		\$3,780,781
Jan-04	\$3,780,781	\$4,822,654	\$3,490,490	\$1,332,164	\$5,112,944	\$4,446,862	0.384%	\$17,083		\$5,130,028
Feb-04	\$5,130,028	\$4,141,820	\$3,067,269	\$1,074,552	\$6,204,579	\$5,667,303	0.384%	\$21,772		\$6,226,351
Mar-04	\$6,226,351	\$3,944,863	\$2,876,555	\$1,068,308	\$7,294,660	\$6,760,505	0.334%	\$22,591		\$7,317,251
Apr-04	\$7,317,251	\$3,764,366	\$2,771,535	\$992,830	\$8,310,081	\$7,813,666	0.334%	\$26,111		\$8,336,192
May-04	\$8,336,192	\$3,539,141	\$2,602,487	\$936,653	\$9,272,845	\$8,804,519	0.334%	\$29,422		\$9,302,267
Jun-04	\$9,302,267	\$3,904,799	\$2,868,674	\$1,036,125	\$10,338,392	\$9,820,330	0.334%	\$32,816		\$10,371,208
Jul-04	\$10,371,208	\$4,332,180	\$3,189,664	\$1,142,516	\$11,513,725	\$10,942,466	0.334%	\$36,566		\$11,550,291
Aug-04	\$11,550,291	\$4,512,932	\$3,322,665	\$1,190,267	\$12,740,558	\$12,145,424	0.334%	\$40,586		\$12,781,143
Sep-04	\$12,781,143	\$4,653,944	\$3,425,008	\$1,228,936	\$14,010,079	\$13,395,611	0.334%	\$44,764		\$14,054,843
Total	\$125,166	\$50,578,865	\$36,942,877	\$13,635,988	\$13,761,154			\$293,689		\$14,054,843

Column (a) Column (j) from previous row; beginning balance from Docket No. 3571, filed November 2003

Column (b) From Transition Revenues to Narragansett Electric Company

Column (c) From CTC Bills to Narragansett Electric Company

Column (d) Column (c) - Column (b)

Column (e) Column (a) + Column (d)

Column (f) (Column (a) + Column (e)) ÷ 2

Column (g) Customer Deposit Rate ÷ 12

Column (h) Column (f) * Column (g)

Column (i)

Column (j) Column (e) + Column (h) + Column (i)

The Narragansett Electric Company
Non-Bypassable Transition Charge Adjustment Reconciliation - former Blackstone Valley Electric

Month	(Under)/Over Beginning Balance (a)	Transition Charge Revenue (b)	Contract Termination Expense (c)	Monthly (Under)/Over (d)	(Under)/Over Ending Balance (e)	Interest Balance (f)	Monthly Interest Rate (g)	Monthly Interest (h)	Adjustments (i)	Ending Balance (j)
*	Oct-03	\$0	\$392,403	\$1,922,909	(\$1,530,507)	(\$1,530,507)	0.384%	(\$2,940)		(\$1,533,447)
	Nov-03	(\$1,533,447)	\$1,032,988	\$1,925,940	(\$892,951)	(\$2,426,398)	0.384%	(\$7,606)		(\$2,434,004)
	Dec-03	(\$2,434,004)	\$1,160,616	\$2,164,016	(\$1,003,399)	(\$3,437,403)	0.384%	(\$11,278)		(\$3,448,681)
	Jan-04	(\$3,448,681)	\$1,041,702	\$1,908,249	(\$866,548)	(\$4,315,229)	0.384%	(\$14,913)		(\$4,330,142)
	Feb-04	(\$4,330,142)	\$1,006,451	\$1,799,901	(\$793,450)	(\$5,123,592)	0.384%	(\$18,159)		(\$5,141,751)
	Mar-04	(\$5,141,751)	\$996,486	\$1,781,457	(\$784,971)	(\$5,926,722)	0.334%	(\$18,494)		(\$5,945,216)
	Apr-04	(\$5,945,216)	\$874,825	\$1,565,976	(\$691,150)	(\$6,636,366)	0.334%	(\$21,022)		(\$6,657,388)
	May-04	(\$6,657,388)	\$891,512	\$1,595,391	(\$703,879)	(\$7,361,267)	0.334%	(\$23,423)		(\$7,384,690)
	Jun-04	(\$7,384,690)	\$1,009,677	\$1,806,827	(\$797,150)	(\$8,181,839)	0.334%	(\$26,009)		(\$8,207,848)
	Jul-04	(\$8,207,848)	\$987,823	\$1,767,769	(\$779,946)	(\$8,987,794)	0.334%	(\$28,731)		(\$9,016,525)
	Aug-04	(\$9,016,525)	\$1,018,509	\$1,824,967	(\$806,458)	(\$9,822,983)	0.334%	(\$31,478)		(\$9,854,461)
	Sep-04	(\$9,854,461)	\$1,082,785	\$1,937,743	(\$854,959)	(\$10,709,419)	0.334%	(\$34,359)		(\$10,743,778)
**	Oct-04	(\$10,743,778)	\$588,382		\$588,382	(\$10,155,396)	0.334%	(\$34,919)		(\$10,190,315)
	Total	\$0	\$12,084,161	\$22,001,146	(\$9,916,985)			(\$273,330)		

* Indicates prorated revenues for usage on and after October 1, 2003

** Indicates estimated revenues for September 2004 billed in October 2004.

Column (a) Column (j) from previous row; beginning balance from Docket No. 3571, filed November 2003

Column (b) From Transition Revenues to Narragansett Electric Company for the former Blackstone Valley Electric

Column (c) From CTC Bills to Narragansett Electric Company for the former Blackstone Valley Electric

Column (d) Column (c) - Column (b)

Column (e) Column (a) + Column (d)

Column (f) (Column (a) + Column (e)) ÷ 2

Column (g) Customer Deposit Rate ÷ 12

Column (h) Column (f) * Column (g)

Column (i)

Column (j) Column (e) + Column (h) + Column (i)

The Narragansett Electric Company
Non-Bypassable Transition Charge Adjustment Reconciliation - former Newport Electric Corporation

Month	(Under)/Over Beginning Balance (a)	Transition Charge Revenue (b)	Contract Termination Expense (c)	Monthly (Under)/Over (d)	(Under)/Over Ending Balance (e)	Interest Balance (f)	Monthly Interest Rate (g)	Monthly Interest (h)	Adjustments (i)	Ending Balance (j)
*	Oct-03	\$0	\$181,130	\$826,871	(\$645,741)	(\$645,741)	(\$322,871)	0.384%	(\$1,240)	(\$646,982)
	Nov-03	(\$646,982)	\$429,060	\$745,390	(\$316,329)	(\$963,311)	(\$805,146)	0.384%	(\$3,093)	(\$966,404)
	Dec-03	(\$966,404)	\$502,800	\$873,506	(\$370,706)	(\$1,337,110)	(\$1,151,757)	0.384%	(\$4,425)	(\$1,341,535)
	Jan-04	(\$1,341,535)	\$531,114	\$865,622	(\$334,508)	(\$1,676,042)	(\$1,508,789)	0.384%	(\$5,796)	(\$1,681,839)
	Feb-04	(\$1,681,839)	\$475,298	\$733,375	(\$258,077)	(\$1,939,916)	(\$1,810,877)	0.384%	(\$6,957)	(\$1,946,872)
	Mar-04	(\$1,946,872)	\$451,101	\$696,770	(\$245,669)	(\$2,192,541)	(\$2,069,707)	0.334%	(\$6,916)	(\$2,199,457)
	Apr-04	(\$2,199,457)	\$419,437	\$647,689	(\$228,253)	(\$2,427,710)	(\$2,313,584)	0.334%	(\$7,731)	(\$2,435,441)
	May-04	(\$2,435,441)	\$380,263	\$587,090	(\$206,828)	(\$2,642,269)	(\$2,538,855)	0.334%	(\$8,484)	(\$2,650,753)
	Jun-04	(\$2,650,753)	\$397,813	\$614,151	(\$216,338)	(\$2,867,090)	(\$2,758,922)	0.334%	(\$9,219)	(\$2,876,310)
	Jul-04	(\$2,876,310)	\$458,633	\$708,035	(\$249,403)	(\$3,125,713)	(\$3,001,011)	0.334%	(\$10,028)	(\$3,135,741)
	Aug-04	(\$3,135,741)	\$480,987	\$743,401	(\$262,414)	(\$3,398,155)	(\$3,266,948)	0.334%	(\$10,917)	(\$3,409,073)
	Sep-04	(\$3,409,073)	\$496,664	\$766,093	(\$269,428)	(\$3,678,501)	(\$3,543,787)	0.334%	(\$11,842)	(\$3,690,343)
**	Oct-04	(\$3,690,343)	\$274,797		\$274,797	(\$3,415,546)	(\$3,552,944)	0.334%	(\$11,873)	(\$3,427,418)
	Total	\$0	\$5,479,097	\$8,807,993	(\$3,328,896)				(\$98,522)	

* Indicates prorated revenues for usage on and after October 1, 2003

** Indicates estimated revenues for September 2004 billed in October 2004.

Column (a) Column (j) from previous row; beginning balance from Docket No. 3571, filed November 2003

Column (b) From Transition Revenues to Narragansett Electric Company for the former Newport Electric

Column (c) From CTC Bills to Narragansett Electric Company for the former Newport Electric

Column (d) Column (c) - Column (b)

Column (e) Column (a) + Column (d)

Column (f) (Column (a) + Column (e)) ÷ 2

Column (g) Customer Deposit Rate ÷ 12

Column (h) Column (f) * Column (g)

Column (i)

Column (j) Column (e) + Column (h) + Column (i)

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-4
Calculation of Proposed Transmission Adjustment Factor
for January 2005

The Narragansett Electric Company
Calculation of Transmission Service Adjustment Factor
Effective January 1, 2005 - December 31, 2005

(1) Forecasted 2005 Transmission Expense	\$44,219,733	
(2) 2005 Forecasted kWh Sales	7,839,511,000	
(3) Average 2005 Transmission Expense per kWh	\$0.00564	
(4) Average 2004 Transmission Expense per kWh	\$0.00503	
(5) Increase(Decrease) in Average Transmission Expense		\$0.00061
(6) Elimination of 2004 over recovery factor		\$0.00064
(7) Implementation of 2005 under recovery factor		\$0.00048
(8) Implementation of Uplift Cost recovery factor		<u>\$0.00024</u>
(9) Total Increase(Decrease) in Transmission Adjustment Factor		\$0.00197
(10) Current 2004 Transmission Adjustment Factor		\$0.00042
(11) Increase(Decrease) in 2005 Factor		<u>\$0.00197</u>
(12) Proposed 2005 Transmission Adjustment Factor		\$0.00239

-
- (1) from Exhibit CAC-1
(2) from Company forecast
(3) Line (1) ÷ Line (2)
(4) from RIPUC Docket No. 3571, Exhibit JAL-4, Page 1 of 1, Line (3)
(5) Line (3) - Line (4)
(6) from Exhibit JAL-5, page 6, factor in effect from Jan 1, 2004 through Dec 31, 2004
(7) from Exhibit JAL-5, page 11
(8) from Exhibit JAL-5, page 12
(9) Line (5) + Line (6) + Line (7) + Line (8)
(10) Current factor
(11) Line (9)
(12) Line (10) + Line (11)

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-5
Transmission Service Reconciliation

Narragansett Electric Company
Base Transmission Charge Reconciliation
October 2003 through September 2004**Transmission Reconciliation Balance @September 30, 2004**

	<u>Month</u>	<u>Over/(Under) Beginning Balance</u> (a)	<u>Transmission Revenue</u> (b)	<u>Transmission Adjustment</u> (c)	<u>Transmission Expense</u> (d)	<u>Monthly Over/(Under)</u> (e)	<u>Over/(Under) Ending Balance</u> (f)
(1)	Oct-03	\$0	\$1,060,224	(\$184,550)	\$3,111,361	(\$2,051,137)	(\$2,051,137)
	Nov-03	(\$2,051,137)	\$3,049,065		\$4,191,387	(\$1,142,322)	(\$3,193,459)
	Dec-03	(\$3,193,459)	\$3,361,577		\$3,925,625	(\$564,048)	(\$3,757,507)
	Jan-04	(\$3,757,507)	\$3,561,782	(\$87,483)	\$3,371,169	\$103,130	(\$3,654,377)
	Feb-04	(\$3,654,377)	\$3,300,569		\$3,762,196	(\$461,627)	(\$4,116,004)
	Mar-04	(\$4,116,004)	\$3,129,497		\$3,030,902	\$98,595	(\$4,017,409)
	Apr-04	(\$4,017,409)	\$2,972,201		\$2,638,281	\$333,920	(\$3,683,489)
	May-04	(\$3,683,489)	\$2,867,107		\$3,045,245	(\$178,138)	(\$3,861,627)
	Jun-04	(\$3,861,627)	\$3,122,929		\$4,554,599	(\$1,431,670)	(\$5,293,298)
	Jul-04	(\$5,293,298)	\$3,365,861		\$3,869,727	(\$503,866)	(\$5,797,164)
	Aug-04	(\$5,797,164)	\$3,529,131		\$3,624,346	(\$95,215)	(\$5,892,378)
	Sep-04	(\$5,892,378)	\$3,603,394		\$3,334,773	\$268,621	(\$5,623,757)
(2)	Oct-04	(\$5,623,757)	\$1,944,051			\$1,944,051	(\$3,679,706)
	Total	\$0	\$38,867,387	(\$272,033)	\$42,459,610	(\$3,679,706)	(\$3,679,706)
	Interest through September 2004						(\$78,378)
	Base Transmission Reconciliation Balance with Interest						(\$3,758,084)

(1) Indicates estimated revenues for consumption on and after October 2003

(2) Indicates estimated revenues for September 2004 usage billed in October 2004

Column Descriptions:

- (a) Prior Month Column (f); beginning balance per order in RIPUC Docket No. 3571.
(b) from Page 2
(c) Oct 2003: \$184,550 - Reconciliation of Sept 2003 estimated to actual expenses
Jan 2004: from page 8 - remaining balance from 2003 over recovery.
(d) from Page 4; expenses for September 2004 have been estimated
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)

Narragansett Electric Company Total Transmission Revenue						
	Total Transmission Revenue (a)	Less 2003 Transmission Adjustment Revenue (b)	Less 2004 Transmission Adjustment Revenue (c)	Base Transmission Revenue (d)	Less HVM Credit (e)	Net Base Transmission Revenue (f)
Oct-03	\$2,791,061	(\$329,118)	\$0	\$3,120,179	(\$4,664)	\$3,115,515
Nov-03	\$2,730,411	(\$323,306)	\$0	\$3,053,717	(\$4,652)	\$3,049,065
Dec-03	\$3,004,702	(\$361,284)	\$0	\$3,365,986	(\$4,409)	\$3,361,577
Jan-04	\$3,155,188	(\$204,956)	(\$210,281)	\$3,570,426	(\$8,644)	\$3,561,782
Feb-04	\$2,882,685	\$0	(\$422,788)	\$3,305,474	(\$4,905)	\$3,300,569
Mar-04	\$2,728,254	\$0	(\$405,927)	\$3,134,181	(\$4,685)	\$3,129,497
Apr-04	\$2,595,744	\$0	(\$381,192)	\$2,976,937	(\$4,736)	\$2,972,201
May-04	\$2,509,589	\$0	(\$362,309)	\$2,871,898	(\$4,791)	\$2,867,107
Jun-04	\$2,728,680	\$0	(\$399,874)	\$3,128,554	(\$5,626)	\$3,122,929
Jul-04	\$2,936,284	\$0	(\$434,920)	\$3,371,204	(\$5,343)	\$3,365,861
Aug-04	\$3,081,862	\$0	(\$452,700)	\$3,534,562	(\$5,431)	\$3,529,131
Sep-04	\$3,140,382	\$0	(\$468,695)	\$3,609,076	(\$5,682)	\$3,603,394
Oct-04	<u>\$2,751,521</u>	<u>\$0</u>	<u>(\$406,228)</u>	<u>\$3,157,749</u>	<u>(\$5,405)</u>	<u>\$3,152,344</u>
Total	\$37,036,364	(\$1,218,664)	(\$3,944,916)	\$42,199,944	(\$68,973)	\$42,130,971

- (a) Monthly SMB702 Report, Monthly Standard Offer, Open Access, Last Resort Service Revenue Reports
(b) from Page 6, Column (c)
(c) from Page 9, Column (c)
(d) Column (a) - Column (b) - Column (c)
(e) from Page 3
(f) Column (d) - Column (e)

Narragansett Electric Company
Transmission Expense

	NEPOOL PTF Expenses	NEP Non-PTF Expenses	Other NEPOOL Charges	ISO Tariff Expenses	Total Transmission Expense	Deferred ISO Tariff Expenses	Total Transmission Expense less Deferred Expense
October-03	\$1,591,732	\$1,176,603	\$278,593	\$81,968	\$3,128,896	\$17,535	\$3,111,361
November-03	\$1,636,992	\$2,187,120	\$299,680	\$67,595	\$4,191,387	\$0	\$4,191,387
December-03	\$1,821,110	\$1,882,902	\$148,553	\$86,099	\$3,938,664	\$13,039	\$3,925,625
January-04	\$1,950,919	\$1,228,215	\$82,241	\$121,972	\$3,383,347	\$12,178	\$3,371,169
February-04	\$2,531,496	\$999,363	\$140,774	\$90,563	\$3,762,196	\$0	\$3,762,196
March-04	\$1,621,292	\$1,065,594	\$252,733	\$103,674	\$3,043,293	\$12,391	\$3,030,902
April-04	\$1,510,577	\$910,759	\$141,300	\$683,979	\$3,246,615	\$608,334	\$2,638,281
May-04	\$1,657,420	\$640,908	\$604,155	\$142,762	\$3,045,245		\$3,045,245
June-04	\$2,316,135	\$1,511,820	\$532,710	\$193,934	\$4,554,599	\$0	\$4,554,599
July-04	\$2,368,058	\$747,696	\$566,519	\$187,454	\$3,869,727	\$0	\$3,869,727
August-04	\$2,445,917	\$633,606	\$327,823	\$217,000	\$3,624,346	\$0	\$3,624,346
September-04	<u>\$2,059,852</u>	<u>\$879,194</u>	<u>\$233,874</u>	<u>\$161,813</u>	<u>\$3,334,733</u>	<u>0</u>	<u>\$3,334,773</u>
Total	\$23,511,500	\$13,863,780	\$3,608,955	\$2,138,813	\$43,123,048	\$663,478	\$42,459,610

Source: Monthly NEP, NEPOOL and ISO Bills

Narragansett Electric Company
 Transmission Over Recovery Reconciliation
 Incurred October 2002 - September 2003

<u>Month</u>	<u>Beginning Over Recovery Balance</u> (a)	<u>Transmission Adjustment Revenue</u> (b)	<u>Ending Over Recovery Balance</u> (c)
Jan-04	\$4,851,962	\$210,281	\$4,641,681 (1)
Feb-04	\$4,641,681	\$421,945	\$4,219,735
Mar-04	\$4,219,735	\$405,063	\$3,814,673
Apr-04	\$3,814,673	\$380,353	\$3,434,320
May-04	\$3,434,320	\$361,451	\$3,072,868
Jun-04	\$3,072,868	\$398,888	\$2,673,980
Jul-04	\$2,673,980	\$433,958	\$2,240,022
Aug-04	\$2,240,022	\$451,741	\$1,788,281
Sep-04	\$1,788,281	\$467,691	\$1,320,591
Oct-04	\$1,320,591	\$405,245	\$915,345
Nov-04	\$915,345	\$0	\$915,345
Dec-04	\$915,345	\$0	\$915,345
Jan-05	\$915,345	\$0	\$915,345
Ending Balance			\$915,345
Interest for the period January 2004 through December 2004			\$132,936
Ending Balance with Interest			\$1,048,282
(1) Percentage kWhs consumed on or after January 1, 2004 =		46.40%	

(a) Prior Month Column (c); beginning balance from Docket No. 3571, Hearing Update, Exhibit JAL-5, page 12 of 12

(b) from Page 6

(c) Column (a) - Column (b)

Narragansett Electric Company
January 2004 Transmission Cost Adjustment Recovery

	<u>kWh Sales</u> (a)	<u>Jan-2004 Transmission Adjustment Factor</u> (b)	<u>Total Jan-2004 Transmission Adjustment Revenue</u> (c)	<u>Less HMV Discount</u> (d)	<u>Net 2004 Transmission Adjustment Revenue</u> (e)
Jan-04	709,525,073	(\$0.00064)	(\$454,096)	(\$903)	(\$453,193)
Feb-04	660,606,962	(\$0.00064)	(\$422,788)	(\$843)	(\$421,945)
Mar-04	634,260,689	(\$0.00064)	(\$405,927)	(\$864)	(\$405,063)
Apr-04	595,612,924	(\$0.00064)	(\$381,192)	(\$839)	(\$380,353)
May-04	566,108,513	(\$0.00064)	(\$362,309)	(\$858)	(\$361,451)
Jun-04	624,802,955	(\$0.00064)	(\$399,874)	(\$986)	(\$398,888)
Jul-04	679,563,014	(\$0.00064)	(\$434,920)	(\$963)	(\$433,958)
Aug-04	707,343,909	(\$0.00064)	(\$452,700)	(\$959)	(\$451,741)
Sep-04	732,335,738	(\$0.00064)	(\$468,695)	(\$1,004)	(\$467,691)
Oct-04	634,731,915	(\$0.00064)	(\$406,228)	(\$983)	(\$405,245)
Nov-04		(\$0.00064)	\$0	\$0	\$0
Dec-04		(\$0.00064)	\$0	\$0	\$0
Jan-05		<u>(\$0.00064)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	5,174,759,657		(\$3,311,846)	(\$7,456)	(\$3,304,390)

- (a) kWhs per Monthly SMB702 Report, Monthly Standard Offer, Open Access, Last Resort Service Revenue Reports
(b) RIPUC Docket No. 3571, Hearing Update, Exhibit JAL-5, page 12 of 12
(c) Column (a) x Column (b)
(d) from Page 7
(e) Column (c) - Column (d)

Narragansett Electric Company
High Voltage Metering Discount Relating to January 2004 Transmission Adjustment Factor Recovery
kWh's Subject to Discount

	<u>kWh</u> (a)	<u>1% Discount</u> (b)	<u>Jan-2004 Transmission Adjustment Factor</u> (c)	<u>HVM Discount</u> (d)
Jan-04	141,126,024	1,411,260	(\$0.00064)	(\$903)
Feb-04	131,755,843	1,317,558	(\$0.00064)	(\$843)
Mar-04	135,042,146	1,350,421	(\$0.00064)	(\$864)
Apr-04	131,124,246	1,311,242	(\$0.00064)	(\$839)
May-04	134,074,026	1,340,740	(\$0.00064)	(\$858)
Jun-04	154,013,045	1,540,130	(\$0.00064)	(\$986)
Jul-04	150,404,414	1,504,044	(\$0.00064)	(\$963)
Aug-04	149,847,765	1,498,478	(\$0.00064)	(\$959)
Sep-04	156,921,262	1,569,213	(\$0.00064)	(\$1,004)
Oct-04	153,586,937	1,535,869	(\$0.00064)	(\$983)
Nov-04		0	(\$0.00064)	\$0
Dec-04		0	(\$0.00064)	\$0
Jan-05		<u>0</u>	<u>(\$0.00064)</u>	<u>\$0</u>
Total	1,165,013,841	11,650,138		(\$7,456)

- (a) CIS System Data
(b) Column (a) x 1%
(c) Approved Transmission Adjustment Factor for Jan 2004
(d) Column (b) x Column (c)

The Narragansett Electric Company
Transmission Under Recovery Reconciliation
Incurred October 2001 - September 2002

Approved refund: \$3,950,000

Interest through Dec 2002: \$25,132

Over Recovery Beginning Balance: \$3,975,132

<u>Month</u>	Beginning Over Recovery Balance (a)	Transmission Adjustment Revenue (b)	Ending Over Recovery Balance (c)
Jan-03	\$3,975,132	\$173,349	\$3,801,782 (1)
Feb-03	\$3,801,782	\$345,740	\$3,456,043
Mar-03	\$3,456,043	\$344,898	\$3,111,144
Apr-03	\$3,111,144	\$309,213	\$2,801,932
May-03	\$2,801,932	\$303,629	\$2,498,303
Jun-03	\$2,498,303	\$308,786	\$2,189,517
Jul-03	\$2,189,517	\$370,265	\$1,819,251
Aug-03	\$1,819,251	\$402,968	\$1,416,283
Sep-03	\$1,416,283	\$376,226	\$1,040,057
Oct-03	\$1,040,057	\$328,434	\$711,623
Nov-03	\$711,623	\$322,632	\$388,991
Dec-03	\$388,991	\$360,594	\$28,397
Jan-04	\$28,397	\$204,956	(\$176,559) (2)

Ending Balance (\$176,559)

Interest through December 2003 \$89,077

Total Ending Balance w/ Interest (\$87,483)

(1) Percentage of kWhs consumed on and after Jan 1, 2003 = 46.29%

(2) Percentage of kWhs billed in Jan 2004 and consumed prior to Jan 1, 2004 = 53.60%

(a) Prior Month Column (c); beginning balance per R.I.P.U.C. Docket No. 3479, Schedule JAL-5, page 12

(b) from Page 9

(c) Column (a) - Column (b)

Narragansett Electric Company
January 2003 Transmission Cost Adjustment Recovery

	<u>kWh Sales</u> (a)	<u>Jan-03 Transmission Adjustment Factor</u> (b)	<u>Total Jan-03 Transmission Adjustment Revenue</u> (c)	<u>Less HMV Discount</u> (d)	<u>Net Jan-03 Transmission Adjustment Revenue</u> (e)
Jan-03	694,467,195	(\$0.00054)	(\$375,012)	(\$527)	(\$374,486)
Feb-03	641,118,206	(\$0.00054)	(\$346,204)	(\$464)	(\$345,740)
Mar-03	639,785,878	(\$0.00054)	(\$345,484)	(\$586)	(\$344,898)
Apr-03	573,483,862	(\$0.00054)	(\$309,681)	(\$469)	(\$309,213)
May-03	563,281,783	(\$0.00054)	(\$304,172)	(\$543)	(\$303,629)
Jun-03	572,786,223	(\$0.00054)	(\$309,305)	(\$519)	(\$308,786)
Jul-03	686,830,145	(\$0.00054)	(\$370,888)	(\$623)	(\$370,265)
Aug-03	747,379,434	(\$0.00054)	(\$403,585)	(\$617)	(\$402,968)
Sep-03	697,722,628	(\$0.00054)	(\$376,770)	(\$544)	(\$376,226)
Oct-03	609,477,029	(\$0.00054)	(\$329,118)	(\$684)	(\$328,434)
Nov-03	598,714,519	(\$0.00054)	(\$323,306)	(\$674)	(\$322,632)
Dec-03	669,044,746	(\$0.00054)	(\$361,284)	(\$690)	(\$360,594)
Jan-04	<u>709,525,073</u>	(\$0.00054)	<u>(\$383,144)</u>	<u>(\$762)</u>	<u>(\$382,381)</u>
Total	8,403,616,721		(\$4,537,953)	(\$7,701)	(\$4,530,252)

- (a) kWhs per Monthly SMB702 Report, Monthly Standard Offer, Open Access, Last Resort Service Revenue Reports
(b) Approved Transmission Adjustment Factor for January 2003
(c) Column (a) x Column (b)
(d) from Page 10
(e) Column (c) - Column (d)

Narragansett Electric Company
High Voltage Metering Discount Relating to January 2003 Transmission Adjustment Factor Recovery
kWh's Subject to Discount

	<u>kWh</u> (a)	<u>1% Discount</u> (b)	Jan-03 Transmission Adjustment <u>Factor</u> (c)	HVM <u>Discount</u> (d)
Jan-03	97,506,328	975,063	(\$0.00054)	(\$527)
Feb-03	85,931,792	859,318	(\$0.00054)	(\$464)
Mar-03	108,499,111	1,084,991	(\$0.00054)	(\$586)
Apr-03	86,788,101	867,881	(\$0.00054)	(\$469)
May-03	100,597,555	1,005,976	(\$0.00054)	(\$543)
Jun-03	96,064,013	960,640	(\$0.00054)	(\$519)
Jul-03	115,358,031	1,153,580	(\$0.00054)	(\$623)
Aug-03	114,175,992	1,141,760	(\$0.00054)	(\$617)
Sep-03	100,762,947	1,007,629	(\$0.00054)	(\$544)
Oct-03	126,613,882	1,266,139	(\$0.00054)	(\$684)
Nov-03	124,768,041	1,247,680	(\$0.00054)	(\$674)
Dec-03	127,833,077	1,278,331	(\$0.00054)	(\$690)
Jan-04	141,126,024	1,411,260	(\$0.00054)	<u>(\$762)</u>
Total	1,426,024,894	14,260,249		(\$7,701)

- (a) CIS System Data
(b) Column (a) x 1%
(c) Approved Transmission Adjustment Factor for 2003
(d) Column (b) x Column (c)

The Narragansett Electric Company
Calculation of Interest and Reconciliation Factor

Month	Beginning Balance (1)	Surcharge/ (Refund) (2)	Ending Balance (3)	Interest Rate (4)	Interest (5)
Nov-2004	\$3,758,084	\$0	\$3,758,084	0.334%	\$12,558
Dec-2004	\$3,770,643	\$0	\$3,770,643	0.334%	\$12,600
Jan-05	\$3,783,243	\$315,270	\$3,467,973	0.334%	\$12,116
Feb-05	\$3,480,088	\$316,372	\$3,163,717	0.334%	\$11,101
Mar-05	\$3,174,817	\$317,482	\$2,857,336	0.334%	\$10,079
Apr-05	\$2,867,414	\$318,602	\$2,548,813	0.334%	\$9,050
May-05	\$2,557,862	\$319,733	\$2,238,129	0.334%	\$8,013
Jun-05	\$2,246,143	\$320,878	\$1,925,265	0.334%	\$6,970
Jul-05	\$1,932,235	\$322,039	\$1,610,196	0.334%	\$5,919
Aug-05	\$1,616,115	\$323,223	\$1,292,892	0.334%	\$4,860
Sep-05	\$1,297,752	\$324,438	\$973,314	0.334%	\$3,795
Oct-05	\$977,109	\$325,703	\$651,406	0.334%	\$2,721
Nov-05	\$654,127	\$327,063	\$327,063	0.334%	\$1,639
Dec-05	\$328,703	\$328,703	\$0	0.334%	\$549
					\$76,811
			Total Surcharge/(Refund) to Customers with Interest		\$3,834,895
			Total Forecasted kWh Sales for 12 months ending Dec 2005		<u>7,839,511,000</u>
			Reconciliation Transmission Adjustment Factor per kWh		\$0.00048

Notes:

- 1 Column (3) + Column (5) of previous month
- 2 For Jan 2005, (Column (1)) ÷ 12. For Feb 2005, (Column (1))÷11, etc.
- 3 Column (1) - Column (2)
- 4 Current Rate for Customer Deposits
- 5 ((Column (1) + Column (3))÷2)* Column (4)

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-6
Second Amended Stipulation and Settlement
RIPUC Docket No. 3617, Exhibit 10
(Disputed Uplift Charges)

The Narragansett Electric Company
Recovery of Disputed Uplift Charges

	<u>Disputed Charges</u> (a)	<u>Interest</u> (b)	<u>Charges with Interest</u> (c)=(a) + (b)
Disputed Charges for the period June 1999 through Sept 2003 (1)	\$6,211,495	\$578,114	\$6,789,609
Cost Incurred for the period Oct 2003 through May 2004 (2)	<u>\$663,480</u>	<u>\$0</u>	<u>\$663,480</u>
Balance @ September 2003 (per RIPUC Docket No. 3571)	\$6,874,975	\$578,114	\$7,453,089
25% of Deferred Cost Disallowed per Settlement Agreement			<u>\$1,863,272</u>
Remaining Deferred Cost to be Recovered through Transmission Adj. Provision			\$5,589,817

(1) R.I.P.U.C. Docket No. 3571, Exhibit JAL-5, Page 5 of 12

(2) Interest on charges incurred during the current period transmission reconciliation, if any, will be calculated at the time of the Company's annual reconciliation filing.

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-7
Standard Offer Service Reconciliation

The Narragansett Electric Company
 Standard Offer Reconciliation

Actual Balance for the Period October 2003 through September 2004 and Projected Balance through December 2004

Section 1. Balance @ September 30, 2004

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Adjustments (g)	Over(Under) Ending Monthly Balance (h)	Monthly Balance Including Unbilled (i)
(1) Oct-03	\$22,825,747	\$11,207,288	\$24,816,572	\$8,224,546	\$33,041,118	(\$21,833,830)	(\$546,718)	\$445,199	\$14,476,731
(1) Nov-03	\$445,199	\$28,063,064	\$24,577,110	\$8,233,798	\$32,810,907	(\$4,747,843)		(\$4,302,644)	\$11,650,255
(1) Dec-03	(\$4,302,644)	\$31,905,799	\$27,227,305	\$9,324,229	\$36,551,534	(\$4,645,735)	\$573,639	(\$8,374,740)	\$9,120,339
(1) Jan-04	(\$8,374,740)	\$34,990,158	\$32,424,687	\$7,215,687	\$39,640,374	(\$4,650,217)		(\$13,024,957)	\$3,967,549
(1) Feb-04	(\$13,024,957)	\$33,985,011	\$28,128,580	\$6,108,978	\$34,237,558	(\$252,547)		(\$13,277,504)	\$2,881,603
(1) Mar-04	(\$13,277,504)	\$32,318,214	\$27,962,040	\$5,201,038	\$33,163,078	(\$844,864)		(\$14,122,367)	\$1,085,312
(1) Apr-04	(\$14,122,367)	\$30,415,360	\$25,578,070	\$4,789,030	\$30,367,100	\$48,259		(\$14,074,108)	\$283,512
(1) May-04	(\$14,074,108)	\$28,715,240	\$26,016,900	\$5,251,443	\$31,268,343	(\$2,553,104)		(\$16,627,212)	(\$837,617)
(1) Jun-04	(\$16,627,212)	\$31,579,189	\$28,592,085	\$6,383,025	\$34,975,109	(\$3,395,921)		(\$20,023,132)	(\$2,521,257)
(1) Jul-04	(\$20,023,132)	\$35,003,751	\$32,429,598	\$7,840,133	\$40,269,730	(\$5,265,980)		(\$25,289,112)	(\$6,147,103)
(1) Aug-04	(\$25,289,112)	\$38,284,019	\$34,047,175	\$8,581,579	\$42,628,754	(\$4,344,735)		(\$29,633,847)	(\$8,280,365)
(1) Sep-04	(\$29,633,847)	\$42,706,963	\$28,824,375	\$7,456,459	\$36,280,834	\$6,426,129		(\$23,207,718)	(\$818,031)
* (1) Oct-04	(\$23,207,718)	\$22,389,687				\$22,389,687		(\$818,031)	
Totals	\$22,825,747	\$401,563,742	\$340,624,496	\$84,609,944	\$425,234,441	(\$23,670,699)	\$26,921	(\$818,031)	
Interest (3)								\$468,764	
Ending Balance@ September 30, 2004 with Interest								(\$349,267)	

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(22,825,747 + -818,031)/2 * (4.61\% * 5/12 + 4.01\% * 7/12)$

* For September usage billed in October

Section 2. Projected Balance @ December 31, 2004

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Adjustments (g)	Over(Under) Ending Monthly Balance (h)	Monthly Balance Including Unbilled (i)
(2) Oct-04	(\$349,267)	\$14,152,972	\$26,642,385	\$7,381,956	\$34,024,340	(\$19,871,369)		(\$20,220,635)	(\$2,281,912)
(2) Nov-04	(\$20,220,635)	\$35,877,447	\$27,539,956	\$8,915,813	\$36,455,770	(\$578,323)		(\$20,798,958)	(\$1,555,077)
(2) Dec-04	(\$20,798,958)	\$38,487,763	\$29,543,666	\$11,425,696	\$40,969,362	(\$2,481,599)		(\$23,280,557)	(\$3,239,711)
* (2) Jan-05	(\$23,280,557)	\$20,040,847				\$20,040,847		(\$3,239,711)	
Totals	(\$349,267)	\$108,559,028	\$83,726,007	\$27,723,465	\$111,449,472	(\$2,890,444)	\$0	(\$3,239,711)	
Interest (3)								(\$17,990)	
Ending Balance@ December 31, 2004 with Interest								(\$3,257,700)	

* For December usage billed in January

- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(-349,267 + -3,239,711)/2 * (4.01\% * 3/12)$

Column Notes:

- Column (a) Column (g) from previous row; beginning balance from Exhibit JAL-6, RIPUC Docket No. 3571.
- Column (b) from Page 3
- Column (c) from Page 4
- Column (d) from Page 4
- Column (e) Column (c) + Column (d)
- Column (f) Column (b) - Column (e)
- Column (g) Oct 2003: Adjustment to correct entry in 2003 reconciliation. Expense adjustment in October 2002 of \$273,359 was inadvertently recorded as an expense offset.
Dec: Ending balance from Last Resort Service reconciliation per Commission order in RIPUC Docket No. 3571
- Column (h) Column (a) + Column (f)
- Column (i) Column (g) + 50% of next month's Column (b)

The Narragansett Electric Company
Summary of Standard Offer Revenue

	<u>Actual</u>		
	<u>Gross Revenue</u>	<u>HVM Discount</u>	<u>Net Revenue</u>
	(a)	(b)	(c)
Oct-03	\$28,731,005	(\$36,014)	\$28,694,991
Nov-03	\$28,097,951	(\$34,887)	\$28,063,064
Dec-03	\$31,941,394	(\$35,595)	\$31,905,799
Jan-04	\$35,025,505	(\$35,348)	\$34,990,158
Feb-04	\$34,020,866	(\$35,855)	\$33,985,011
Mar-04	\$32,352,063	(\$33,849)	\$32,318,214
Apr-04	\$30,451,422	(\$36,063)	\$30,415,360
May-04	\$28,752,238	(\$36,998)	\$28,715,240
Jun-04	\$31,615,697	(\$36,509)	\$31,579,189
Jul-04	\$35,039,896	(\$36,146)	\$35,003,751
Aug-04	\$38,325,406	(\$41,387)	\$38,284,019
Sep-04	\$42,753,996	(\$47,033)	\$42,706,963
Oct-04	\$36,559,139	(\$16,481)	\$36,542,658

Notes:

- (a) from Company SMB702 monthly revenue reports
- (b) Page 4
- (c) Column (a) + Column (b)

The Narragansett Electric Company
Summary of Standard Offer Revenue - HVM Discount

	kWh Subject to <u>Discount</u> (a)	Discounted <u>kWhs</u> (b)	Effective Standard <u>Offer Rate</u> (c)	Standard Offer HVM <u>Discount</u> (d)
* Oct-03 Sept usage	37,708,701	377,087	\$0.05500	\$20,740
* Oct-03 Oct usage	27,771,361	277,714	\$0.05500	15,274
Nov-03	63,431,241	634,312	\$0.05500	34,887
Dec-03	64,717,377	647,174	\$0.05500	35,595
* Jan-04 Dec usage	32,959,839	329,598	\$0.05500	18,128
* Jan-04 Jan usage	29,186,284	291,863	\$0.05900	17,220
Feb-04	60,770,963	607,710	\$0.05900	35,855
Mar-04	57,370,976	573,710	\$0.05900	33,849
Apr-04	61,123,516	611,235	\$0.05900	36,063
May-04	62,708,596	627,086	\$0.05900	36,998
Jun-04	61,879,395	618,794	\$0.05900	36,509
Jul-04	61,263,704	612,637	\$0.05900	36,146
* Aug-04 July usage	43,105,148	431,051	\$0.05900	25,432
* Aug-04 Aug usage	23,813,627	238,136	\$0.06700	15,955
Sep-04	70,198,482	701,985	\$0.06700	47,033
* Oct-04 Sep usage	24,597,883	245,979	\$0.06700	16,481

* Usage for these months prorated for rate changes effective for usage on and after the 1st day of the month.

Notes:

- (a) CIS System Data
- (b) Column (a) x 1%
- (c) Currently effective tariff
- (d) Column (b) x Column (c)

The Narragansett Electric Company
 Standard Offer Reconciliation
 Projected Balance at Year Ending December 31, 2005

Section 1. Projected Balance @ September 30, 2005

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Adjustments (g)	Over(Under) Ending Monthly Balance (h)	Monthly Balance Including Unbilled (i)
(2) Oct-04	(\$349,267)	\$14,152,972	\$26,642,385	\$7,381,956	\$34,024,340	(\$19,871,369)		(\$20,220,635)	(\$2,281,912)
(2) Nov-04	(\$20,220,635)	\$35,877,447	\$27,539,956	\$8,915,813	\$36,455,770	(\$578,323)		(\$20,798,958)	(\$1,555,077)
(2) Dec-04	(\$20,798,958)	\$38,487,763	\$29,543,666	\$11,425,696	\$40,969,362	(\$2,481,599)		(\$23,280,557)	(\$3,239,711)
(2) Jan-05	(\$23,280,557)	\$40,081,693	\$33,160,123	\$7,705,257	\$40,865,380	(\$783,687)		(\$24,064,244)	(\$5,071,553)
(2) Feb-05	(\$24,064,244)	\$37,985,383	\$31,425,818	\$8,481,512	\$39,907,330	(\$1,921,947)		(\$25,986,191)	(\$7,629,489)
(2) Mar-05	(\$25,986,191)	\$36,713,404	\$30,373,492	\$9,403,015	\$39,776,507	(\$3,063,103)		(\$29,049,294)	(\$11,573,758)
(2) Apr-05	(\$29,049,294)	\$34,951,074	\$28,915,493	\$9,708,052	\$38,623,545	(\$3,672,471)		(\$32,721,765)	(\$15,863,110)
(2) May-05	(\$32,721,765)	\$33,717,310	\$27,894,783	\$9,783,052	\$37,677,836	(\$3,960,526)		(\$36,682,291)	(\$18,814,013)
(2) Jun-05	(\$36,682,291)	\$35,736,557	\$29,565,334	\$10,656,961	\$40,222,295	(\$4,485,738)		(\$41,168,029)	(\$21,106,435)
(2) Jul-05	(\$41,168,029)	\$40,123,189	\$33,194,453	\$12,414,234	\$45,608,688	(\$5,485,499)		(\$46,653,528)	(\$25,636,669)
(2) Aug-05	(\$46,653,528)	\$42,033,718	\$34,775,060	\$13,557,443	\$48,332,503	(\$6,298,784)		(\$52,952,312)	(\$33,152,411)
(2) Sep-05	(\$52,952,312)	\$39,599,802	\$32,761,448	\$13,452,112	\$46,213,560	(\$6,613,758)		(\$59,566,070)	(\$42,023,167)
* (2) Oct-05	(\$59,566,070)	\$17,542,903				\$17,542,903		(\$42,023,167)	
Totals	(\$349,267)	\$447,003,214	\$365,792,012	\$122,885,103	\$488,677,115	(\$41,673,901)	\$0	(\$42,023,167)	
Interest (3)								(\$849,567)	
Ending Balance@ September 30, 2005 with Interest								(\$42,872,735)	

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(-349,267 + -42,023,167)/2 * (4.01\%)$

* For September usage billed in October

Section 2. Projected Balance @ December 31, 2005

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Adjustments (g)	Over(Under) Ending Monthly Balance (h)	Monthly Balance Including Unbilled (i)
(2) Oct-05	(\$42,872,735)	\$17,542,903	\$29,026,958	\$12,295,742	\$41,322,700	(\$23,779,797)		(\$66,652,532)	(\$48,525,179)
(2) Nov-05	(\$66,652,532)	\$36,254,707	\$29,994,006	\$12,483,524	\$42,477,529	(\$6,222,823)		(\$72,875,355)	(\$53,422,815)
(2) Dec-05	(\$72,875,355)	\$38,905,080	\$32,186,695	\$12,989,651	\$45,176,346	(\$6,271,267)		(\$79,146,621)	(\$58,805,162)
* (2) Jan-06	(\$79,146,621)	\$20,341,459				\$20,341,459		(\$58,805,162)	
Totals	(\$42,872,735)	\$113,044,148	\$91,207,659	\$37,768,917	\$128,976,576	(\$15,932,427)	\$0	(\$58,805,162)	
Interest (3)								(\$509,660)	
Ending Balance@ December 31, 2005 with Interest								(\$59,314,822)	

* For December usage billed in January

- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(-42,872,735 + 58,805,162)/2 * (4.01\% * 3/12)$

Column Notes:

- Column (a) Column (g) from previous row; beginning balance from Page 1.
- Column (b) from Page 3
- Column (c) from Page 4
- Column (d) from Page 4
- Column (e) Column (c) + Column (d)
- Column (f) Column (b) - Column (e)
- Column (g)

- Column (h) Column (a) + Column (f)
- Column (i) Column (g) + 50% of next month's Column (b)

The Narragansett Electric Company
Standard Offer Reconciliation
Estimated Revenue through January 2006

(1) Estimated Standard Offer kWh Deliveries 85.9%

<u>Month</u>	Estimated Total Company kWh <u>Deliveries</u> (a)	Estimated Standard Offer <u>Deliveries</u> (b)	Standard Offer <u>Rate</u> (c)	Total Estimated <u>Revenues</u> (d)
			\$0.06700	
Oct-04	603,064,000	518,031,976	\$0.06700	\$34,708,142
Nov-04	623,381,000	535,484,279	\$0.06700	\$35,877,447
Dec-04	668,736,000	574,444,224	\$0.06700	\$38,487,763
Jan-05	696,431,000	598,234,229	\$0.06700	\$40,081,693
Feb-05	660,007,000	566,946,013	\$0.06700	\$37,985,383
Mar-05	637,906,000	547,961,254	\$0.06700	\$36,713,404
Apr-05	607,285,000	521,657,815	\$0.06700	\$34,951,074
May-05	585,848,000	503,243,432	\$0.06700	\$33,717,310
Jun-05	620,933,000	533,381,447	\$0.06700	\$35,736,557
Jul-05	697,152,000	598,853,568	\$0.06700	\$40,123,189
Aug-05	730,348,000	627,368,932	\$0.06700	\$42,033,718
Sep-05	688,058,000	591,041,822	\$0.06700	\$39,599,802
Oct-05	609,626,000	523,668,734	\$0.06700	\$35,085,805
Nov-05	629,936,000	541,115,024	\$0.06700	\$36,254,707
Dec-05	675,987,000	580,672,833	\$0.06700	\$38,905,080
Jan-06	706,877,465	607,207,742	\$0.06700	\$40,682,919

Column Notes:

- (a) Per Company forecast
(b) Column (a) x Line (1)
(c) Per currently effective tariff
(d) Column (b) x Column (c)
- (1) From Page 3, Line (3)

The Narragansett Electric Company
 Standard Offer Reconciliation
 Estimated Standard Offer Expenses through December 2005

Section 1. Estimation of Standard Offer kWh Deliveries

	<u>Oct-04</u>
(1) Standard Offer kWhs	545,445,628
(2) Total kWh Deliveries	634,731,915
(3) Percentage of Standard Offer kWhs to Total kWhs	85.9%

Notes:

- (1) Company revenue reports
- (2) Company revenue reports
- (3) Line (1) ÷ Line (2)

Section 2. Calculation of Estimated Expenses

	Estimated Total Company kWh Deliveries (a)	% of Standard Offer kWhs to Total kWhs (b)	Estimated Standard Offer kWh Deliveries (c)	Estimated Base Standard Offer Charge (d)	Estimated Base Standard Offer Expenses (e)	Estimated Fuel Index Value per kWh (f)	Estimated Fuel Index Payments (g)	Total Estimated Standard Offer Expenses (h)
Oct-04	603,064,000	85.9%	518,031,976	\$0.05143	\$26,642,385	\$0.01425	\$7,381,956	\$34,024,340
Nov-04	623,381,000	85.9%	535,484,279	\$0.05143	\$27,539,956	\$0.01665	\$8,915,813	\$36,455,770
Dec-04	668,736,000	85.9%	574,444,224	\$0.05143	\$29,543,666	\$0.01989	\$11,425,696	\$40,969,362
Jan-05	696,431,000	85.9%	598,234,229	\$0.05543	\$33,160,123	\$0.01288	\$7,705,257	\$40,865,380
Feb-05	660,007,000	85.9%	566,946,013	\$0.05543	\$31,425,818	\$0.01496	\$8,481,512	\$39,907,330
Mar-05	637,906,000	85.9%	547,961,254	\$0.05543	\$30,373,492	\$0.01716	\$9,403,015	\$39,776,507
Apr-05	607,285,000	85.9%	521,657,815	\$0.05543	\$28,915,493	\$0.01861	\$9,708,052	\$38,623,545
May-05	585,848,000	85.9%	503,243,432	\$0.05543	\$27,894,783	\$0.01944	\$9,783,052	\$37,677,836
Jun-05	620,933,000	85.9%	533,381,447	\$0.05543	\$29,565,334	\$0.01998	\$10,656,961	\$40,222,295
Jul-05	697,152,000	85.9%	598,853,568	\$0.05543	\$33,194,453	\$0.02073	\$12,414,234	\$45,608,688
Aug-05	730,348,000	85.9%	627,368,932	\$0.05543	\$34,775,060	\$0.02161	\$13,557,443	\$48,332,503
Sep-05	688,058,000	85.9%	591,041,822	\$0.05543	\$32,761,448	\$0.02276	\$13,452,112	\$46,213,560
Oct-05	609,626,000	85.9%	523,668,734	\$0.05543	\$29,026,958	\$0.02348	\$12,295,742	\$41,322,700
Nov-05	629,936,000	85.9%	541,115,024	\$0.05543	\$29,994,006	\$0.02307	\$12,483,524	\$42,477,529
Dec-05	675,987,000	85.9%	580,672,833	\$0.05543	\$32,186,695	\$0.02237	\$12,989,651	\$45,176,346
Total Expected Payments through December 2005							\$160,654,020	\$617,653,691

Column Notes:

- (a) Per Company forecast
- (b) Section 1, Line (3)
- (c) Column (a) x Column (b)
- (d) Per standard offer contract (includes estimate for base SO adjustment for contract amendment as approved in RIPUC Docket No. 3496)
- (e) Column (c) x Column (d)
- (f) Company estimate based on fuel futures prices as reported on 10/25/04, 10/26/04 & 10/27/04
- (g) Column (c) x Column (f)
- (h) Column (e) + Column (g)

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-8
Calculation of Proposed Standard Offer Rate
for January 2005

**The Narragansett Electric Company
Calculation of Proposed Standard Offer Charge
Based on Most Recent Fuel Price Estimates**

Proposed Standard Offer Charge

Designed to Collect Entire Under Recovery through December 2005

Effective
01-Jan-2005

1. Estimated Under/(Over) Recovery @ December 2005	\$59,314,822
2. Estimated Standard Offer kWhs for the period	<u>6,734,145,103</u>
3. Estimated Fuel Adjustment for the period	\$0.00800
4. Current Standard Offer Charge	<u>\$0.06700</u>
5. Standard Offer Charge	\$0.07500

1. from Exhibit JAL-7, Page 4, Section 2.
2. from Exhibit JAL-7, Page 6, Column (c), kWh deliveries on and after the effective date
3. Line 1 ÷ Line 2, truncated to three places
4. per tariff
5. Line 3 + Line 4

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-9
Last Resort Service Reconciliation

The Narragansett Electric Company
Last Resort Reconciliation

<u>Month</u>	<u>(Under)/Over Beginning Balance</u> (a)	<u>Last Resort Revenue</u> (b)	<u>Last Resort Expense</u> (c)	<u>Monthly (Under)/Over</u> (d)	<u>Adjustments</u> (e)	<u>(Under)/Over Ending Balance</u> (g)
* Oct-03	\$0	\$247,222	\$667,643	(\$420,421)		(\$420,421)
Nov-03	(\$420,421)	\$705,566	\$474,470	\$231,096		(\$189,325)
Dec-03	(\$189,325)	\$743,377	\$802,561	(\$59,183)		(\$248,508)
Jan-04	(\$248,508)	\$1,113,875	\$1,240,995	(\$127,120)		(\$375,628)
Feb-04	(\$375,628)	\$1,083,364	\$1,049,134	\$34,230		(\$341,399)
Mar-04	(\$341,399)	\$1,227,421	\$1,118,045	\$109,376		(\$232,023)
Apr-04	(\$232,023)	\$891,087	\$889,066	\$2,021		(\$230,002)
May-04	(\$230,002)	\$769,192	\$1,108,274	(\$339,082)		(\$569,084)
Jun-04	(\$569,084)	\$1,459,979	\$1,651,906	(\$191,927)		(\$761,011)
Jul-04	(\$761,011)	\$1,638,274	\$1,663,369	(\$25,095)		(\$786,106)
Aug-04	(\$786,106)	\$1,432,671	\$1,397,861	\$34,810		(\$751,296)
Sep-04	(\$751,296)	\$1,233,357	\$1,023,604	\$209,753		(\$541,543)
** Oct-04	(\$541,543)	\$612,959	\$0	\$612,959		\$71,417

Totals	\$0	\$13,158,344	\$13,086,928	\$71,417	\$0	\$71,417
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Interest						\$1,521
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Ending Balance with Interest						\$72,938
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* Indicates revenue for consumption on and after October 1, 2003 (28.77%)

** Indicates revenue for consumption in September 2004 but billed in October 2004 (77.96%)

Column (a) Column (g) from previous row; October 2003 beginning balance per RIPUC Docket No. 3571.

Column (b) Page 2

Column (c) Last Resort bills

Column (d) Column (b) - Column (c)

Column (e)

Column (g) Column (a) + Column (d) + Column (e)

The Narragansett Electric Company
Last Resort Reconciliation - Residential

<u>Month</u>	<u>(Under)/Over Beginning Balance</u> (a)	<u>Last Resort Revenue</u> (b)	<u>Last Resort Expense</u> (c)	<u>Monthly (Under)/Over</u> (d)	<u>Adjustments</u> (e)	<u>(Under)/Over Ending Balance</u> (g)
* Oct-03	\$0	\$7,599	\$25,071	(\$17,472)		(\$17,472)
Nov-03	(\$17,472)	\$24,434	\$28,038	(\$3,605)		(\$21,076)
Dec-03	(\$21,076)	\$28,949	\$33,990	(\$5,041)		(\$26,118)
Jan-04	(\$26,118)	\$33,598	\$41,121	(\$7,522)		(\$33,640)
Feb-04	(\$33,640)	\$32,000	\$32,588	(\$588)		(\$34,228)
Mar-04	(\$34,228)	\$29,250	\$21,686	\$7,564		(\$26,664)
Apr-04	(\$26,664)	\$25,962	\$22,022	\$3,940		(\$22,724)
May-04	(\$22,724)	\$24,875	\$20,731	\$4,144		(\$18,580)
Jun-04	(\$18,580)	\$27,518	\$30,000	(\$2,482)		(\$21,061)
Jul-04	(\$21,061)	\$32,005	\$40,787	(\$8,781)		(\$29,843)
Aug-04	(\$29,843)	\$37,279	\$39,149	(\$1,869)		(\$31,712)
Sep-04	(\$31,712)	\$38,853	\$32,828	\$6,025		(\$25,687)
** Oct-04	(\$25,687)	\$23,957	\$0	\$23,957		(\$1,730)
Totals	\$0	\$366,281	\$368,011	(\$1,730)	\$0	(\$1,730)
Interest						(\$37)
Ending Balance with Interest						(\$1,767)

* Indicates revenue for consumption on and after October 1, 2003 (28.77%)

** Indicates revenue for consumption in September 2004 but billed in October 2004 (77.96%)

Column (a) Column (g) from previous row; October 2003 beginning balance per RIPUC Docket No. 3571.

Column (b) Page 2

Column (c) Last Resort bills

Column (d) Column (b) - Column (c)

Column (e)

Column (g) Column (a) + Column (d) + Column (e)

The Narragansett Electric Company
Last Resort Reconciliation - Commercial & Industrial

<u>Month</u>	<u>(Under)/Over Beginning Balance</u> (a)	<u>Last Resort Revenue</u> (b)	<u>Last Resort Expense</u> (c)	<u>Monthly (Under)/Over</u> (d)	<u>Adjustments</u> (e)	<u>(Under)/Over Ending Balance</u> (g)
* Oct-03	\$0	\$239,623	\$642,572	(\$402,949)		(\$402,949)
Nov-03	(\$402,949)	\$681,132	\$446,432	\$234,701		(\$168,248)
Dec-03	(\$168,248)	\$714,428	\$768,570	(\$54,142)		(\$222,391)
Jan-04	(\$222,391)	\$1,080,277	\$1,199,874	(\$119,598)		(\$341,988)
Feb-04	(\$341,988)	\$1,051,364	\$1,016,546	\$34,817		(\$307,171)
Mar-04	(\$307,171)	\$1,198,172	\$1,096,359	\$101,812		(\$205,359)
Apr-04	(\$205,359)	\$865,125	\$867,044	(\$1,919)		(\$207,278)
May-04	(\$207,278)	\$744,318	\$1,087,544	(\$343,226)		(\$550,504)
Jun-04	(\$550,504)	\$1,432,460	\$1,621,906	(\$189,446)		(\$739,949)
Jul-04	(\$739,949)	\$1,606,269	\$1,622,582	(\$16,313)		(\$756,263)
Aug-04	(\$756,263)	\$1,395,391	\$1,358,712	\$36,679		(\$719,584)
Sep-04	(\$719,584)	\$1,194,503	\$990,776	\$203,728		(\$515,856)
** Oct-04	(\$515,856)	\$589,002	\$0	\$589,002		\$73,146

Totals \$0 \$12,792,064 \$12,718,917 \$73,146 \$0 \$73,146

Interest \$1,558

Ending Balance with Interest \$74,704

* Indicates revenue for consumption on and after October 1, 2003 (28.77%)

** Indicates revenue for consumption in September 2004 but billed in October 2004 (77.96%)

Column (a) Column (g) from previous row; October 2003 beginning balance per RIPUC Docket No. 3571.

Column (b) Page 2

Column (c) Last Resort bills

Column (d) Column (b) - Column (c)

Column (e)

Column (g) Column (a) + Column (d) + Column (e)

The Narragansett Electric Company
Summary of Last Resort Revenues

	<u>Residential Last Resort Revenues</u>	<u>C&I Last Resort Revenues</u>	<u>C&I HVM Discount</u>	<u>C&I Net Revenues</u>	<u>Total Last Resort Revenues</u>
Oct-03	\$26,414	\$833,118	(226)	832,892	\$859,306
Nov-03	\$24,434	\$683,444	(2,312)	681,132	\$705,566
Dec-03	\$28,949	\$717,495	(3,067)	714,428	\$743,377
Jan-04	\$33,598	\$1,086,177	(5,900)	1,080,277	\$1,113,875
Feb-04	\$32,000	\$1,055,444	(4,080)	1,051,364	\$1,083,364
Mar-04	\$29,250	\$1,206,709	(8,538)	1,198,172	\$1,227,421
Apr-04	\$25,962	\$868,887	(3,763)	865,125	\$891,087
May-04	\$24,875	\$746,712	(2,394)	744,318	\$769,192
Jun-04	\$27,518	\$1,437,966	(5,506)	1,432,460	\$1,459,979
Jul-04	\$32,005	\$1,620,440	(14,171)	1,606,269	\$1,638,274
Aug-04	\$37,279	\$1,404,137	(8,746)	1,395,391	\$1,432,671
Sep-04	\$38,853	\$1,201,546	(7,043)	1,194,503	\$1,233,357
Oct-04	<u>\$30,730</u>	<u>\$759,870</u>	<u>(4,352)</u>	<u>755,518</u>	<u>\$786,249</u>
	\$391,868	\$13,621,946	(\$70,097)	\$13,551,849	\$13,943,717

(a) Company revenue reports

(b) from Page 3

(c) Column (a) + Column (b)

The Narragansett Electric Company
Summary of HVM Discount

	Oct-2003	Nov-2003	Dec-2003	Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004
G-02													
Billed in Prior Mnth	19,112	8850	8625.81	8,782	7,640	6,885	8,600	7,548	126,088	14,090	15,241	0	0
Billed in Current mnth	38,388	8,850	10,474	11,918	11,460	10,015	8,600	8,052	34,972	19,510	18,759	0	0
Prior Mnth Rate	\$0.06504	\$0.05899	\$0.06116	\$0.06769	\$0.07002	\$0.06886	\$0.06837	\$0.06043	\$0.05958	\$0.06520	\$0.07025	\$0.07489	\$0.06665
Current Mnth Rate	\$0.05899	\$0.06116	\$0.06769	\$0.07002	\$0.06886	\$0.06837	\$0.06043	\$0.05958	\$0.06520	\$0.07025	\$0.07489	\$0.06665	\$0.06432
Revenue	\$3,508	\$1,063	\$1,237	\$1,429	\$1,324	\$1,159	\$1,108	\$936	\$9,792	\$2,289	\$2,476	\$0	\$0
HVM Discount (1%)	-\$35	-\$11	-\$12	-\$14	-\$13	-\$12	-\$11	-\$9	-\$98	-\$23	-\$25	\$0	\$0
G-32/B-32													
Billed in Prior Mnth	1,045,561	1,119,002	1,855,294	2,726,686	1,612,355	6,827,406	2,562,032	1,010,037	5,396,015	4,505,124	3,679,236	2,960,361	2,887,848
Billed in Current mnth	345,249	258,438	659,716	3,235,194	2,020,795	3,353,354	527,298	594,673	1,098,885	6,450,096	2,044,694	630,619	710,952
Prior Mnth Rate	\$0.06504	\$0.05899	\$0.06116	\$0.06769	\$0.07002	\$0.06886	\$0.06837	\$0.06043	\$0.05958	\$0.06520	\$0.07025	\$0.07489	\$0.06665
Current Mnth Rate	\$0.05899	\$0.06116	\$0.06769	\$0.07002	\$0.06886	\$0.06837	\$0.06043	\$0.05958	\$0.06520	\$0.07025	\$0.07489	\$0.06665	\$0.06432
Revenue	\$88,370	\$81,816	\$158,126	\$411,098	\$252,049	\$699,404	\$207,031	\$96,467	\$393,142	\$746,853	\$411,593	\$263,732	\$238,204
HVM Discount (1%)	-\$884	-\$818	-\$1,581	-\$4,111	-\$2,520	-\$6,994	-\$2,070	-\$965	-\$3,931	-\$7,469	-\$4,116	-\$2,637	-\$2,382
G-62/B-62													
Billed in Prior Mnth	2,655,000	2,514,000	2,409,000	2,622,000	2,209,000	2,225,000	2,459,000	2,350,000	2,478,000	5,833,822	6,555,000	5,804,483	3,642,000
Billed in Current mnth	-	-	-	-	-	-	-	-	4,094,118	-	-	87,517	-
Prior Mnth Rate	\$0.06504	\$0.05899	\$0.06116	\$0.06769	\$0.07002	\$0.06886	\$0.06837	\$0.06043	\$0.05958	\$0.06520	\$0.07025	\$0.07489	\$0.06665
Current Mnth Rate	\$0.05899	\$0.06116	\$0.06769	\$0.07002	\$0.06886	\$0.06837	\$0.06043	\$0.05958	\$0.06520	\$0.07025	\$0.07489	\$0.06665	\$0.06432
Revenue	\$172,681	\$148,301	\$147,334	\$177,483	\$154,674	\$153,214	\$168,122	\$142,011	\$147,639	\$667,977	\$460,489	\$440,531	\$242,739
HVM Discount (1%)	-\$1,727	-\$1,483	-\$1,473	-\$1,775	-\$1,547	-\$1,532	-\$1,681	-\$1,420	-\$1,476	-\$6,680	-\$4,605	-\$4,405	-\$2,427
Total Discount	-\$2,646	-\$2,312	-\$3,067	-\$5,900	-\$4,080	-\$8,538	-\$3,763	-\$2,394	-\$5,506	-\$14,171	-\$8,746	-\$7,043	-\$4,809
Total kWhs	4,103,310	3,909,140	4,943,110	8,604,580	5,861,250	12,422,660	5,565,530	3,970,310	9,133,960	20,916,760	12,312,930	9,482,980	7,240,800
Total Prior Month	-\$2,419	-\$2,148	-\$2,613	-\$3,626	-\$2,681	-\$6,238	-\$3,439	-\$2,035	-\$4,766	-\$6,750	-\$7,200	-\$6,564	-\$4,352
Total Current Month	-\$226	-\$163	-\$454	-\$2,274	-\$1,399	-\$2,300	-\$324	-\$359	-\$739	-\$7,421	-\$1,545	-\$479	-\$457

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-10
Proposed Standard Offer Tariff

**THE NARRAGANSETT ELECTRIC COMPANY
STANDARD OFFER SERVICE**

AVAILABILITY

All Customers (including new Customers) who have not elected to take their electric supply from a non-regulated power producer will receive their power supply under this Standard Offer Rate until the Customer either: (1) takes its electric supply from a non-regulated power producer; or (2) takes Last Resort Service.

Customers who leave Standard Offer Service may not return to Standard Offer Service.

Standard Offer Service may be terminated by a Customer upon the next scheduled meter read provided that notice of the change of supplier was received in accordance with the Company's Terms and Conditions for Nonregulated Power Producers.

MONTHLY CHARGE

The Monthly Charge for Service under this tariff will be the sum of the applicable Standard Offer Service charges in addition to all appropriate Retail Delivery charges as stated in the applicable tariff.

RATE FOR ALL CLASSES

Standard Offer per kWh	7.50¢
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RATE CHANGES

The rates set forth in this tariff are effective for usage on and after January 1, 2005 until changes. Any changes will be filed with the Commission and are subject to Commission review and approval.

Effective: January 1, 2005

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-11
Tariff Cover Sheets

THE NARRAGANSETT ELECTRIC COMPANY
Basic Residential Rate (A-16)
Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1170

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$2.75
<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Charge per kWh</u>	0.436¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Distribution Charge per kWh</u>	3.380¢ (Eff. October 28, 2004) 3.379¢ (Eff. Jan 1, 2006) 3.378¢ (Eff. Jan 1, 2007) 3.377¢ (Eff. Jan 1, 2008) 3.376¢ (Eff. Jan 1, 2009)
<u>Minimum Charge per month</u>	\$2.75
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.329¢ (Eff. November 1, 2004)
<u>Customer Credit per kWh (former Rate A-32)</u>	0.820¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Low Income Rate (A-60)

Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1171

Monthly Charge As Adjusted

Rates for Retail Delivery ServiceNon-Bypassable Transition Charge per kWh 0.845¢Transmission Charge per kWh 0.338¢Transmission Adjustment Factor per kWh 0.239¢Distribution Charges per kWh

December through March

First 450 kWh 1.688¢

Next 750 kWh 3.055¢

kWhs in excess of 1200 kWh 2.548¢

April through November

First 450 kWh 1.688¢

kWhs in excess of 450 kWh 3.055¢

Conservation and Load Management Adjustment per kWh 0.230¢Customer Credit per kWh 0.329¢ (Eff. November 1, 2004)Rates for Standard Offer Service or Last Resort Service (Optional)Standard Offer per kWh per Standard Offer Service tariffLast Resort per kWh per Last Resort Service tariff**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

C&I Back-Up Service Rate (B-32)

January 1, 2005

Retail Delivery Service

R.I.P.U.C. No. 1172

Monthly Charge As Adjusted

	Rates for <u>Back-Up Service</u>	Rates for <u>Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$236.43	n/a
<u>Transmission Demand Charge per kW</u>	n/a	\$1.27
<u>Distribution Demand Charge per kW</u>	\$5.33	\$2.10 (Eff. October 28, 2004)
	\$5.15	\$2.02 (Eff. January 1, 2006)
	\$5.13	\$2.01 (Eff. January 1, 2007)
	\$5.12	\$2.00 (Eff. January 1, 2008)
	\$5.11	\$1.99 (Eff. January 1, 2009)
<u>Distribution Demand Charge per kW (Applicable to former Auxiliary Service Customers)</u>		
	\$1.05	\$2.10 (Eff. October 28, 2004)
	\$2.07	\$2.02 (Eff. January 1, 2006)
	\$3.09	\$2.01 (Eff. January 1, 2007)
	\$4.11	\$2.00 (Eff. January 1, 2008)
	\$5.11	\$1.99 (Eff. January 1, 2009)
<u>Transmission Adjustment Factor per kWh</u>	n/a	0.239¢
<u>Distribution Energy Charge per kWh</u>	n/a	0.889¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.845¢
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢
<u>Customer Credit per kWh</u>	n/a	0.231¢ (Eff. November 1, 2004)
<u>Rates for Standard Offer Service or Last Resort Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	n/a	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW Back-Up Service Rate (B-62)
Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1173

Monthly Charge As Adjusted

<u>Rates for Retail Delivery Service</u>	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Customer Charge per month</u>	\$17,118.72	n/a
<u>Distribution Demand Charge per kW</u>	\$2.34	\$2.34 (Eff. October 28, 2004)
	\$2.26	\$2.26 (Eff. January 1, 2006)
	\$2.25	\$2.25 (Eff. January 1, 2007)
	\$2.24	\$2.24 (Eff. January 1, 2008)
	\$2.22	\$2.22 (Eff. January 1, 2009)
 <u>Distribution Demand Charge per kW (Applicable to former Auxiliary Service Customers)</u>		
	\$0.45	\$2.34 (Eff. October 28, 2004)
	\$0.89	\$2.26 (Eff. January 1, 2006)
	\$1.33	\$2.25 (Eff. January 1, 2007)
	\$1.77	\$2.24 (Eff. January 1, 2008)
	\$2.22	\$2.22 (Eff. January 1, 2009)
<u>Transmission Demand Charge per kW</u>	n/a	\$1.39
<u>Transmission Adjustment Factor per kWh</u>	n/a	0.239¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.845¢
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢
<u>Customer Credit per kWh</u>	n/a	0.212¢ (Eff. November 1, 2004)
 <u>Rates for Standard Offer Service or Last Resort Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	n/a	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Small C&I Rate (C-06)
Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1174

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$6.00
<u>Unmetered Charge per month</u>	\$1.83
<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Charge per kWh</u>	0.536¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Distribution Charge per kWh</u>	3.662¢ (Eff. October 28, 2004) 3.652¢ (Eff. January 1, 2006) 3.643¢ (Eff. January 1, 2007) 3.634¢ (Eff. January 1, 2008) 3.624¢ (Eff. January 1, 2009)
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.365¢ (Eff. November 1, 2004)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

R.I.P.U.C. No. 1175

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$2.75
<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Charge per kWh</u>	0.261¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Distribution Charge per kWh</u>	1.941¢ (Eff. October 28, 2004) 2.300¢ (Eff. January 1, 2006) 2.658¢ (Eff. January 1, 2007) 3.017¢ (Eff. January 1, 2008) 3.376¢ (Eff. January 1, 2009)
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.329¢ (Eff. November 1, 2004)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Storage Cooling Rate (E-40)

Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No 1190

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$75.15
<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Charge per kWh</u>	0.141¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Distribution Charge per kWh</u>	
Peak/Shoulder	2.536¢
Off Peak	0.949¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.231¢ (Eff. November 1, 2004)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

General C&I Rate (G-02)

Retail Delivery Service

Effective

January 1, 2005

R.I.P.U.C. No. 1176

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$103.41
<u>Transmission Charge per kW in excess of 10 kW</u>	\$1.40
<u>Distribution Charge per kW in excess of 10 kW</u>	\$3.23 (Eff. October 28, 2004) \$3.22 (Eff. January 1, 2006)
<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Distribution Charge per kWh</u>	0.777¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.277¢ (Eff. November 1, 2004)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

200 kW Demand Rate (G-32)

Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1177

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$236.43
<u>Transmission Charge per kW</u>	\$1.27
<u>Distribution Charge per kW</u>	\$2.10 (Eff. October 28, 2004) \$2.02 (Eff. January 1, 2006) \$2.01 (Eff. January 1, 2007) \$2.00 (Eff. January 1, 2008) \$1.99 (Eff. January 1, 2009)
<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Distribution Charge per kWh</u>	0.889¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.231¢ (Eff. November 1, 2004)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

3000 kW Demand Rate (G-62)

Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1178

Monthly Charge As Adjusted

Rates for Retail Delivery Services

<u>Customer Charge per month</u>	\$17,118.72
<u>Transmission Charge per kW</u>	\$1.39
<u>Distribution Charge per kW</u>	\$2.34 (Eff. October 28, 2004) \$2.26 (Eff. January 1, 2006) \$2.25 (Eff. January 1, 2007) \$2.24 (Eff. January 1, 2008) \$2.22 (Eff. January 1, 2009)
<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.212¢ (Eff. November 1, 2004)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable). However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

R.I.P.U.C. No. 1179

Monthly Charge as Adjusted

Rates for Retail Delivery Service

<u>Unmetered Charge per month</u>	\$0.36 (Eff. October 28, 2004)
	\$0.72 (Eff. January 1, 2006)
	\$1.08 (Eff. January 1, 2007)
	\$1.44 (Eff. January 1, 2008)
	\$1.83 (Eff. January 1, 2009)
<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Charge per kWh</u>	0.259¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Distribution Charge per kWh</u>	1.418¢ (Eff. October 28, 2004)
	1.969¢ (Eff. January 1, 2006)
	2.520¢ (Eff. January 1, 2007)
	3.071¢ (Eff. January 1, 2008)
	3.624¢ (Eff. January 1, 2009)
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.365¢ (Eff. November 1, 2004)

Rates for Standard Offer Service or Last Resort (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Effective
January 1, 2005

Limited Service - Private Lighting (S-10)
Retail Delivery Service

R.I.P.U.C. No. 1180

Luminaire

Type/Lumens

	<u>Code</u>	<u>Annual kWh</u>
<u>Incandescent</u>		
1,000	10	440
<u>Mercury Vapor</u>		
8,000 Post Top	2	908
4,000	3	561
8,000	4	908
22,000	5	1,897
63,000	6	4,569
22,000 FL	23	1,897
63,000 FL	24	4,569
<u>Sodium Vapor</u>		
4,000	70	248
5,800	71	349
9,600	72	490
27,500	74	1,284
50,000	75	1,968
27,500 FL	77	1,284
50,000 FL	78	1,968
9,600 Post Top	79	490
27,500 (24 hr)	84	2,568

	<u>Narragansett Zone</u>	<u>Blackstone Zone</u>	<u>Newport Zone</u>
Non-Bypassable Transition Charge per kWh	0.845¢	0.845¢	0.845¢
Transmission Charge per kWh	0.259¢	0.259¢	0.259¢
Transmission Adjustment Factor per kWh	0.239¢	0.239¢	0.239¢
Conservation & Load Management Adjustment per kWh	0.230¢	0.230¢	0.230¢
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢
Customer Credit per kWh (Eff. November 1, 2004)	0.811¢	0.811¢	0.811¢
Plus Standard Offer	per Standard Offer Service tariff (Optional)		
Plus Last Resort	per Last Resort Service tariff (Optional)		

Tax Note:The rates listed above do not reflect gross earnings tax or sales taxes (when applicable). However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
General Streetlighting Service (S-14)
Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1181

<u>Luminaire</u>		
<u>Type/Lumens</u>	<u>Code</u>	<u>Annual kWh</u>
<u>Incandescent</u>		
1,000	10	440
1,500	11	845
<u>Mercury Vapor</u>		
8,000 Post Top	02	908
4,000	03	561
8,000	04	908
15,000	17, 18	1,874
22,000	05	1,897
63,000	06	4,569
<u>Sodium Vapor</u>		
4,000	70, 710, 711, 750, 755, 756	248
5,800	71	349
9,600	72	490
27,500	74	1,284
50,000	75	1,968
27,500 (24 hr)	84	2,568
50,000 FL	78	1,968
9,600 Post Top	79	490

	<u>Narragansett</u>	<u>Blackstone</u>	<u>Newport</u>
	<u>Zone</u>	<u>Zone</u>	<u>Zone</u>
Non-Bypassable Transition Charge per kWh	0.845¢	0.845¢	0.845¢
Transmission Charge per kWh	0.259¢	0.259¢	0.259¢
Transmission Adjustment Factor per kWh	0.239¢	0.239¢	0.239¢
Conservation & Load Management Adj. per kWh	0.230¢	0.230¢	0.230¢
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢
Customer Credit per kWh (Eff. November 1, 2004)	0.811¢	0.811¢	0.811¢
Standard Offer Service	per Standard Offer Service tariff (Optional)		
Last Resort Service	per Last Resort Service tariff (Optional)		

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable). However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Limited Service All-Electric Living (T-06)
Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1182

Monthly Charge As Adjusted

Rates for Retail Delivery Service

Residential:

<u>Customer Charge per month</u>	\$2.75
<u>Distribution Charge per kWh</u>	2.473¢ (Eff. October 28, 2004) 2.699¢ (Eff. January 1, 2006) 2.924¢ (Eff. January 1, 2007) 3.150¢ (Eff. January 1, 2008) 3.376¢ (Eff. January 1, 2009)
<u>Minimum Charge per month</u>	\$2.75
<u>Customer Credit per kWh</u>	0.329¢ (Eff. November 1, 2004)

Commercial:

<u>Customer Charge per month</u>	\$6.00
<u>Distribution Charge per kWh</u>	2.522¢ (Eff. October 28, 2004) 2.797¢ (Eff. January 1, 2006) 3.072¢ (Eff. January 1, 2007) 3.347¢ (Eff. January 1, 2008) 3.624¢ (Eff. January 1, 2009)
<u>Minimum Charge per month</u>	\$6.00
<u>Customer Credit per kWh</u>	0.365¢ (Eff. November 1, 2004)

All Classes:

<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Charge per kWh</u>	0.361¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Electric Propulsion Rate (X-01)
High Voltage Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1183

Monthly Charge As Adjusted

Rates for High Voltage Delivery Service

<u>Customer Charge per month</u>	\$10,000.00
<u>Transmission Demand Charge per kW</u>	\$1.34
<u>Non-Bypassable Transition Charge per kWh</u>	0.845¢
<u>Transmission Adjustment Factor per kWh</u>	0.239¢
<u>Distribution Energy Charge per kWh</u>	0.312¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.190¢ (Eff. November 1, 2004)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Station Power Delivery and Reliability Service Rate (M-1)
Retail Delivery Service

Effective
January 1, 2005

R.I.P.U.C. No. 1184

Rates for Station Power Delivery and Reliability Service

Eligible Customers must select one of the two rate Options A or B below:

Monthly Charges

OPTION A

<u>Distribution Delivery Service Charge</u>	\$3,406.18 per month
<u>Non-Bypassable Transition Charge</u>	Higher of: 0.845¢ per kWh or \$3,500
<u>Conservation and Load Management Charge</u>	Higher of 0.230¢ per kWh or \$800
<u>Customer Credit per kWh</u>	0.231¢ (Eff. November 1, 2004)

OPTION B

<u>Distribution Delivery Service Charge</u>	\$3,406.18 per month
<u>Non-Bypassable Transition Charge</u>	0.845¢ per kWh
<u>Conservation and Load Management Charge</u>	0.230¢ per kWh
<u>Customer Credit per kWh</u>	0.231¢ (Eff. November 1, 2004)

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

THE NARRAGANSETT ELECTRIC COMPANY
Re: Rate Changes for January 1, 2005
Witness: Jeanne A. Lloyd

Exhibit JAL-12
Typical Bill Analysis

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Date: 9-Nov-04
Time: 02:53 PM

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-16 Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
120	\$17.01	\$8.38	\$8.63	\$18.25	\$9.38	\$8.87	\$1.24	7.3%	8%
240	\$31.15	\$16.75	\$14.40	\$33.62	\$18.75	\$14.87	\$2.47	7.9%	14%
500	\$61.80	\$34.90	\$26.90	\$66.93	\$39.06	\$27.87	\$5.13	8.3%	34%
700	\$85.36	\$48.85	\$36.51	\$92.56	\$54.69	\$37.87	\$7.20	8.4%	18%
950	\$114.82	\$66.30	\$48.52	\$124.59	\$74.22	\$50.37	\$9.77	8.5%	13%
1,000	\$120.72	\$69.79	\$50.93	\$131.01	\$78.13	\$52.88	\$10.29	8.5%	2%

Present Rates: A-16

Customer Charge		\$2.75
Transmission Energy Charge (1)	kWh x	\$0.00478
Distribution Energy Charge	kWh x	\$0.03380
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00329
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: A-16

Customer Charge		\$2.75
Transmission Energy Charge (2)	kWh x	\$0.00675
Distribution Energy Charge	kWh x	\$0.03380
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00329
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

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Date: 9-Nov-04
Time: 02:53 PM

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-16(former A-32) Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
500	\$59.24	\$34.90	\$24.34	\$64.37	\$39.06	\$25.31	\$5.13	8.7%	15%
1,000	\$115.60	\$69.79	\$45.81	\$125.89	\$78.13	\$47.76	\$10.29	8.9%	35%
2,500	\$284.71	\$174.48	\$110.23	\$310.41	\$195.31	\$115.10	\$25.70	9.0%	13%
5,000	\$566.56	\$348.96	\$217.60	\$617.97	\$390.63	\$227.34	\$51.41	9.1%	24%
7,500	\$848.41	\$523.44	\$324.97	\$925.52	\$585.94	\$339.58	\$77.11	9.1%	8%

Present Rates:

A-16(former A-32)

Customer Charge		\$2.75
Transmission Energy Charge (1)	kWh x	\$0.00478
Distribution Energy Charge	kWh x	\$0.03380
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00820

Proposed Rates:

A-16(former A-32)

Customer Charge		\$2.75
Transmission Energy Charge (2)	kWh x	\$0.00675
Distribution Energy Charge	kWh x	\$0.03380
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00820

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Standard Offer Charge kWh x \$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.
Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

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Date: 9-Nov-04
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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - Winter (December through March)
Without Control Credit for Water Heater

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
100	\$10.12	\$6.98	\$3.14	\$10.95	\$7.81	\$3.14	\$0.83	8.2%	2%
200	\$20.23	\$13.96	\$6.27	\$21.90	\$15.63	\$6.27	\$1.67	8.3%	10%
300	\$30.35	\$20.94	\$9.41	\$32.85	\$23.44	\$9.41	\$2.50	8.2%	18%
500	\$51.29	\$34.90	\$16.39	\$55.45	\$39.06	\$16.39	\$4.16	8.1%	31%
750	\$80.14	\$52.34	\$27.80	\$86.39	\$58.59	\$27.80	\$6.25	7.8%	20%
1250	\$137.57	\$87.24	\$50.33	\$147.99	\$97.66	\$50.33	\$10.42	7.6%	18%

Present Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00380
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.01688
Second Block Energy Charge (next 750 kWh)	kWh x	\$0.03055
Tail Block Energy Charge (over 1200 kWh)	kWh x	\$0.02548
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Credit for 1st 750 kWh	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00329

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

Proposed Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00577
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.01688
Second Block Energy Charge (next 750 kWh)	kWh x	\$0.03055
Tail Block Energy Charge (over 1200 kWh)	kWh x	\$0.02548
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Credit for 1st 750 kWh	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00329

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - Winter (December through March)
With Control Credit for Water Heater

Monthly kWh	Present Rates			Proposed Rates			Difference		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
100	\$9.57	\$6.98	\$2.59	\$10.40	\$7.81	\$2.59	\$0.83	8.7%	1%
200	\$19.13	\$13.96	\$5.17	\$20.80	\$15.63	\$5.17	\$1.67	8.7%	4%
300	\$28.70	\$20.94	\$7.76	\$31.20	\$23.44	\$7.76	\$2.50	8.7%	8%
500	\$48.54	\$34.90	\$13.64	\$52.70	\$39.06	\$13.64	\$4.16	8.6%	19%
750	\$76.01	\$52.34	\$23.67	\$82.26	\$58.59	\$23.67	\$6.25	8.2%	22%
1250	\$133.45	\$87.24	\$46.21	\$143.87	\$97.66	\$46.21	\$10.42	7.8%	48%

Present Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00380
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.01688
Second Block Energy Charge (next 750 kWh)	kWh x	\$0.03055
Tail Block Energy Charge (over 1200 kWh)	kWh x	\$0.02548
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Credit for 1st 750 kWh	kWh x	-\$0.00528
Customer Credit	kWh x	-\$0.00329

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00577
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.01688
Second Block Energy Charge (next 750 kWh)	kWh x	\$0.03055
Tail Block Energy Charge (over 1200 kWh)	kWh x	\$0.02548
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Credit for 1st 750 kWh	kWh x	-\$0.00528
Customer Credit	kWh x	-\$0.00329

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.
Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - April through November
Without Control Credit for Water Heater

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
100	\$10.12	\$6.98	\$3.14	\$10.95	\$7.81	\$3.14	\$0.83	8.2%	3%
200	\$20.23	\$13.96	\$6.27	\$21.90	\$15.63	\$6.27	\$1.67	8.3%	12%
300	\$30.35	\$20.94	\$9.41	\$32.85	\$23.44	\$9.41	\$2.50	8.2%	19%
500	\$51.29	\$34.90	\$16.39	\$55.45	\$39.06	\$16.39	\$4.16	8.1%	30%
750	\$80.14	\$52.34	\$27.80	\$86.39	\$58.59	\$27.80	\$6.25	7.8%	20%
1250	\$137.84	\$87.24	\$50.60	\$148.26	\$97.66	\$50.60	\$10.42	7.6%	15%

Present Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00380
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.01688
Second Block Energy Charge (over 450 kWh)	kWh x	\$0.03055
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Credit for 1st 750 kWh	kWh x	\$0.00000
Customer Credit		(\$0.00329)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00577
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.01688
Second Block Energy Charge (over 450 kWh)	kWh x	\$0.03055
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Credit for 1st 750 kWh	kWh x	\$0.00000
Customer Credit		(\$0.00329)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - April through November
With Control Credit for Water Heater

Monthly kWh	Present Rates			Proposed Rates			Difference		
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
100	\$9.57	\$6.98	\$2.59	\$10.40	\$7.81	\$2.59	\$0.83	8.7%	2
200	\$19.13	\$13.96	\$5.17	\$20.80	\$15.63	\$5.17	\$1.67	8.7%	7
300	\$28.70	\$20.94	\$7.76	\$31.20	\$23.44	\$7.76	\$2.50	8.7%	11
500	\$48.54	\$34.90	\$13.64	\$52.70	\$39.06	\$13.64	\$4.16	8.6%	25
750	\$76.01	\$52.34	\$23.67	\$82.26	\$58.59	\$23.67	\$6.25	8.2%	23
1250	\$133.71	\$87.24	\$46.47	\$144.13	\$97.66	\$46.47	\$10.42	7.8%	34

Present Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00380
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.01688
Second Block Energy Charge (over 450 kWhs)	kWh x	\$0.03055
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Credit for 1st 750 kWh	kWh x	-\$0.00528
Customer Credit	kWh x	-\$0.00329
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00577
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.01688
Second Block Energy Charge (over 450 kWh)	kWh x	\$0.03055
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Credit for 1st 750 kWh	kWh x	-\$0.00528
Customer Credit	kWh x	-\$0.00329
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on C-06 Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
250	\$36.62	\$17.45	\$19.17	\$39.18	\$19.53	\$19.65	\$2.56	7.0%	34%
500	\$66.98	\$34.90	\$32.08	\$72.12	\$39.06	\$33.06	\$5.14	7.7%	17%
1,000	\$127.71	\$69.79	\$57.92	\$137.99	\$78.13	\$59.86	\$10.28	8.0%	19%
1,500	\$188.44	\$104.69	\$83.75	\$203.86	\$117.19	\$86.67	\$15.42	8.2%	11%
2,000	\$249.16	\$139.58	\$109.58	\$269.73	\$156.25	\$113.48	\$20.57	8.3%	5%

Present Rates: C-06

Customer Charge		\$6.00
Transmission Energy Charge (1)	kWh x	\$0.00578
Distribution Energy Charge	kWh x	\$0.03662
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00365
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: C-06

Customer Charge		\$6.00
Transmission Energy Charge (2)	kWh x	\$0.00775
Distribution Energy Charge	kWh x	\$0.03662
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00365
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.
Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

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Date: 9-Nov-04
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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on R-02 Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
250	\$24.18	\$17.45	\$6.73	\$26.74	\$19.53	\$7.21	\$2.56	10.6%	16%
500	\$47.98	\$34.90	\$13.08	\$53.11	\$39.06	\$14.05	\$5.13	10.7%	23%
1,000	\$95.57	\$69.79	\$25.78	\$105.86	\$78.13	\$27.73	\$10.29	10.8%	49%
1,500	\$143.17	\$104.69	\$38.48	\$158.60	\$117.19	\$41.41	\$15.43	10.8%	10%
2,000	\$190.77	\$139.58	\$51.19	\$211.33	\$156.25	\$55.08	\$20.56	10.8%	2%

Present Rates: R-02

Unmetered Charge		\$0.36
Transmission Energy Charge	kWh x	\$0.00301
Distribution Energy Charge	kWh x	\$0.01418
Transition Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00365

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: R-02

Unmetered Charge		\$0.36
Transmission Energy Charge	kWh x	\$0.00498
Distribution Energy Charge	kWh x	\$0.01418
Transition Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00365

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.
Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on E-30 Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Number of Custs
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
1,000	\$103.90	\$69.79	\$34.11	\$114.19	\$78.13	\$36.06	\$10.29	9.9%	15%
2,500	\$255.47	\$174.48	\$80.99	\$281.17	\$195.31	\$85.86	\$25.70	10.1%	15%
5,000	\$508.07	\$348.96	\$159.11	\$559.48	\$390.63	\$168.85	\$51.41	10.1%	38%
10,000	\$1,013.28	\$697.92	\$315.36	\$1,116.09	\$781.25	\$334.84	\$102.81	10.1%	0%
25,000	\$2,528.90	\$1,744.79	\$784.11	\$2,785.94	\$1,953.13	\$832.81	\$257.04	10.2%	8%
50,000	\$5,054.94	\$3,489.58	\$1,565.36	\$5,569.01	\$3,906.25	\$1,662.76	\$514.07	10.2%	23%

Present Rates: E-30

Customer Charge		\$2.75
Transmission Energy Charge	kWh x	\$0.00303
Distribution Energy Charge	kWh x	\$0.01941
Transition Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00329

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: E-30

Customer Charge		\$2.75
Transmission Energy Charge	kWh x	\$0.00500
Distribution Energy Charge	kWh x	\$0.01941
Transition Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00329

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

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Date: 9-Nov-04
Time: 02:53 PM

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 200

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
20	4,000	\$502.91	\$279.17	\$223.74	\$544.03	\$312.50	\$231.53	\$41.12	8.2%
50	10,000	\$1,168.03	\$697.92	\$470.11	\$1,270.84	\$781.25	\$489.59	\$102.81	8.8%
100	20,000	\$2,276.57	\$1,395.83	\$880.74	\$2,482.20	\$1,562.50	\$919.70	\$205.63	9.0%
150	30,000	\$3,385.11	\$2,093.75	\$1,291.36	\$3,693.55	\$2,343.75	\$1,349.80	\$308.44	9.1%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 300

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
20	6,000	\$676.39	\$418.75	\$257.64	\$738.07	\$468.75	\$269.32	\$61.68	9.1%
50	15,000	\$1,601.73	\$1,046.88	\$554.85	\$1,755.95	\$1,171.88	\$584.07	\$154.22	9.6%
100	30,000	\$3,143.97	\$2,093.75	\$1,050.22	\$3,452.41	\$2,343.75	\$1,108.66	\$308.44	9.8%
150	45,000	\$4,686.21	\$3,140.63	\$1,545.58	\$5,148.87	\$3,515.63	\$1,633.24	\$462.66	9.9%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 400

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
20	8,000	\$849.86	\$558.33	\$291.53	\$932.11	\$625.00	\$307.11	\$82.25	9.7%
50	20,000	\$2,035.42	\$1,395.83	\$639.59	\$2,241.05	\$1,562.50	\$678.55	\$205.63	10.1%
100	40,000	\$4,011.37	\$2,791.67	\$1,219.70	\$4,422.61	\$3,125.00	\$1,297.61	\$411.24	10.3%
150	60,000	\$5,987.30	\$4,187.50	\$1,799.80	\$6,604.18	\$4,687.50	\$1,916.68	\$616.88	10.3%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 500

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
20	10,000	\$1,023.35	\$697.92	\$325.43	\$1,126.16	\$781.25	\$344.91	\$102.81	10.0%
50	25,000	\$2,469.12	\$1,744.79	\$724.33	\$2,726.16	\$1,953.13	\$773.03	\$257.04	10.4%
100	50,000	\$4,878.76	\$3,489.58	\$1,389.18	\$5,392.82	\$3,906.25	\$1,486.57	\$514.06	10.5%
150	75,000	\$7,288.40	\$5,234.38	\$2,054.02	\$8,059.49	\$5,859.38	\$2,200.11	\$771.09	10.6%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 600

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
20	12,000	\$1,196.82	\$837.50	\$359.32	\$1,320.20	\$937.50	\$382.70	\$123.38	10.3%
50	30,000	\$2,902.82	\$2,093.75	\$809.07	\$3,211.26	\$2,343.75	\$867.51	\$308.44	10.6%
100	60,000	\$5,746.16	\$4,187.50	\$1,558.66	\$6,363.03	\$4,687.50	\$1,675.53	\$616.87	10.7%
150	90,000	\$8,589.49	\$6,281.25	\$2,308.24	\$9,514.80	\$7,031.25	\$2,483.55	\$925.31	10.8%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge-xcs 10 kW	kW x	\$3.23
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00277

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 200

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	100,000	\$10,840.03	\$6,979.17	\$3,860.86	\$11,868.16	\$7,812.50	\$4,055.66	\$1,028.13	9.5%
1,000	200,000	\$21,433.78	\$13,958.33	\$7,475.45	\$23,490.03	\$15,625.00	\$7,865.03	\$2,056.25	9.6%
1,500	300,000	\$32,027.53	\$20,937.50	\$11,090.03	\$35,111.91	\$23,437.50	\$11,674.41	\$3,084.38	9.6%
2,000	400,000	\$42,621.28	\$27,916.67	\$14,704.61	\$46,733.78	\$31,250.00	\$15,483.78	\$4,112.50	9.6%
2,500	500,000	\$53,215.03	\$34,895.83	\$18,319.20	\$58,355.66	\$39,062.50	\$19,293.16	\$5,140.63	9.7%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 300

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	150,000	\$15,259.30	\$10,468.75	\$4,790.55	\$16,801.49	\$11,718.75	\$5,082.74	\$1,542.19	10.1%
1,000	300,000	\$30,272.32	\$20,937.50	\$9,334.82	\$33,356.70	\$23,437.50	\$9,919.20	\$3,084.38	10.2%
1,500	450,000	\$45,285.34	\$31,406.25	\$13,879.09	\$49,911.91	\$35,156.25	\$14,755.66	\$4,626.57	10.2%
2,000	600,000	\$60,298.36	\$41,875.00	\$18,423.36	\$66,467.11	\$46,875.00	\$19,592.11	\$6,168.75	10.2%
2,500	750,000	\$75,311.39	\$52,343.75	\$22,967.64	\$83,022.32	\$58,593.75	\$24,428.57	\$7,710.93	10.2%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 400

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	200,000	\$19,678.57	\$13,958.33	\$5,720.24	\$21,734.82	\$15,625.00	\$6,109.82	\$2,056.25	10.4%
1,000	400,000	\$39,110.87	\$27,916.67	\$11,194.20	\$43,223.36	\$31,250.00	\$11,973.36	\$4,112.49	10.5%
1,500	600,000	\$58,543.16	\$41,875.00	\$16,668.16	\$64,711.91	\$46,875.00	\$17,836.91	\$6,168.75	10.5%
2,000	800,000	\$77,975.44	\$55,833.33	\$22,142.11	\$86,200.45	\$62,500.00	\$23,700.45	\$8,225.01	10.5%
2,500	1,000,000	\$97,407.74	\$69,791.67	\$27,616.07	\$107,688.99	\$78,125.00	\$29,563.99	\$10,281.25	10.6%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 500

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	250,000	\$24,097.85	\$17,447.92	\$6,649.93	\$26,668.16	\$19,531.25	\$7,136.91	\$2,570.31	10.7%
1,000	500,000	\$47,949.40	\$34,895.83	\$13,053.57	\$53,090.03	\$39,062.50	\$14,027.53	\$5,140.63	10.7%
1,500	750,000	\$71,800.97	\$52,343.75	\$19,457.22	\$79,511.91	\$58,593.75	\$20,918.16	\$7,710.94	10.7%
2,000	1,000,000	\$95,652.53	\$69,791.67	\$25,860.86	\$105,933.78	\$78,125.00	\$27,808.78	\$10,281.25	10.7%
2,500	1,250,000	\$119,504.09	\$87,239.58	\$32,264.51	\$132,355.66	\$97,656.25	\$34,699.41	\$12,851.57	10.8%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 600

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	300,000	\$28,517.11	\$20,937.50	\$7,579.61	\$31,601.49	\$23,437.50	\$8,163.99	\$3,084.38	10.8%
1,000	600,000	\$56,787.95	\$41,875.00	\$14,912.95	\$62,956.70	\$46,875.00	\$16,081.70	\$6,168.75	10.9%
1,500	900,000	\$85,058.78	\$62,812.50	\$22,246.28	\$94,311.91	\$70,312.50	\$23,999.41	\$9,253.13	10.9%
2,000	1,200,000	\$113,329.61	\$83,750.00	\$29,579.61	\$125,667.11	\$93,750.00	\$31,917.11	\$12,337.50	10.9%
2,500	1,500,000	\$141,600.45	\$104,687.50	\$36,912.95	\$157,022.32	\$117,187.50	\$39,834.82	\$15,421.87	10.9%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.10
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00231

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 200

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	600,000	\$77,082.00	\$41,875.00	\$35,207.00	\$83,250.75	\$46,875.00	\$36,375.75	\$6,168.75	8.0%
4,000	800,000	\$96,832.00	\$55,833.33	\$40,998.67	\$105,057.00	\$62,500.00	\$42,557.00	\$8,225.00	8.5%
5,000	1,000,000	\$116,582.00	\$69,791.67	\$46,790.33	\$126,863.25	\$78,125.00	\$48,738.25	\$10,281.25	8.8%
6,000	1,200,000	\$136,332.00	\$83,750.00	\$52,582.00	\$148,669.50	\$93,750.00	\$54,919.50	\$12,337.50	9.0%
7,000	1,400,000	\$156,082.00	\$97,708.33	\$58,373.67	\$170,475.75	\$109,375.00	\$61,100.75	\$14,393.75	9.2%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 300

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	900,000	\$100,878.88	\$62,812.50	\$38,066.38	\$110,132.00	\$70,312.50	\$39,819.50	\$9,253.12	9.2%
4,000	1,200,000	\$128,561.17	\$83,750.00	\$44,811.17	\$140,898.67	\$93,750.00	\$47,148.67	\$12,337.50	9.6%
5,000	1,500,000	\$156,243.46	\$104,687.50	\$51,555.96	\$171,665.33	\$117,187.50	\$54,477.83	\$15,421.87	9.9%
6,000	1,800,000	\$183,925.75	\$125,625.00	\$58,300.75	\$202,432.00	\$140,625.00	\$61,807.00	\$18,506.25	10.1%
7,000	2,100,000	\$211,608.04	\$146,562.50	\$65,045.54	\$233,198.67	\$164,062.50	\$69,136.17	\$21,590.63	10.2%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 400

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,200,000	\$124,675.75	\$83,750.00	\$40,925.75	\$137,013.25	\$93,750.00	\$43,263.25	\$12,337.50	9.9%
4,000	1,600,000	\$160,290.34	\$111,666.67	\$48,623.67	\$176,740.33	\$125,000.00	\$51,740.33	\$16,449.99	10.3%
5,000	2,000,000	\$195,904.91	\$139,583.33	\$56,321.58	\$216,467.42	\$156,250.00	\$60,217.42	\$20,562.51	10.5%
6,000	2,400,000	\$231,519.50	\$167,500.00	\$64,019.50	\$256,194.50	\$187,500.00	\$68,694.50	\$24,675.00	10.7%
7,000	2,800,000	\$267,134.09	\$195,416.67	\$71,717.42	\$295,921.58	\$218,750.00	\$77,171.58	\$28,787.49	10.8%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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Date: 9-Nov-04
Time: 02:53 PM

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 500

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,500,000	\$148,472.63	\$104,687.50	\$43,785.13	\$163,894.50	\$117,187.50	\$46,707.00	\$15,421.87	10.4%
4,000	2,000,000	\$192,019.50	\$139,583.33	\$52,436.17	\$212,582.00	\$156,250.00	\$56,332.00	\$20,562.50	10.7%
5,000	2,500,000	\$235,566.38	\$174,479.17	\$61,087.21	\$261,269.50	\$195,312.50	\$65,957.00	\$25,703.12	10.9%
6,000	3,000,000	\$279,113.25	\$209,375.00	\$69,738.25	\$309,957.00	\$234,375.00	\$75,582.00	\$30,843.75	11.1%
7,000	3,500,000	\$322,660.12	\$244,270.83	\$78,389.29	\$358,644.50	\$273,437.50	\$85,207.00	\$35,984.38	11.2%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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Date: 9-Nov-04
Time: 02:53 PM

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 600

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,800,000	\$172,269.50	\$125,625.00	\$46,644.50	\$190,775.75	\$140,625.00	\$50,150.75	\$18,506.25	10.7%
4,000	2,400,000	\$223,748.67	\$167,500.00	\$56,248.67	\$248,423.67	\$187,500.00	\$60,923.67	\$24,675.00	11.0%
5,000	3,000,000	\$275,227.83	\$209,375.00	\$65,852.83	\$306,071.58	\$234,375.00	\$71,696.58	\$30,843.75	11.2%
6,000	3,600,000	\$326,707.00	\$251,250.00	\$75,457.00	\$363,719.50	\$281,250.00	\$82,469.50	\$37,012.50	11.3%
7,000	4,200,000	\$378,186.17	\$293,125.00	\$85,061.17	\$421,367.42	\$328,125.00	\$93,242.42	\$43,181.25	11.4%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00042
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.06700

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00239
Distribution Demand Charge	kW x	\$2.34
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00212

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.07500

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Date: 9-Nov-04
Time: 02:53 PM

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on T-06 (Res) Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
500	\$56.68	\$34.90	\$21.78	\$61.82	\$39.06	\$22.76	\$5.14	9.1%	30%
1,000	\$110.49	\$69.79	\$40.70	\$120.78	\$78.13	\$42.65	\$10.29	9.3%	25%
2,000	\$218.11	\$139.58	\$78.53	\$238.68	\$156.25	\$82.43	\$20.57	9.4%	14%
5,000	\$540.99	\$348.96	\$192.03	\$592.40	\$390.63	\$201.77	\$51.41	9.5%	15%
10,000	\$1,079.12	\$697.92	\$381.20	\$1,181.93	\$781.25	\$400.68	\$102.81	9.5%	7%
20,000	\$2,155.36	\$1,395.83	\$759.53	\$2,360.99	\$1,562.50	\$798.49	\$205.63	9.5%	9%

Present Rates: T-06 (Res)

Customer Charge		\$2.75
Transmission Energy Charge (1)	kWh x	\$0.00403
Distribution Energy Charge	kWh x	\$0.02473
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00329
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: T-06 (Res)

Customer Charge		\$2.75
Transmission Energy Charge (2)	kWh x	\$0.00600
Distribution Energy Charge	kWh x	\$0.02473
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00329
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

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Date: 9-Nov-04
Time: 02:53 PM

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on T-06 (C&I) Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
500	\$60.13	\$34.90	\$25.23	\$65.27	\$39.06	\$26.21	\$5.14	8.5%	3%
1,000	\$114.01	\$69.79	\$44.22	\$124.30	\$78.13	\$46.17	\$10.29	9.0%	8%
2,000	\$221.77	\$139.58	\$82.19	\$242.33	\$156.25	\$86.08	\$20.56	9.3%	17%
5,000	\$545.05	\$348.96	\$196.09	\$596.46	\$390.63	\$205.83	\$51.41	9.4%	19%
10,000	\$1,083.86	\$697.92	\$385.94	\$1,186.67	\$781.25	\$405.42	\$102.81	9.5%	17%
20,000	\$2,161.46	\$1,395.83	\$765.63	\$2,367.08	\$1,562.50	\$804.58	\$205.62	9.5%	36%

Present Rates: T-06 (C&I)

Customer Charge		\$6.00
Transmission Energy Charge (1)	kWh x	\$0.00403
Distribution Energy Charge	kWh x	\$0.02522
Transition Energy Charge	kWh x	\$0.00855
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00365
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.06700

Proposed Rates: T-06 (C&I)

Customer Charge		\$6.00
Transmission Energy Charge (2)	kWh x	\$0.00600
Distribution Energy Charge	kWh x	\$0.02522
Transition Energy Charge	kWh x	\$0.00845
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Customer Credit	kWh x	-\$0.00365
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.07500

Note (1): Includes Transmission Adjustment Factor of \$.00042/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

Testimony of
Michael J. Hager

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2005

Witness: Michael J. Hager

DIRECT TESTIMONY

OF

MICHAEL J. HAGER

1 **I. Introduction**

2 Q. Please state your name and business address.

3 A. Michael J. Hager, 55 Bearfoot Road, Northborough, Massachusetts 01532.

4

5 Q. Please state your position.

6 A. I am the Vice President, Energy Supply – New England for National Grid USA Service
7 Company. I am responsible for, among other things, all power procurement and related
8 activities for the distribution companies of National Grid USA (formerly the New
9 England Electric System) including The Narragansett Electric Company (“Narragansett”
10 or “Company”). These activities include the procurement of power for Standard Offer
11 Service and Last Resort Service.

12

13 Q. Will you describe your educational background and training?

14 A. In 1982, I graduated from the University of Hartford with a Bachelor of Science degree
15 in Mechanical Engineering. In 1986, I received a Master of Science degree in
16 Mechanical Engineering from Northeastern University. I am a Licensed Professional
17 Engineer in the Commonwealth of Massachusetts.

18

19 Q. What is your professional background?

20 A. From 1982 to 1992, I was employed by New England Power Service Company in various
21 engineering positions. In these positions, I provided support to New England Power
22 Company’s (“NEP”) thermal and hydroelectric generating plants with overall

1 responsibility for the management and control of studies and projects from initiation to
2 completion.

3
4 From 1992 to 1997, I was employed by NEP where I conducted wholesale and retail
5 power marketing activities involving the sale and purchase of generation resources to and
6 from investor-owned utilities, municipalities, independent power producers, government
7 agencies, brokers, marketers, and end-use retail customers.

8
9 In June 1997, I was promoted to the position of Standard Offer Portfolio Manager for
10 New England Power Service Company (now National Grid USA Service Company). In
11 November 2000, my title was changed to Manager, Distribution Energy Services to more
12 fully reflect the scope of work performed by my department.

13
14 In April 2002, I was promoted to the position of Director, Energy Supply – New
15 England. In December 2002, I was promoted to the position of Vice President, Energy
16 Supply – New England.

17
18 Q. Have you previously testified before the Rhode Island Public Utilities Commission
19 (“Commission”)?

20 A. Yes.

1 **II. Purpose of Testimony**

2 Q. What is the purpose of your testimony?

3 A. The purpose of my testimony is to provide an estimate of the costs Narragansett expects
4 to incur under its Standard Offer supply contracts for the period January 2005 through
5 December 2005.

6

7 **III. Description of Fuel Index Adjustment Provision**

8 Q. What are the Company's current arrangements for procurement of Standard Offer
9 Service?

10 A. The Company has contracts with three suppliers to serve the load within its pre-merger
11 service territory ("Narragansett Zone"). The Company also has three contracts with
12 suppliers to serve the load within the service territory of the former Blackstone Valley
13 Electric Company and Newport Electric Corporation ("EUA Zone"). All of the
14 Company's contracts run through December 31, 2009.

15

16 Q. Please describe the costs that Narragansett incurs under the Standard Offer supply
17 contracts.

18 A. All of the Standard Offer supply contracts include two basic price components – a base
19 price and a fuel index adjustment provision.

20

1 Q. What is the base price in effect for calendar year 2004 and 2005?

2 A. The base price for calendar year 2004 is 5.1 ¢/kWh. The base price for calendar year
3 2005 is 5.5¢/kWh.

4

5 Q. Can you describe the fuel index adjustment provision that is contained in the Standard
6 Offer contracts?

7 A. Yes. The Company's contracts with its Standard Offer suppliers contain a fuel index
8 adjustment provision that provides additional payments to those suppliers in the event of
9 substantial increases in the market price of No. 6 residual fuel oil (1% sulphur) and
10 natural gas. In short, the provision compares the sum of the six-month and twelve-month
11 rolling average of oil and natural gas prices to a preset trigger point. (The six-month
12 rolling average is used for Standard Offer load in the EUA Zone while the twelve-month
13 rolling average is used for Standard Offer load in the Narragansett Zone.) If the sum of
14 the fuel index values exceeds the trigger point in a given month then the Company makes
15 additional payments to the suppliers in that month. If the sum of the fuel index values is
16 less than or equal to the trigger point in a given month, no additional payments are made
17 in that month. Comparisons are made each month and thus payments may be made in
18 some months and not in others. The text of the fuel index adjustment provision that is
19 applicable to each of the Standard Offer contracts is provided as Exhibit MJH-1.

20

21

22

1 **IV. Fuel Index Estimate for the Period January 2005 through December 2005**

2 Q. Has the Company conducted an estimate of expected costs under the fuel index
3 adjustment provisions for the period January 2005 through December 2005?

4 A. Yes. The Company has estimated its expected costs under the fuel index adjustment
5 provisions using average natural gas and crude oil prices as reported in The Wall Street
6 Journal on October 25, 2004, October 26, 2004, and October 27, 2004.

7
8 Q. What natural gas and oil prices were used in the current estimate?

9 A. Exhibit MJH-2 provides the natural gas and oil values used in the analysis.

10

11 Q. What are the resulting fuel index trigger payments?

12 A. Exhibit MJH-3 provides the resulting fuel index adjustment payments from the analysis.

13 The analysis shows that the Company would pay an arithmetic average fuel index
14 adjustment payment for the period January 2005 through December 2005 of 2.669¢/kWh
15 for the Narragansett Zone load. The fuel index adjustment is not applicable for the EUA
16 Zone load in 2005. Based on actual Standard Offer loads for the most recent 12 month
17 period, this equates to a total weighted average Standard Offer cost of 7.475¢/kWh
18 applicable to customers in both zones.

19

20 Q. How do these costs compare to current market costs for power?

21 A. The Company's market cost proxy for comparable service is the cost it incurs to procure
22 its Last Resort Service requirements or the cost its affiliates incur to procure their Default

1 Service requirements. In July 2004, the Company procured Last Resort Service for the
2 period September 2004 through March 2005 at an arithmetic average rate of 7.261¢/kWh
3 for commercial and industrial customers and an arithmetic average rate of 7.482¢/kWh
4 for residential customers.

5
6 In September 2004, the Company's affiliate in Massachusetts procured its Default
7 Service requirements for the period November 2004 through April 2005 at an average
8 rate of 7.093¢/kWh for residential customers and 6.822¢/kWh for small commercial
9 customers, and for the period November 2004 through January 2005 at 6.875¢/kWh,
10 6.684¢/k/Wh and 6.646¢/kWh for industrial customers in the NEMA, WCMA and
11 SEMA load zones, respectively.

12
13 Q. Can you provide the details of the current fuel index adjustment provision calculations?

14 A. Yes. Detailed calculations are provided in Exhibit MJH-4.

15
16 Q. Does this conclude your testimony?

17 A. Yes, it does.

Exhibits of
Michael J. Hager

Standard Offer Fuel Index Adjustment Provision

In the event of substantial increases in the market prices of No. 6 residual fuel oil (1% sulphur) and natural gas after 1999, NECO will pay additional amounts to Seller in accordance with this Standard Offer Fuel Index Adjustment Provision, which is calculated as follows:

The Stipulated Price that is in effect for a given billing month is multiplied by a "Fuel Index Adjustment" that is set equal to 1.0 and thus has no impact on the rate paid unless the "Market Gas Price" plus "Market Oil Price" for the billing month exceeds the "Fuel Trigger Point" then in effect, where:

The Stipulated Price is the following predetermined, flat rate, for energy consumed at the customer meter point:

<u>Calendar Year</u>	<u>Price per Kilowatt hour</u>
1998	3.2 cents
1999	3.5 cents
2000	3.8 cents
2001	3.8 cents
2002	4.2 cents
2003	4.7 cents
2004	5.1 cents
2005	5.5 cents
2006	5.9 cents
2007	6.3 cents
2008	6.7 cents
2009	7.1 cents

Seller will be paid the difference between the Stipulated Price as adjusted in accordance with this Standard Offer Fuel Adjustment Provision and the Stipulated Price for each kilowatt-hour it provides in the applicable month.

Market Gas Price is the average of the values of "Gas Index" for the most recent available twelve months (six months for Standard Offer load in the EUA Zone), where:

Gas Index is the average of the daily settlement prices for the last three days that the NYMEX Contract (as defined below) for the month of delivery trades as reported in "The Wall Street Journal," expressed in dollars per MMBtu. NYMEX Contract shall mean the New York Mercantile Exchange Natural Gas Futures Contract as approved by the Commodity Futures Trading Commission for the purchase and sale of natural gas at Henry Hub;

Market Oil Price is the average of the values of “Oil Index” for the most recent available twelve months (six months for Standard Offer load in the EUA Zone), where:

Oil Index is the average for the month of the daily low quotations for cargo delivery of 1.0% sulphur No. 6 residual fuel oil into New York harbor, as reported in “Platt’s Oilgram U.S. Marketscan” in dollars per barrel and converted to dollars per MMBtu by dividing by 6.3; and

If the indices referred to above should become obsolete or no longer suitable, NECO shall file alternate indices with the RIPUC.

Fuel Trigger Point is the following amounts, expressed in dollars per MMBtu, applicable for all months in the specified calendar year:

2000	\$5.35/MMBtu
2001	\$5.35
2002	\$6.09
2003	\$7.01
2004	\$7.74
2005 *	\$8.48
2006 *	\$9.22
2007 *	\$9.95
2008 *	\$10.69
2009 *	\$11.42

* For Narragansett Zone only

In the event that the Fuel Trigger Point is exceeded, the Fuel Adjustment value for the billing month is determined based according to the following formula:

$$\text{Fuel Adjustment} = \frac{(\text{Market Gas Price} + \$0.60/\text{MMBtu}) + (\text{Market Oil Price} + \$0.04/\text{MMBtu})}{\text{Fuel Trigger Point} + \$0.60 + \$0.04/\text{MMBtu}}$$

Where:

Market Gas Price, Market Oil Price and Fuel Trigger Point are as defined above. The values of \$.60 and \$.04/MMBtu represent for gas and oil respectively, estimated basis differentials or market costs of transportation from the point where the index is calculated to a proxy power plant in the New England market.

For example if at a point in the year 2002 the Market Gas Price and Market Oil Price total \$6.50 (\$3.50/MMBtu plus \$3.00/MMBtu respectively), the Fuel Trigger Point of 6.09 would be exceeded. In this case the Fuel Adjustment value would be:

$$\frac{(\$3.50 + \$0.60/\text{MMBtu}) + (\$3.00 + \$0.04/\text{MMBtu})}{\$6.09 + \$0.60 + \$0.04/\text{MMBtu}} = 1.0609$$

The Stipulated Price is increased by this Fuel Adjustment factor for the billing month, becoming 4.45484/kWh (4.2 x 1.0609).

In subsequent months the same comparisons are made and, if applicable, a Fuel Adjustment determined.

**Gas and Oil Values
used in Company's Analyses
(\$/mmBtu)**

Month	Gas Index	Oil Index
Jan-05	6.552	5.98
Feb-05	6.840	5.92
Mar-05	7.171	5.85
Apr-05	7.351	5.78
May-05	7.460	5.70
Jun-05	7.501	5.63
Jul-05	7.575	5.56
Aug-05	7.679	5.54
Sep-05	7.846	5.47
Oct-05	7.993	5.43
Nov-05	7.958	5.43
Dec-05	7.862	5.28

**Summary of Additional Payments Estimated to be
Made Pursuant to the Fuel Index Adjustment Provisions
(Cents/kWh)**

Month	Narragansett Zone	EUA Zone
Jan-05	1.740	n/a
Feb-05	2.021	n/a
Mar-05	2.320	n/a
Apr-05	2.515	n/a
May-05	2.627	n/a
Jun-05	2.699	n/a
Jul-05	2.802	n/a
Aug-05	2.920	n/a
Sep-05	3.075	n/a
Oct-05	3.173	n/a
Nov-05	3.118	n/a
Dec-05	3.023	n/a

Prices published in WSJ on: 25-Oct-04 26-Oct-04 27-Oct-04

The Narragansett Electric Company
DETERMINATION OF MARKET GAS PRICE

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)
Contract Month	Last Month of Trading	Settlement Prices (\$/mmBtu)			Gas Index	NGrid's Market Gas Price	EUA's Market Gas Price	SOS Delivery Month
		3rd Last	2nd Last	Last				
Feb-03	Jan-03	\$5.396	\$5.444	\$5.660	\$5.500	\$3.731	\$3.901	Feb-03
Mar-03	Feb-03	\$9.137	\$9.577	\$9.133	\$9.282	\$4.306	\$4.328	Mar-03
Apr-03	Mar-03	\$5.077	\$5.097	\$5.146	\$5.107	\$4.446	\$5.298	Apr-03
May-03	Apr-03	\$5.474	\$5.477	\$5.123	\$5.358	\$4.615	\$5.542	May-03
Jun-03	May-03	\$6.119	\$5.900	\$5.945	\$5.988	\$4.835	\$5.750	Jun-03
Jul-03	Jun-03	\$5.697	\$5.757	\$5.291	\$5.582	\$5.018	\$6.045	Jul-03
Aug-03	Jul-03	\$4.706	\$4.700	\$4.693	\$4.700	\$5.165	\$6.136	Aug-03
Sep-03	Aug-03	\$5.083	\$5.038	\$4.927	\$5.016	\$5.295	\$6.003	Sep-03
Oct-03	Sep-03	\$4.588	\$4.542	\$4.430	\$4.520	\$5.368	\$5.292	Oct-03
Nov-03	Oct-03	\$4.512	\$4.486	\$4.459	\$4.486	\$5.399	\$5.194	Nov-03
Dec-03	Nov-03	\$4.634	\$4.682	\$4.860	\$4.725	\$5.441	\$5.049	Dec-03
Jan-04	Dec-03	\$6.143	\$6.379	\$6.150	\$6.224	\$5.541	\$4.838	Jan-04
Feb-04	Jan-04	\$5.727	\$5.716	\$5.775	\$5.739	\$5.561	\$4.945	Feb-04
Mar-04	Feb-04	\$5.127	\$5.077	\$5.150	\$5.118	\$5.214	\$5.118	Mar-04
Apr-04	Mar-04	\$5.336	\$5.395	\$5.365	\$5.365	\$5.235	\$5.135	Apr-04
May-04	Apr-04	\$5.764	\$5.874	\$5.935	\$5.858	\$5.277	\$5.276	May-04
Jun-04	May-04	\$6.705	\$6.684	\$6.680	\$6.690	\$5.335	\$5.505	Jun-04
Jul-04	Jun-04	\$6.485	\$6.353	\$6.141	\$6.326	\$5.397	\$5.832	Jul-04
Aug-04	Jul-04	\$5.957	\$5.989	\$6.048	\$5.998	\$5.505	\$5.849	Aug-04
Sep-04	Aug-04	\$5.298	\$5.189	\$5.082	\$5.190	\$5.520	\$5.893	Sep-04
Oct-04	Sep-04	\$5.392	\$5.262	\$5.723	\$5.459	\$5.598	\$5.904	Oct-04
Nov-04	Oct-04	\$7.890	\$8.402	\$7.626	\$7.973	\$5.889	\$5.920	Nov-04
Dec-04	Nov-04	\$8.822	\$9.363	\$8.775	\$8.987	\$6.244	\$6.273	Dec-04
Jan-05	Dec-04	\$9.352	\$9.900	\$9.435	\$9.562	\$6.522	n/a	Jan-05
Feb-05	Jan-05	\$9.317	\$9.865	\$9.470	\$9.551	\$6.840	n/a	Feb-05
Mar-05	Feb-05	\$8.882	\$9.405	\$9.000	\$9.096	\$7.171	n/a	Mar-05
Apr-05	Mar-05	\$7.332	\$7.685	\$7.550	\$7.522	\$7.351	n/a	Apr-05
May-05	Apr-05	\$7.002	\$7.295	\$7.200	\$7.166	\$7.460	n/a	May-05
Jun-05	May-05	\$7.025	\$7.315	\$7.222	\$7.187	\$7.501	n/a	Jun-05
Jul-05	Jun-05	\$7.053	\$7.340	\$7.250	\$7.214	\$7.575	n/a	Jul-05
Aug-05	Jul-05	\$7.077	\$7.360	\$7.270	\$7.236	\$7.679	n/a	Aug-05
Sep-05	Aug-05	\$7.045	\$7.320	\$7.230	\$7.198	\$7.846	n/a	Sep-05
Oct-05	Sep-05	\$7.072	\$7.345	\$7.260	\$7.226	\$7.993	n/a	Oct-05
Nov-05	Oct-05	\$7.392	\$7.665	\$7.585	\$7.547	\$7.958	n/a	Nov-05
Dec-05	Nov-05	\$7.682	\$7.955	\$7.885	\$7.841	\$7.862	n/a	Dec-05

Notes:

Col. A - Contract refers to the NYMEX Natural Gas Futures Contract, as approved by the CFTC, for the purchase and sale of natural gas at Henry Hub.

Col. B - Month that trading for the Contract ends (the month before the delivery month)

Col. C - Settlement price for the third last trading day as reported in the Wall Street Journal. (Jan-99 - Dec-05)

- Settlement price as reported in the Wall Street Journal on 25-Oct-04. (Oct-04 Dec-05)

Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Dec-05)

- Settlement price as reported in the Wall Street Journal on 26-Oct-04. (Oct-04 Dec-05)

Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Dec-05)

- Settlement price as reported in the Wall Street Journal on 27-Oct-04. (Oct-04 Dec-05)

Col. F - Average value of Col. C, Col. D and Col. E (=AVERAGE(Col. C..Col. E))

Col. G - Average of the most recent twelve months of values in Col. F (including current SOS delivery month)

Col. H - Average of the most recent six months of values in Col. F (ending month prior to SOS delivery month)

Col. I - month in which SOS was delivered at wholesale.

The Narragansett Electric Company
DETERMINATION OF MARKET OIL PRICE

SOS Delivery Month	Trading Month	Daily low quotation, cargo delivery, 1.0% S, No. 6, residual fuel oil, NY Harbor (\$ / barrel)																															Sum of Values	# of Values	Conversion Factor	Oil Index (\$/mmBtu)	NY's Market Oil Price	EIA's Market Oil Price	Prices published in WSJ on:									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31							Average	25-Oct-04	26-Oct-04	27-Oct-04						
Jan-03	Jan-03	28.55	29.00				28.90	28.30	27.95	29.25			30.00	30.75	31.75	32.25	32.15			32.75	32.10	32.75	32.15	32.25	34.50	34.50	34.75			33.00	33.35	34.50	35.75	35.50	658.95	21	6.3	4.98	3.74	3.97	30.1000	30.10	30.10	30.10	==January closing from WSJ on 12/20/02			
Feb-03	Feb-03			33.85	33.00	32.90	32.60	33.15			33.15	33.50	33.00	33.00						33.25	34.50	34.50	34.75			35.75	37.50	38.25	41.25	41.25			25.00			662.40	19	6.3	5.53	4.01	4.20	34.6100	34.61	34.61	34.61	==February closing from WSJ on 1/22/03		
Mar-03	Mar-03	40.75	41.00	41.25	43.50	42.70				40.75	38.75	36.00	33.75	30.75						29.75	26.00	25.00	24.75	23.50			24.00	23.00	23.15	24.50	24.50				662.35	21	6.3	5.01	4.17	4.46	36.7900	36.79	36.79	36.79	==March closing from WSJ on 2/21/03			
Apr-03	Apr-03	23.85	23.00	23.00	23.00			22.75	23.00	23.25	22.90	23.25			23.25	24.00	24.50	25.00					25.35	25.10	24.60	24.50	24.10			23.90	23.50	23.50				499.30	21	6.3	3.77	4.20	4.61	28.6100	28.61	28.61	28.61	==April closing from WSJ on 3/20/03		
May-03	May-03	23.65	23.65			24.40	24.40	24.40	24.65	24.75			24.75	25.20	25.60	25.35	25.35						25.00	24.85	24.15	23.40	23.60			24.00	23.10	23.45	23.90				511.50	21	6.3	3.87	4.21	4.54	29.9100	29.91	29.91	29.91	==May closing from WSJ on 4/22/03	
Jun-03	Jun-03	24.20	24.50	24.20	24.50	24.15				24.75	25.15	25.15	23.60	23.00						23.75	24.10	24.25	24.40	25.75			25.75	25.85	26.75	26.85	27.15				525.60	21	6.3	3.97	4.24	4.56	29.2800	29.28	29.28	29.28	==June closing from WSJ on 5/21/03			
Jul-03	Jul-03	27.80	28.25	28.50			28.10	27.90	28.10	28.35	28.90			28.50	28.50	27.50	27.25					27.40	27.35	27.25	27.35	26.20	26.20	25.90	25.90			28.00	28.00	28.00				602.35	22	6.3	4.35	4.31	4.52	30.8200	30.82	30.82	30.82	==July closing from WSJ on 6/23/03
Aug-03	Aug-03	26.6		26.75	27.00	27.35	27.85	28.10			28.00	27.75	27.10	27.10	27.75							27.40	27.35	27.25	27.80	27.90			27.90	28.10	28.00	28.00	28.00				579.05	21	6.3	4.38	4.34	4.42	30.1900	30.19	30.19	30.19	==Aug closing from WSJ on 7/23/03	
Sep-03	Sep-03	27.50	27.00	26.35	25.25			25.50	25.50	25.50	26.00	27.00			27.35	27.35	27.20	26.85	25.75			25.50	25.50	25.70	25.65			25.65	25.65	25.25	24.70	25.30					518.95	21	6.3	3.92	4.33	4.22	30.9500	30.95	30.95	30.95	==Sept closing from WSJ on 8/21/03	
Oct-03	Oct-03	24.20	24.50	25.45			25.30	25.30	26.20	26.45			26.65	26.90	26.70	26.60	26.70					26.15	26.50	26.10	25.45	25.65			24.85	25.10	25.25						592.50	23	6.3	4.09	4.32	4.04	26.9600	26.96	26.96	26.96	==Oct closing from WSJ on 9/23/03	
Nov-03	Nov-03	25.30	25.30	26.25	26.20	26.45				26.65	26.90	26.70	26.60	26.70								26.15	26.50	26.10	25.45	25.65			24.85	25.10	25.25						468.10	18	6.3	4.13	4.35	4.10	30.1800	30.18	30.18	30.18	==Nov closing from WSJ on 10/22/03	
Dec-03	Dec-03	23.90	24.20	24.15	24.30	24.60			25.60	25.60	25.45	25.50	25.50									25.75	26.00	26.75	27.20	27.00			26.00	25.75	26.25			26.00	26.00	26.10	537.60	21	6.3	4.06	4.34	4.14	32.8600	32.86	32.86	32.86	==Dec closing from WSJ on 11/21/03	
Jan-04	Jan-04	28.50	29.00	27.80	27.35	27.00			28.25	27.85	27.95			28.05	28.00							28.05	28.00	27.75	27.90			27.90	28.00	28.00	28.00	27.50	27.90				530.40	19	6.3	4.43	4.29	4.15	33.0200	33.02	33.02	33.02	==Jan closing from WSJ on 1/19/04	
Feb-04	Feb-04	24.50	24.50	24.40	24.60	24.60			24.40	24.30	24.30	24.50	24.15			24.30	24.40	24.60	24.50	24.50			24.50	24.50	24.65	24.40	24.65			25.00	25.00	25.00	25.00	24.50			494.90	19	6.3	4.13	4.18	4.17	35.6000	35.60	35.60	35.60	==Feb closing from WSJ on 01/20/04	
Mar-04	Mar-04	23.50	23.25			22.90	23.65	24.95	24.90			25.00	25.05	25.55	26.30	26.30							26.00	25.80	25.75	26.50	26.40			26.60	27.10	26.70	26.65	26.70			535.55	21	6.3	4.05	4.11	4.12	37.1100	37.11	37.11	37.11	==Mar closing from WSJ on 03/22/04	
Apr-04	Apr-04	27.35	28.10	29.00	29.60			29.75			29.40	29.30	30.30	30.40	30.50								30.40	30.35	31.10	30.85	30.75			31.65	31.60	31.60	30.60				603.20	20	6.3	4.79	4.18	4.12	37.6000	37.60	37.60	37.60	==Apr closing from WSJ on 04/20/04	
May-04	May-04	32.75	31.75	31.00	30.70			30.80	30.15	30.00	30.00					29.25	29.00	29.00	29.60	29.90			29.10	29.20	28.75	28.75	28.85	28.00			27.10	27.10	27.75				619.25	21	6.3	4.68	4.24	4.23	40.9200	40.92	40.92	40.92	==May closing from WSJ on 05/20/04	
Jun-04	Jun-04	28.25	28.00			29.00	28.00	27.85	27.35			27.10	27.20	28.00	28.10	28.10							28.10	27.75	27.75	27.75	27.75			27.50	27.50	27.65	27.50	27.65				583.85	21	6.3	4.41	4.25	4.33	38.1100	38.11	38.11	38.11	==June closing from WSJ on 06/22/04
Jul-04	Jul-04	28.00	27.95	27.25	27.95	27.35			27.25	27.25	27.50	27.75	28.40			28.40	28.45	28.45	28.90	28.90			28.45	27.85	27.25	27.25	27.45			28.45	27.85	27.45	27.10	27.10				612.20	22	6.3	4.42	4.25	4.33	40.8600	40.86	40.86	40.86	==July closing from WSJ on 07/20/04
Sep-04	Sep-04	27.90	27.40	27.40			27.00	26.65	27.55	26.35			32.75	32.75	33.00	34.00	34.00						26.95	27.00	26.85	27.05	27.65			27.65	27.75	28.75	28.25	28.25				582.00	21	6.3	4.40	4.29	4.37	47.8600	47.86	47.86	47.86	==Sept closing from WSJ on 08/20/04
Oct-04	Oct-04	29.35			29.20	30.35	31.00	32.25	32.50														33.50	33.00	34.25	34.50	35.00			35.00	35.25	34.50	34.00	33.25				693.40	21	6.3	5.24	4.39	4.46	47.1000	47.10	47.10	47.10	==October closing from WSJ on 09/21/04
Nov-04	Nov-04																																					54.92		6.3	6.11	4.85	4.66	54.9200	54.92	54.92	54.92	==November closing from WSJ on 10/20/04
Dec-04	Dec-04																																					54.06		6.3	6.02	4.71	4.88	54.0567	54.54	55.17	52.46	
Jan-05	Jan-05																																					53.70		6.3	5.98	4.84	n/a	53.7000	54.17	54.76	52.17	
Feb-05	Feb-05																																					53.22		6.3	5.92	4.99	n/a	53.2200	53.60	54.25	51.81	
Mar-05	Mar-05																																					52.58		6.3	5.85	5.16	n/a	52.5833	52.88	53.58	51.29	
Apr-05	Apr-05																																					51.92		6.3	5.78	5.30	n/a	51.9200	52.14	52.88	50.74	
May-05	May-05																																					51.25		6.3	5.70	5.38	n/a	51.2533	51.41	52.17	50.18	
Jun-05	Jun-05																																					50.61		6.3	5.63	5.45	n/a	50.6067	50.71	51.49	49.62	
Jul-05	Jul-05																																					49.98		6.3	5.56	5.55	n/a	49.9767	50.03	50.83	49.0	

The Narragansett Electric Company
DETERMINATION OF FUEL ADJUSTMENT VALUE

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)	(Col. J)	(Col. K)	(Col. L)	(Col. M)	(Col. N)
SOS Delivery Month	NGrid's Market Gas Price	NGrid's Market Oil Price	NGrid's Fuel Value	NGrid's Fuel Trigger	NGrid's Adjustment Value	EUA's Market Gas Price	EUA's Market Oil Price	EUA's Fuel Value	EUA's Fuel Trigger	EUA's Adjustment Value	Ngrid Adjustment e/kWh	EUA Adjustment e/kWh	Weighted Adjustment e/kWh
Jan-03	\$3.4375	\$3.7437	\$7.1812	\$7.01	1.02238	\$3.6262	\$3.9658	\$7.5920	\$7.01	1.07608	0.105	0.358	0.171
Feb-03	\$3.7305	\$4.0107	\$7.7412	\$7.01	1.09559	\$3.9006	\$4.2037	\$8.1043	\$7.01	1.14305	0.449	0.672	0.507
Mar-03	\$4.3056	\$4.1730	\$8.4786	\$7.01	1.19197	\$4.3276	\$4.4587	\$8.7863	\$7.01	1.23219	0.902	1.091	0.951
Apr-03	\$4.4463	\$4.1958	\$8.6421	\$7.01	1.21335	\$5.2976	\$4.6092	\$9.9068	\$7.01	1.37866	1.003	1.780	1.205
May-03	\$4.6154	\$4.2112	\$8.8266	\$7.01	1.23747	\$5.5419	\$4.5442	\$10.0861	\$7.01	1.40210	1.116	1.890	1.317
Jun-03	\$4.8354	\$4.2441	\$9.0794	\$7.01	1.27051	\$5.7499	\$4.5618	\$10.3117	\$7.01	1.43160	1.271	2.029	1.468
Jul-03	\$5.0184	\$4.3101	\$9.3285	\$7.01	1.30307	\$6.0445	\$4.5223	\$10.5668	\$7.01	1.46495	1.424	2.185	1.622
Aug-03	\$5.1652	\$4.3412	\$9.5063	\$7.01	1.32632	\$6.1361	\$4.4165	\$10.5526	\$7.01	1.46309	1.534	2.177	1.701
Sep-03	\$5.2946	\$4.3261	\$9.6207	\$7.01	1.34127	\$6.0027	\$4.2237	\$10.2264	\$7.01	1.42045	1.604	1.976	1.701
Oct-03	\$5.3679	\$4.3199	\$9.6877	\$7.01	1.35003	\$5.2917	\$4.0430	\$9.3347	\$7.01	1.30388	1.645	1.428	1.589
Nov-03	\$5.3992	\$4.3505	\$9.7497	\$7.01	1.35813	\$5.1939	\$4.0956	\$9.2894	\$7.01	1.29797	1.683	1.400	1.610
Dec-03	\$5.4413	\$4.3383	\$9.7796	\$7.01	1.36204	\$5.0485	\$4.1392	\$9.1877	\$7.01	1.28466	1.702	1.338	1.607
Jan-04	\$5.5406	\$4.2925	\$9.8331	\$7.74	1.24977	\$4.8381	\$4.1543	\$8.9923	\$7.74	1.14944	1.274	0.762	1.141
Feb-04	\$5.5606	\$4.1759	\$9.7364	\$7.74	1.23824	\$4.9451	\$4.1685	\$9.1136	\$7.74	1.16391	1.215	0.836	1.116
Mar-04	\$5.2135	\$4.0831	\$9.2966	\$7.74	1.18576	\$5.1184	\$4.1281	\$9.2465	\$7.74	1.17977	0.947	0.917	0.939
Apr-04	\$5.2351	\$4.1059	\$9.3410	\$7.74	1.19105	\$5.1354	\$4.1232	\$9.2586	\$7.74	1.18121	0.974	0.924	0.961
May-04	\$5.2767	\$4.1827	\$9.4594	\$7.74	1.20518	\$5.2763	\$4.1163	\$9.3926	\$7.74	1.19721	1.046	1.006	1.036
Jun-04	\$5.3352	\$4.2417	\$9.5769	\$7.74	1.21920	\$5.5049	\$4.2262	\$9.7312	\$7.74	1.23761	1.118	1.212	1.142
Jul-04	\$5.3973	\$4.2473	\$9.6445	\$7.74	1.22727	\$5.8323	\$4.3291	\$10.1614	\$7.74	1.28895	1.159	1.474	1.241
Aug-04	\$5.5054	\$4.2506	\$9.7561	\$7.74	1.24058	\$5.8494	\$4.3261	\$10.1755	\$7.74	1.29063	1.227	1.482	1.293
Sep-04	\$5.5199	\$4.2903	\$9.8103	\$7.74	1.24705	\$5.8925	\$4.3732	\$10.2657	\$7.74	1.30139	1.260	1.537	1.332
Oct-04	\$5.5982	\$4.3864	\$9.9845	\$7.74	1.26784	\$5.9044	\$4.4575	\$10.3620	\$7.74	1.31288	1.366	1.596	1.426
Nov-04	\$5.8888	\$4.5516	\$10.4404	\$7.74	1.32224	\$5.9201	\$4.6564	\$10.5764	\$7.74	1.33848	1.643	1.726	1.665
Dec-04	\$6.2439	\$4.7143	\$10.9581	\$7.74	1.38403	\$6.2726	\$4.8770	\$11.1496	\$7.74	1.40687	1.959	2.075	1.989
Jan-05	\$6.5221	\$4.8430	\$11.3650	\$8.48	1.31634	n/a	n/a	n/a	n/a	n/a	1.740	n/a	1.288
Feb-05	\$6.8397	\$4.9920	\$11.8316	\$8.48	1.36750	n/a	n/a	n/a	n/a	n/a	2.021	n/a	1.496
Mar-05	\$7.1711	\$5.1551	\$12.3263	\$8.48	1.42174	n/a	n/a	n/a	n/a	n/a	2.320	n/a	1.716
Apr-05	\$7.3509	\$5.2993	\$12.6502	\$8.48	1.45725	n/a	n/a	n/a	n/a	n/a	2.515	n/a	1.861
May-05	\$7.4599	\$5.3756	\$12.8355	\$8.48	1.47758	n/a	n/a	n/a	n/a	n/a	2.627	n/a	1.944
Jun-05	\$7.5014	\$5.4548	\$12.9562	\$8.48	1.49081	n/a	n/a	n/a	n/a	n/a	2.699	n/a	1.998
Jul-05	\$7.5754	\$5.5505	\$13.1259	\$8.48	1.50941	n/a	n/a	n/a	n/a	n/a	2.802	n/a	2.073
Aug-05	\$7.6785	\$5.6439	\$13.3224	\$8.48	1.53097	n/a	n/a	n/a	n/a	n/a	2.920	n/a	2.161
Sep-05	\$7.8459	\$5.7331	\$13.5790	\$8.48	1.55910	n/a	n/a	n/a	n/a	n/a	3.075	n/a	2.276
Oct-05	\$7.9931	\$5.7489	\$13.7420	\$8.48	1.57698	n/a	n/a	n/a	n/a	n/a	3.173	n/a	2.348
Nov-05	\$7.9577	\$5.6922	\$13.6498	\$8.48	1.56687	n/a	n/a	n/a	n/a	n/a	3.118	n/a	2.307
Dec-05	\$7.8622	\$5.6309	\$13.4931	\$8.48	1.54968	n/a	n/a	n/a	n/a	n/a	3.023	n/a	2.237

Notes:
Forecast of fuel prices based on NYMEX futures as reported in the Wall Street Journal on October 25, 26 & 27, 2004

Notes:
Col. A - month in which SOS was delivered at wholesale
Col. B - Average of the values of Gas Index for the most recent 12 months. (Col. G - Determination of Market Gas Price)
Col. C - Average of the values of Oil Index for the most recent 12 months. (Col. LL - Determination of Market Oil Price)
Col. D - Col. B + Col. C
Col. E - Applicable value from the Standard Offer Supply Contracts.
Col. F - $\text{if}(\text{Col. D} > \text{Col. E}, (\text{Col. B} + \$0.60 + \text{Col. C} + \$0.04) / (\text{Col. E} + \$0.64), 1.000)$
Col. G - Average of the values of Gas Index for the most recent 6 months. (Col. H - Determination of Market Gas Price)
Col. H - Average of the values of Oil Index for the most recent 6 months. (Col. MM - Determination of Market Oil Price)
Col. I - Col. G + Col. H
Col. J - Applicable value from the Standard Offer Supply Contracts.
Col. K - $\text{if}(\text{Col. I} > \text{Col. J}, (\text{Col. G} + \$0.60 + \text{Col. H} + \$0.04) / (\text{Col. J} + \$0.64), 1.000)$
Col. L - (Col. F - 1.0) * Applicable Contract Price from the Standard Offer Supply Contracts.
Col. M - (Col. K - 1.0) * Applicable Contract Price from the Standard Offer Supply Contracts.

THE NARRAGANSETT ELECTRIC COMPANY
RE: Rate Changes for January 1, 2005
Witness: Carol A. Currier

DIRECT TESTIMONY
OF
CAROL A. CURRIER

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Exhibits

CAC-1 Calculation of 2005 Transmission and ISO-NE Expenses

- 1 -

1 **I. Introduction and Qualifications**

2 **Q. Please state your name and business address.**

3 A. My name is Carol A. Currier. My business address is 25 Research Drive,
4 Westborough, Massachusetts, 01582.

5

6 **Q. By whom are you employed and in what capacity?**

7 A. I am a Senior Analyst in Transmission Rates for New England Power Company
8 (“NEP”). My responsibilities include preparation of support for NEP’s
9 transmission rate filings at the Federal Energy Regulatory Commission (“FERC”),
10 monitoring the New England Power Pool’s (“NEPOOL”) and ISO New England’s
11 (“ISO-NE”) Transmission Tariffs through my role as member of the NEPOOL
12 Tariff Committee, development of the Regional Transmission Organization
13 (“RTO”) Tariff for New England through my role as member of the Tariff
14 Working Group, and involvement with general transmission pricing policy and
15 regulatory matters.

16

17 **Q. Please describe your educational background and training.**

18 A. In 1999, I graduated from Assumption College with a Bachelor of Business
19 Administration. Additionally, I have attended numerous seminars and courses in
20 utility ratemaking and cost analysis.

21

22 **Q. Please describe your professional background.**

- 2 -

1 A. In 1986, I joined the former New England Electric System in the Revenue
2 Accounting Department until I transferred to the Dispatching Department in 1989.
3 In 1992, I worked in Wholesale Business Administration, and subsequently the
4 Transmission Marketing Department as an Analyst, where I developed the cost of
5 service for numerous contracts and provided support for the development of rate
6 cases. I worked in Transmission Marketing until 2000, at which time I moved to
7 the Transmission Regulation, Policy and Strategy Groups, where I was ultimately
8 promoted to Senior Analyst. In this role, I was responsible for transmission rate-
9 related and regulatory matters including developing of financial analyses for
10 support of upper management decision-making, federal and state regulatory
11 filings and proceedings, wholesale and retail rates, as well as the creation of an
12 RTO in New England. In 2002, I became a Senior Analyst in the Transmission
13 Rate Department.

14
15 **II. Purpose of Testimony**

16 **Q. What is the purpose of your testimony?**

17 A. My testimony addresses the estimated 2005 transmission expenses and ISO-NE
18 expenses for The Narragansett Electric Company (“Narragansett”). First, I will
19 summarize the various transmission services provided to Narragansett and how
20 Narragansett pays for such services. Second, I will address the assumptions used
21 in the development of Narragansett’s estimated expenses for 2005. Lastly, I will
22 briefly explain the primary changes from last year’s forecasted expenses.

- 3 -

1

2 **III. Summary of Transmission Services Provided to Narragansett**

3 **Q. Does Narragansett take transmission service under rate schedules approved**
4 **by the FERC?**

5 A. Yes. Effective January 1, 1998, Narragansett began taking transmission services,
6 on behalf of its entire customer base, under two tariffs: NEPOOL's FERC
7 Electric Tariff No. 1 ("NEPOOL Tariff") and NEP's FERC Electric Tariff No. 9
8 ("NEP T-9 Tariff"). Additionally, effective January 1, 1999, Narragansett began
9 taking service under ISO-NE's FERC Electric Tariff No. 1 ("ISO-NE Tariff").

10

11 **Q. Why does Narragansett take transmission services under three separate**
12 **tariffs?**

13 A. The New England transmission rate structure takes into consideration a
14 highway/local type of pricing. That is, Narragansett takes regional transmission
15 service over "highway" transmission facilities under the NEPOOL Tariff, and
16 local transmission service over local transmission facilities under the NEP T-9
17 Tariff. Additionally, transmission scheduling and market administration services
18 are provided to Narragansett under the ISO-NE Tariff.

19

20 **A. Explanation of NEPOOL Tariff Services, Rates & Charges**

21 **Q. Please explain the services provided to Narragansett under the NEPOOL**
22 **Tariff.**

- 4 -

1 A. The NEPOOL Tariff provides access over New England's 69kV or greater looped
2 transmission facilities, more commonly known as Pool Transmission Facilities
3 ("PTF") or bulk transmission facilities. These facilities serve as New England's
4 electric transmission "highway", and the service provided over these facilities is
5 referred to as Regional Network Service ("RNS"). In addition, the NEPOOL
6 Tariff provides for Black Start, Reactive Power, and Scheduling, System Control
7 and Dispatch Services, as described more fully later in this testimony.

8

9 **Q. How are the costs for RNS recovered?**

10 A. The NEPOOL RNS Rate ("RNS Rate") recovers the RNS costs and is determined
11 annually based on an aggregation of the transmission revenue requirements of
12 each of the transmission owners in New England, calculated in accordance with a
13 FERC-approved formula. Pursuant to the NEPOOL Settlement dated April 7,
14 1999, the RNS Rate continues to be in a period of transition as the transmission
15 rates move from zonal rates to a single, "postage stamp" rate, with the transition
16 to be completed by 2008 ("NEPOOL Transition"). The NEPOOL Transition
17 provides for a unique rate derivation in that each transmission owner's RNS rate
18 is determined by looking separately at the costs associated with vintage PTF
19 assets: (1) in-service at December 1996 ("Pre-97 Property"), and (2) placed in-
20 service after January 1, 1997 ("Post-96 Property").

21

- 5 -

1 **Q. Please explain the rate derivation for Pre-97 Property under the NEPOOL**
2 **Tariff.**

3 A. As mentioned above, the intent of the NEPOOL Transition is to move zonal
4 transmission rates that previously had been in place in New England to a single,
5 postage-stamp rate for the region. As part of that transition process, until the end
6 of the transition period (2008), each transmission owner's zonal Pre-97 RNS Rate
7 is adjusted based on the differential of the individual transmission owner's Pre-97
8 PTF Rate to the average Pre-97 Pool PTF Rate, based on a bandwidth which
9 limits the variation of a transmission owner's per Kilowatt cost from the average
10 per Kilowatt cost for all transmission owners. The bandwidth will shrink each
11 year, moving the Pre-97 PTF Rate closer to the average until 2008 when the
12 NEPOOL transition is complete and all PTF costs are recovered on a regionalized
13 average basis. For example, in 2005, a bandwidth of 50% below the average and
14 118% above the average has been established, where each transmission owner's
15 Pre-97 PTF Rate is held within that established bandwidth. To the extent a
16 transmission owner's actual rate is less than 50% below the average or exceeds
17 118% of the average, the remaining transmission owners' rates are adjusted to
18 collect/refund the revenue requirements falling outside the bandwidth. In that
19 way, all transmission owners' rates reflect a movement towards an average,
20 postage-stamp rate.

21

- 6 -

1 **Q. Please explain the rate derivation for the Post-96 Property under the**
2 **NEPOOL Tariff.**

3 A. The Post-96 Property rates apply a single, average New England-wide
4 transmission rate based upon the average Post-96 revenue requirements for all
5 New England transmission owners.

6

7 **Q. Are there any expected changes to the RNS Rate during 2005?**

8 A. Yes. Although NEP's Pre-97 PTF Rate for 2005 is not expected to exceed the
9 bandwidth and thus no significant change to NEP's Pre-97 PTF Rate is forecast,
10 the NEPOOL Post-96 PTF Rate will reflect plant additions, as well as slight
11 adjustments to the rates based on the methodologies described above. Exhibit
12 CAC-1, Workpaper Page 1, attached hereto, illustrates the changes to the RNS
13 Rate.

14

15 **Q. Please describe the NEPOOL Black Start, Reactive Power, and Scheduling,**
16 **System Control and Dispatch Services that are included in the NEPOOL**
17 **Tariff.**

18 A. NEPOOL Black Start Service, also known as System Restoration and Planning
19 Service from Generators, is necessary to ensure the continued reliable operation
20 of the New England transmission system. This service allows for the designation
21 of generators with the capability of supplying load and ability to start without an

- 7 -

1 outside electrical supply to re-energize the transmission system following a
2 system-wide blackout.

3

4 Reactive Power Service, also known as Reactive Supply and Voltage Control
5 from Generation Sources Service, is necessary to maintain transmission voltages
6 on the NEPOOL transmission system within acceptable limits and provides that
7 generation facilities be operated to produce or absorb reactive power. This
8 service must be provided for each transaction on the NEPOOL transmission
9 system. The amount of reactive power support that must be supplied for
10 transactions is based on the support necessary to maintain transmission voltages
11 within limits generally accepted and is consistently sustained in the region.

12

13 Lastly, Scheduling, System Control and Dispatch Service (“Scheduling &
14 Dispatch Service”) consists of the NEPOOL services required to schedule at the
15 NEPOOL level the movement of power through, out of, within, or into the
16 NEPOOL Control Area over the PTF and to maintain System Control.

17 Scheduling & Dispatch Service also provides for the recovery of certain charges
18 that reflect expenses incurred in the operation of satellite dispatch centers.

19

- 8 -

1 **Q. How are the NEPOOL charges for Black Start, Reactive Power, and**
2 **Scheduling & Dispatch Services assessed to Narragansett?**

3 A. NEPOOL assesses charges for Black Start and Reactive Power Services to
4 Narragansett each month based on Narragansett's proportionate share of its
5 network load to NEPOOL's total load. Exhibit CAC-1, Workpaper Page 3
6 illustrates the NEPOOL rates for Black Start and Reactive Power Services and
7 applies the charges to Narragansett's loads. Scheduling and Dispatching costs are
8 assessed to Narragansett based on an annually determined rate, calculated in
9 accordance with a FERC-approved formula, multiplied by Narragansett's total
10 network load.

11

12 **Q. Are there any other applicable NEPOOL charges which you have not**
13 **mentioned previously in this testimony?**

14 A. Yes. The NEPOOL Tariff also charges for costs associated with Reliability Must
15 Run ("RMR") contracts.

16

17 **Q. What are RMR contracts?**

18 A. RMR generation resources are those resources identified as necessary to maintain
19 the reliability of the NEPOOL transmission system (e.g., to provide operating
20 reserve requirements and adherence to North American Electric Reliability
21 Council, Northeast Power Coordinating Council and NEPOOL reliability criteria).
22 For resources that expect to be uneconomic and would otherwise seek authority to

- 9 -

1 shut-down permanently, a cost-of-service contract is implemented for monthly
2 fixed-cost compensation so that resource can remain available to serve reliability
3 needs. That contract is the RMR contract.
4

5 **Q. How are these RMR contract costs allocated?**

6 A. Since the implementation of Standard Market Design (“SMD”) in New England
7 on March 1, 2003, any monthly charges paid to RMR resources are allocated to
8 the Network Loads within the affected reliability region during that month. Thus,
9 there may or may not be RMR-related costs assessed to Narragansett. Prior to the
10 implementation of SMD, RMR charges were socialized across all of New
11 England and all transmission customers were assessed these charges.
12

13 **B. Explanation of NEP T-9 Tariff Services & Charges**

14 **Q. What services are provided to Narragansett under the NEP T-9 Tariff?**

15 A. The NEP T-9 Tariff provides service over NEP’s local, non-highway transmission
16 facilities, considered non-PTF facilities (“Non-PTF”). The service provided over
17 the Non-PTF is referred to as Local Network Service (“LNS”). NEP also
18 provides metering, transformation and certain ancillary services to Narragansett to
19 the extent such services are required by Narragansett and not otherwise provided
20 under the NEPOOL Tariff.
21

22 **Q. Please explain the metering and transformation services provided by NEP.**

- 10 -

1 A. NEP separately surcharges the appropriate customers for these services. NEP
2 provides metering service when a customer uses NEP-owned meter equipment to
3 measure the delivery of transmission service. NEP provides transformation
4 service when a customer uses NEP-owned transformation facilities to step down
5 voltages from 69 kV or greater to a distribution voltage.
6

7 **C. Explanation of ISO-NE Tariff Services**

8 **Q. What services are provided to Narragansett under the ISO-NE Tariff?**

9 A. ISO-NE provides three types of services under Schedules 1, 2, and 3 of its ISO-
10 NE Tariff. These services include Scheduling & Dispatch Service, Energy
11 Administration Service (“EAS”) and Reliability Administration Service (“RAS”).
12 As mentioned previously, Scheduling & Dispatch Service is the service required
13 to schedule at the NEPOOL level the movement of power through, out of, within,
14 or into the NEPOOL Control Area over the PTF. For transmission service under
15 the NEPOOL Tariff, scheduling service is an ancillary service that can only be
16 provided by ISO-NE. Thus, ISO-NE’s charges for Scheduling & Dispatch
17 Service are based on the expenses incurred by ISO-NE in providing this NEPOOL
18 service. EAS and RAS are the services provided by ISO-NE to administer the
19 Energy Market and Reliability Market, respectively.
20

21 **Q. How are the ISO-NE Tariff charges assessed?**

- 11 -

1 A. ISO-NE assesses the charges for Schedules 1, 2, and 3 based upon stated rates
2 pursuant to the ISO-NE Tariff. These stated rates are adjusted annually when
3 ISO-NE files a revised budget and cost allocation proposal to become effective
4 January 1st each year. Narragansett is charged the stated rate for these services as
5 part of ISO-NE's monthly billing process, based on its network load for Schedule
6 1 charges and electrical load for Schedules 2 & 3 charges.

7

8 **IV. Estimate of Narragansett's Transmission Expenses**

9 **Q. Did you estimate Narragansett's transmission and ISO-NE expenses for**
10 **2005?**

11 A. Yes. Based on my knowledge of the NEPOOL, NEP and ISO-NE billing process,
12 I estimate the total transmission and ISO-NE expenses (including certain ancillary
13 services) for 2005 to be approximately \$44.2 million, as shown in Exhibit CAC-1,
14 Summary Page 1.

15

16 **Q. How have the estimated 2005 NEPOOL RNS transmission charges been**
17 **determined?**

18 A. As indicated in Exhibit CAC-1, Workpaper Page 1, I have used the currently
19 effective NEPOOL rates and adjusted them to reflect (1) the NEPOOL Transition
20 described earlier in my testimony and (2) an estimated rate increase to the Post-96
21 PTF Rate to reflect a forecast of capital expenditures for New England, as
22 provided by the New England transmission owners, that would be included in the

- 12 -

1 annual formula rate effective June 1st each year. The estimated 2005 NEPOOL
2 RNS transmission charges to Narragansett are then calculated by taking this
3 forecasted RNS rate, divided by 12, multiplied by Narragansett's monthly
4 network load.

5

6 **Q. How have the estimates for NEPOOL Black Start, Reactive Power and**
7 **Scheduling and Dispatch Services been determined?**

8 A. The estimated cost for Black Start Service is based on the August 2004 Black
9 Start level of 161,278 kW for 12 months multiplied by the January 1, 2005 rate of
10 \$4.25/kW-Yr. This estimate of \$8.23 million for the New England region for
11 Black Start Service, as shown in Exhibit CAC-1, Workpaper Page 3, is divided by
12 NEPOOL's 2003 Network Load to calculate an estimated annual rate. The
13 monthly rate (annual rate/12) is then multiplied by Narragansett's monthly
14 network load to determine the estimated charges for Black Start Service.

15

16 The estimated Reactive Power cost of \$50.3 million for the New England region
17 is calculated by using the actual costs for the period September 2003 through
18 August 2004, as shown in Exhibit CAC-1, Workpaper Page 3. The annual rate is
19 determined by dividing the total Reactive Power costs by NEPOOL's 2003
20 Network Load. The monthly rate (annual rate/12) is then multiplied by
21 Narragansett's monthly network load to determine the estimated charges for
22 Reactive Power Service.

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1

2 Finally, Narragansett's estimate for Scheduling and Dispatch Service is based on
3 the currently effective rate of \$.90406, divided by 12, and further multiplied by
4 Narragansett's network load for the period September 2003 through August 2004.

5

6 **Q. Have you included any RMR contract charges to Narragansett for 2005?**

7 A. No. Narragansett has not incurred any RMR contract charges as there have been
8 no RMR contracts for the Rhode Island reliability region over the past year.

9 Therefore, since it does not appear likely that there will be RMR contracts for the
10 Rhode Island reliability region, I have not forecasted any RMR contract costs for
11 2005.

12

13 **Q. How have the estimated charges to Narragansett under the NEP T-9 Tariff
14 been determined and how are these charges allocated to Narragansett's
15 customers?**

16 A. As shown in Exhibit CAC-1, Workpaper Page 2, NEP's actual Non-PTF expenses
17 for the 12 months ending August 2004 are increased by \$3.45 million to reflect
18 the additional costs associated with forecasted capital additions anticipated for the
19 rate period. NEP allocates Non-PTF expenses to Narragansett's customers on a
20 load ratio share basis, as shown in Exhibit CAC-1, Transmission Charges Page 1.
21 Metering, transformation and ancillary service charges are based on current rates

- 14 -

1 and are assessed to Narragansett based on a per meter and peak load basis,
2 respectively.

3

4 **Q. How have the estimated 2005 ISO-NE Tariff charges been determined?**

5 A. The ISO-NE's charges to Narragansett are based on the ISO-NE revenue
6 requirement filed each year with FERC. To estimate Narragansett's 2005 ISO-
7 NE charges, ISO-NE's actual costs for the period September 2003 through August
8 2004 are adjusted by an inflationary factor as shown in Exhibit CAC-1,
9 Transmission Charges Page 3. This inflationary factor is intended to recognize
10 the increase or decrease in the ISO-NE's revenue requirement from the budget as
11 filed for the periods ending December 2004 versus December 2005.

12

13 **Q. Does your estimate of Narragansett's 2005 expenses for transmission service**
14 **and ISO-NE related services represent an increase or decrease from the level**
15 **included Narragansett's current retail rates?**

16 A. The estimated 2005 Narragansett transmission and ISO-NE expenses of \$44.2
17 million represents a net increase of \$5.51 million from the 2004 forecast of
18 transmission expenses for Narragansett. This net increase is primarily due to the
19 combination of elimination of the border charge with New York, increased PTF
20 transmission investments and the updated RNS Rate, and increased NEPOOL
21 Reactive Power costs.

22

- 15 -

1 **V. Explanation of Primary Changes from Last Year's Forecasted Expenses**

2 **Q. Can you explain more about the elimination of the border charge with New**
3 **York and its impact on the 2005 forecast?**

4 A. Yes. In response to a FERC order (Docket No. RT04-2-000 et al.) regarding
5 eliminating market "seams" between New England and New York, an agreement
6 was reached between the New England and New York control areas to remove the
7 charge for transactions flowing across the New England-New York border¹. This
8 agreement was filed by the NEPOOL Participants Committee with FERC on
9 September 30, 2004 (Docket No. ER05-3-000) and is the 108th Agreement
10 amending the NEPOOL Tariff. The elimination of the charge becomes effective
11 on December 1, 2004.

12
13 Once this charge is eliminated, NEP's resulting credit to its transmission revenue
14 requirement will decrease by the amount it currently receives from NY for the
15 border charge. In isolation, this change results in an increase to NEP's
16 transmission revenue requirement and consequently its charges to Narragansett.
17 Therefore, in anticipation of the elimination of this charge and associated
18 reduction in the revenue credit, NEP's T-9 Non-PTF estimated revenue
19 requirement of \$48.9 million, as shown in Exhibit CAC-1, Workpaper Page 2, is
20 higher by \$1.28 million (estimated NY border charge revenues) to account for the
21 revenue credit reduction.

¹ 106 FERC ¶ 61,280 (2004).

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1

2 **Q. What factors are driving the increase in the PTF expense forecast for 2005?**

3 A. The estimated \$1.34 million increase to the 2005 forecast of NEPOOL PTF
4 transmission expenses is primarily due to the increased PTF Rate of \$17.53/kW-
5 Yr. versus the estimated PTF Rate of \$16.29/kW-Yr. forecasted for 2004. This
6 change is a direct result of an increase of approximately \$120.5 million in Post-96
7 PTF transmission plant investments and an overall \$20.6 million increase in PTF
8 transmission revenue requirements in New England.

9

10 **Q. Can you briefly explain the increased forecast of NEPOOL Reactive Power**
11 **costs?**

12 A. According to an ISO-NE presentation to the NEPOOL Markets Committee dated
13 September 30, 2004, there have been numerous system changes in the Boston area
14 associated with maintaining voltage on the system that have resulted in increased
15 Reactive Power costs. The associated increased Reactive Power costs, which are
16 allocated to all New England load, contribute significantly to the estimated \$2
17 million increase in the 2005 forecast of Reactive Power costs to Narragansett.

18

19 **Q. You stated previously that the 2005 forecast of transmission expenses for**
20 **Narragansett is \$5.51 million higher than the 2004 forecast of transmission**
21 **expenses currently included in Narragansett's rates. How did the 2004**

- 17 -

1 **forecast of transmission expenses for Narragansett compare to the actual**
2 **transmission expenses for the 12-month period ending August 2004?**

3 A. The 2004 forecast of transmission expenses to Narragansett was approximately \$4
4 million less than the actual transmission expenses for the 12-month period ending
5 August 2004, with roughly \$2 million under-forecast for transmission charges
6 under both the NEP T-9 Tariff and the NEPOOL Tariff.

7

8 **Q. Does this conclude your testimony?**

9 A. Yes.

Exhibits of
Carol A. Currier

Narragansett Electric Company
 Summary of Transmission Expenses
 Estimated For the Year 2005

NEP Charges			
1	Non-PTF	\$13,393,463	
2	Other NEP Charges	<u>463,181</u>	
	Sub-Total NEP Charges		\$13,856,644
NEPOOL Charges			
3	PTF	\$23,439,093	
4	Scheduling & Dispatch	1,156,345	
5	Reliability Must Run	0	
6	Black Start	515,716	
7	Reactive Power	<u>3,152,621</u>	
	Sub-Total NEPOOL Charges		\$28,263,775
ISO-NE Charges			
8	Schedule 1 - Scheduling & Dispatch	\$1,148,951	
9	Schedule 2 - Energy Administration	526,453	
10	Schedule 3 - Reliability Administration	<u>423,910</u>	
	Sub-Total ISO-NE Charges		<u>\$2,099,314</u>
11	Total Expenses Flowing Through Current Rates		<u><u>\$44,219,733</u></u>

Line 1 = Page 1 of 3: Column (2), Line 13
 Line 2 = Page 1 of 3: Sum of Column (3) thru (5), Line 13
 Line 3 = Page 2 of 3: Column (2), Line 13
 Line 4 = Page 2 of 3: Column (3), Line 13
 Line 5 = Page 2 of 3: Column (4), Line 13
 Line 6 = Page 2 of 3: Column (5), Line 13
 Line 7 = Page 2 of 3: Column (6), Line 13
 Line 8 = Page 3 of 3: Column (1), Line 17
 Line 9 = Page 3 of 3: Column (2), Line 17
 Line 10 = Page 3 of 3: Column (3), Line 17
 Line 11 = Sum of Line 1 thru Line 10

Narragansett Electric Company
Summary of New England Power - Tariff No. 9 Charges
Estimated For the Year 2005

		(1) Non- PTF Load Ratio % Share	(2) Non-PTF Demand Charge	(3) Scheduling & Dispatch	(4) Transformer Surcharge	(5) Meter Surcharge	(6) Total NEP Costs
1	January	24.64%	\$1,075,002	\$5,802	\$2,252	\$1,074	\$1,084,130
2	February	25.26%	1,102,052	34,652	2,252	1,074	1,140,030
3	March	24.52%	1,069,767	94,671	2,252	1,074	1,167,764
4	April	23.89%	1,042,281	33,054	2,252	1,074	1,078,661
5	May	26.51%	1,156,587	18,456	2,252	1,074	1,178,369
6	June	25.90%	1,129,974	48,041	2,252	1,074	1,181,341
7	July	26.71%	1,165,313	34,404	2,252	1,074	1,203,043
8	August	26.76%	1,167,494	43,945	2,252	1,074	1,214,765
9	September	26.41%	1,152,224	25,417	2,252	1,074	1,180,967
10	October	25.71%	1,121,685	22,506	2,252	1,074	1,147,517
11	November	25.54%	1,114,268	20,099	2,252	1,074	1,137,693
12	December	25.14%	1,096,816	42,222	2,252	1,074	1,142,364
13	12- Mo Total		\$13,393,463	\$423,269	\$27,024	\$12,888	\$13,856,644

Lines 1-12: Column (1) & (3) = Monthly Network Bills for period September 2003 thru August 2004

Lines 1-12: Column (4) & (5) = Current rate as of June 2004

Lines 1-12: Column (2) = Column (1) * Workpaper 2 of 3, Line 16 / 12

Lines 1-12: Column (6) = Sum of Column (2) thru (5)

Line 13 = Sum of Line 1 thru Line 12

Narragansett Electric Company
Summary of NEPOOL - Tariff No. 1 Charges
Estimated For the Year 2005

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Monthly PTF kW Load	PTF Demand Charge	Scheduling & Dispatch	Reliability Must Run	Black Start	Reactive Power	Total NEPOOL	
1	January	1,373,645	\$2,006,666	\$103,488	\$0	\$46,154	\$282,147	\$2,438,455
2	February	1,220,387	1,782,782	91,942	0	41,005	250,667	2,166,396
3	March	1,137,549	1,672,197	85,701	0	38,222	233,653	2,029,773
4	April	1,059,868	1,558,006	79,849	0	35,612	217,697	1,891,164
5	May	1,162,898	1,709,460	87,611	0	39,073	238,859	2,075,003
6	June	1,471,485	2,304,100	110,859	0	49,442	302,243	2,766,644
7	July	1,509,110	2,363,015	113,694	0	50,706	309,971	2,837,386
8	August	1,603,964	2,511,540	120,840	0	53,893	329,454	3,015,727
9	September	1,254,193	1,963,857	94,489	0	42,141	257,611	2,358,098
10	October	1,120,741	1,754,894	84,435	0	37,657	230,200	2,107,186
11	November	1,152,608	1,804,792	86,836	0	38,728	236,746	2,167,102
12	December	1,282,246	2,007,784	96,602	0	43,083	263,373	2,410,842
13	12-Mo Total	15,348,694	\$23,439,093	\$1,156,345	\$0	\$515,716	\$3,152,621	\$28,263,775

Line 1-12: Column (1) = NEPOOL Monthly Statement September 2003 - August 2004

Line 1-2: Column (2) = Workpaper, Page 1 of 3, Line 3 * Column (1) / 12

Line 3-5: Column (2) = Workpaper, Page 1 of 3, Line 6 * Column (1) / 12

Line 6-12: Column (2) = Workpaper, Page 1 of 3, Line 13 * Column (1) / 12

Line 1-12: Column (3) = Current Rate * Column (1) / 12 Rate = 0.90406 /kW-Yr

Line 1-12: Column (4) = 0 [No Reliability Must Run Contracts are currently in effect for Rhode Island]

Line 1-12: Column (5) = Workpaper, Page 3 of 3, Line 8 * Column (1)

Line 1-12: Column (6) = Workpaper, Page 3 of 3, Line 4 * Column (1)

Line 1-12: Column (7) = Sum of Columns (2) thru (6)

Line 13 = Sum of Line 1 thru Line 12

Narragansett Electric Company
Summary of ISO-NE - Tariff No. 1 Charges
Estimated For the Year 2005

	(1)	(2)	(3)	(4)
	Sch. 1	Sch. 2	Sch. 3	Total
	Scheduling	Energy	Reliability	ISO-NE
	& Dispatch	Administration	Administration	Charges
1 January	\$100,070	\$42,558	\$41,631	\$184,259
2 February	88,973	49,139	32,735	170,847
3 March	81,951	53,502	54,002	189,455
4 April	76,085	47,689	32,200	155,974
5 May	83,508	36,406	22,848	142,762
6 June	110,070	37,056	23,040	170,166
7 July	113,040	42,245	32,224	187,509
8 August	116,173	46,029	35,593	197,795
9 September	72,829	61,035	48,403	182,267
10 October	65,179	46,236	35,650	147,065
11 November	67,569	33,967	26,190	127,727
12 December	75,527	33,031	30,437	138,995
13 Sub-Total	\$1,050,974	\$528,893	\$414,952	
14 2004 Budget	\$17,448,161	\$75,873,840	\$28,664,919	
15 2005 Budget	\$19,074,765	\$75,523,753	\$29,283,747	
16 % Change	9.32%	-0.46%	2.16%	
17 Estimate	\$1,148,951	\$526,453	\$423,910	\$2,099,314

Line 1-12: Column (1) thru (3) = Monthly ISO Bills for period September 2003 thru August 2004

Line 13 = Sum of Line 1 thru Line 12

Line 14 = ISO-NE Proposed Operating Budget (Year 2004)

Line 15 = ISO-NE Proposed Operating Budget (Year 2005)

Line 16 = Line 15-Line 14 / Line 14

Line 17: Column (1) thru (3) = Line 13 + (Line 13*Line 16); Column (4) = Sum of Columns (1) thru (3)

09-Nov-04

New England Power Company
PTF Rate Calculation
Non-PTF Revenue Requirement
Estimated For the Year 2005

Development of PTF Rate:

1	Currently Effective NEP PTF Rate	Pre -97	\$13.18 /KW-YR
2	Currently Effective NEPOOL PTF Rate	Post-96	4.35 /KW-YR
3	Total Regional Network Service Rate through February 28, 2005		\$17.53 /KW-YR
<u>ESTIMATED Rate Effective March 1, 2005 through May 31, 2005:</u>			
4	Estimate Change in Rate - NEP PTF Rate	Pre -97	\$13.29 /KW-YR
5	Currently Effective NEPOOL PTF Rate	Post-96	4.35 /KW-YR
6	Total Regional Network Service Rate March 1, 2005 through May 31, 2005		\$17.64 /KW-YR
<u>ESTIMATED Increase in NEPOOL Rate Effective June 1, 2005</u>			
7	Total ESTIMATED NEPOOL Post-96 Plant Additions		\$156,300,000
8	* Carrying Charge		15.0%
9	/ 2003 NEPOOL Network Load		20,422,830
10	Additional Estimated NEPOOL Post-96 Rate		\$1.15 /KW-YR
11	Pre-97 Rate		\$13.29 /KW-YR
12	Estimated Post-96 Rate		5.50 /KW-YR
13	Total Regional Network Service Rate in effect June 1, 2005 through February 28, 2006		\$18.79 /KW-YR

Line 1 & 2 = NEPOOL Informational Filing dated 7/30/2004, as amended
Line 3 = Line 1 + Line 2
Line 4 = Recalculation of RNS Rate using the change in bandwidth per Schedule 9 NEPOOL Tariff
Line 5 = NEPOOL Informational Filing dated 7/30/2004, as amended
Line 6 = Line 4 + Line 5
Line 7 = Total NEPOOL 2004 Capital Additions Estimates as provided by Transmission Owners
Line 8 = Average NEPOOL Post-96 Carrying Charge - 2003
Line 9 = NEPOOL Informational Filing dated 7/30/2004, as amended
Line 10 = Line 7 * Line 8 / Line 9
Line 11 = Line 4
Line 12 = Line 5 + Line 10
Line 13 = Line 11 + Line 12

09-Nov-04

New England Power Company
PTF Rate Calculation
Non-PTF Revenue Requirement
Estimated For the Year 2005

<u>Section II:</u>		
14	NEP's Tariff 9 Non-PTF Revenue Requirement (12 mos. Ended 8/31/04)	\$48,908,322
15	Adjustment for Forecasted 2004 Capital Additions	\$3,445,682
16	Estimated 2005 Non-PTF Revenue Requirement	\$52,354,004
<u>Adjustment for Year End 2004 Capital Additions</u>		
17	Estimated 2004 Non-PTF Transmission Capital Expenditures for Lines	\$10,903,200
18	Est. 2004 Non-PTF Transmission Capital Expenditures for Substations	\$11,770,680
19	Estimated Percentage Transferred to Plant in 2004 for Substations	70%
20	Estimated NEP 2004 Transmission Plant Additions	\$19,142,676
21	Non-PTF Transmission Plant Carrying Charge	18%
22	Adjustment for Forecasted 2004 Capital Additions	\$3,445,682
 <u>Section III:</u>		
<u>Transmission Plant Carrying Charge</u>		
23	NEP's Tariff 9 Revenue Requirement	48,908,322
24	Total Revenue Credit (12 Mos. Ended 8/31/04)	140,420,513
25	Total Transmission Integrated Facilities Credit (12 Mos. Ended 8/31/04)	(32,391,084)
26	Sub-Total	156,937,751
27	Total Transmission Plant (as of 8/31/04)	851,230,979
28	Non-PTF Transmission Plant Carrying Charge	18%

Line 14 = NEP Tariff 9 Billing (includes adjustment to reflect NY border charge elimination)
Line 15 = Line 22
Line 16 = Line 14 + Line 15
Line 17 & 18 = Transmission Capital Budget * 30% to estimate Non-PTF portion
Line 19 = Engineering Estimate for Substations
Line 20 = Line 17 + (Line 18 * Line 19)
Line 21 = Line 28
Line 22 = Line 20 * Line 21
Line 23 thru 25 = NEP Tariff 9 Billings
Line 26 = Sum of Lines 23 thru 25
Line 27 = NEP Tariff 9 Billing
Line 28 = Line 26 / Line 27

09-Nov-04

Narragansett Electric Company
Summary of Reactive Power & Black Start Costs
Estimated For the Year 2005

Section I: Development of Reactive Power Estimate

1	Estimated Total NEPOOL Reactive Power Costs	\$50,338,866
2	2003 NEPOOL Network Load (KW)	20,422,830
3	Estimated Rate / KW-Yr	\$2.4648
4	Estimated Rate / KW-Mo	\$0.2054

Section II: Development of Black Start Costs

5	Estimated Total NEPOOL Black Start Costs	\$8,225,212
6	2003 NEPOOL Network Load (KW)	20,422,830
7	Estimated Rate / KW-Yr	\$0.4027
8	Estimated Rate / KW-Mo	\$0.0336

Line 1 = ISO-NE Schedule 2 Settlement Reports for period September 2003 thru August 2004
Line 2 = 12 CP Network Loads from NEPOOL Informational Filing dated 7/30/2004, as amend
Line 3 = Line 1 / Line 2
Line 4 = Line 3 / 12
Line 5 = August 2004 Black Start Settlement Reports * Current Rate of \$4.25 * 12
Line 6 = Line 2
Line 7 = Line 5 / Line 6
Line 8 = Line 7 / 12