

December 21, 2005

VIA HAND DELIVERY & ELECTRONIC MAIL

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

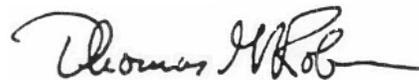
**RE: Docket 3706 – October '05 Standard Offer Adjustment
Responses to Division's Data Requests – Set 2 (Part III)**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of The Narragansett Electric Company's d/b/a National Grid ("Company") response to Division Data Request 2-10. This filing completes the Company's responses to the Division's Data Requests issued in the above-captioned proceeding.

Thank you for your attention to this filing. If you have any questions, please feel free to contact me (508) 389-2877.

Very truly yours,



Thomas G. Robinson

Enclosures

cc: Docket 3706 Service List

Division Data Request 2-10

Request:

How did NEC determine that the fuel surcharge benchmarks were reasonable? Provide all workpapers supporting this conclusion, if such a conclusion were reached. Did NEC determine that the fuel surcharge benchmarks were reasonable? If not, why not?

Response:

The Fuel Trigger Points implied a base price of oil and natural gas which exceeded a commonly accepted range of forecasts for oil and natural gas prices being debated at the time industry restructuring was being considered. For example, attached is a January 1997 forecast sponsored by La Capra Associates, showing a range of forecasts for natural gas.

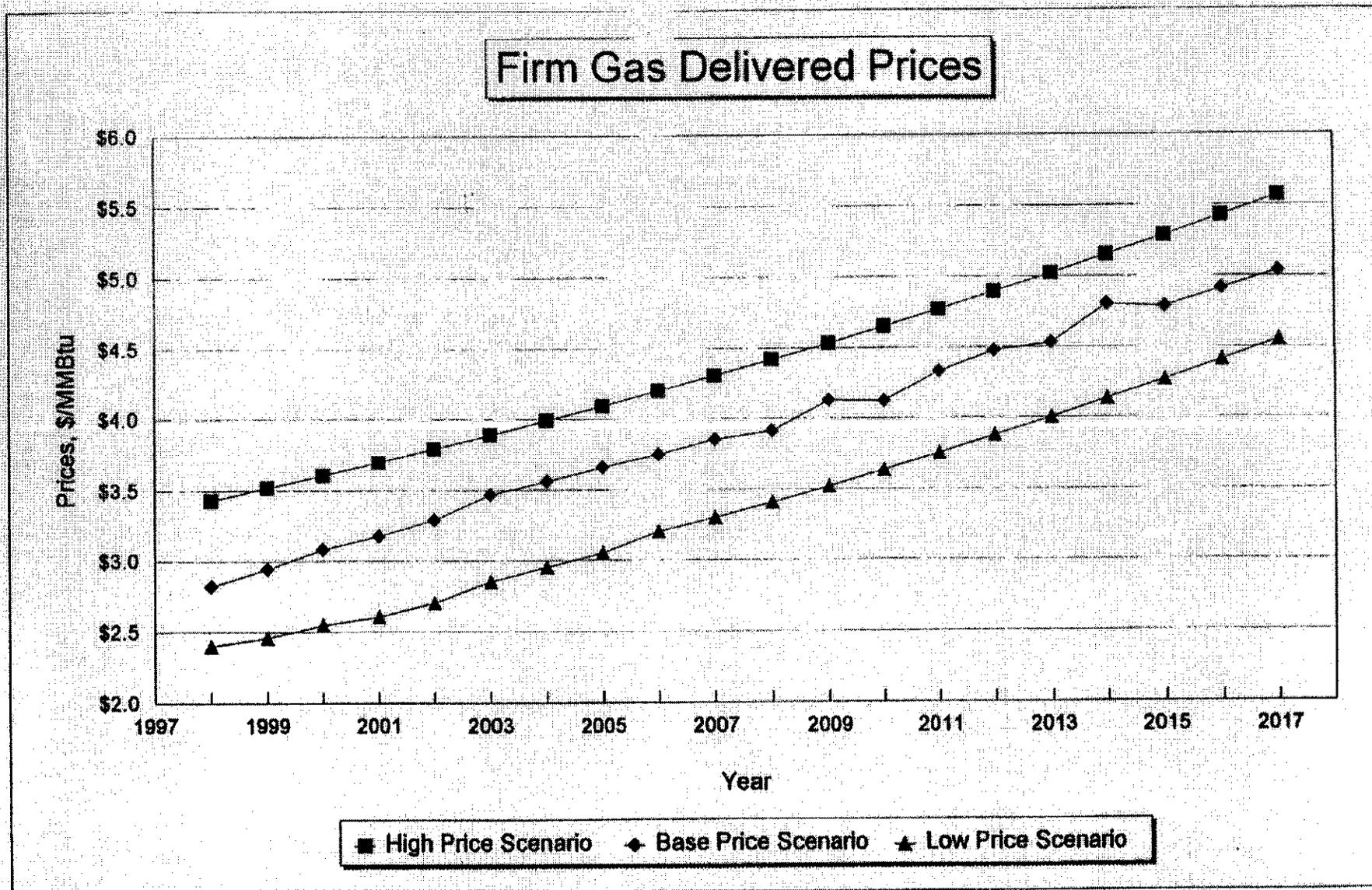
Based on these fuel forecast expectations, among other information at the time, the Company believed that the Fuel Trigger Points were reasonable, given the purpose for which they were being used.

In the limited amount of time available, we have not performed a complete search of our archives for other workpapers, if any exist, that might be responsive to this request.

Prepared by or under the supervision of: Ronald T. Gerwatowski

1997 Forecast (La Capra Associates)

Attachment 3(b)



Certificate of Service

I hereby certify that a copy of the cover letter and accompanying material(s) have been hand-delivered or sent via U.S. mail to the parties listed below.



Joanne M. Scanlon
National Grid

December 21, 2005
Date

Narragansett Electric Co. – Standard Offer Rate Filing – Docket No. 3706
Service list as 11/03/05

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