

**DIVISION OF PUBLIC UTILITIES AND CARRIERS
MEMORANDUM**

**TO: LULY MASSARO
COMMISSION CLERK**

DATE: 11/9/05

**FROM: STEPHEN SCIALABBA 
DPUC CHIEF ACCOUNTANT**

SUBJECT: NARRAGANSETT ELECTRIC DOCKET 3706

The Division requests that the Narragansett Electric Company filing to increase the standard offer rate, made on October 31, be suspended by the Commission. When the Company made the filing, it offered a rate calculation based on a possible December 1 implementation as well as an alternative calculation based on a January 1, 2006 implementation. We believe more time is needed to review the filing than a December 1 implementation date would allow. Additionally, the fuel markets have come down a bit since the company made the filing. In informal discussions with the company, they indicated based on updated calculations a nine month factor effective 1/1/06 would be 10.2 cents. This contrasts to the filed rate of 10.5 cents for a 1/1/06 nine month factor. While fuel markets continue to be volatile, a calculation performed closer to the winter may provide a more accurate picture of fuel costs for the proposed period. Additionally, revisions to the transition and transmission charges are expected to occur effective January 1, 2006, so all rate changes could be made at the same time. We therefore recommend suspension beyond December 1.