

November 16, 2006

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: January 2007 Retail Rate Filing, Docket No. 3788

Dear Ms. Massaro:

Enclosed please find ten (10) copies of The Narragansett Electric Company, d/b/a National Grid (“National Grid” or “Company”) January 2007 Retail Rate Filing. This filing consists of a proposed decrease to the Standard Offer rate, along with other rate adjustments arising out of the reconciliation of the Company’s transmission expenses pursuant to its Transmission Service Cost Adjustment Provision, and the calculation of its transition charge pursuant to its Non-Bypassable Transition Charge Adjustment Provision. National Grid’s filing, if approved, will be a net decrease in rates for customers effective for use on and after January 1, 2007. The Company’s filing contains the direct testimony and schedules of Jeanne A. Lloyd, Michael J. Hager, and Mary P. Haines in support of the proposed rate changes.

In summary, the filing proposes:

- (1) a Standard Offer Service rate reduction from 9.4¢ per kWh to 8.3¢ per kWh;
- (2) a reduction in the Company’s transition charge from the current rate of 0.575¢ to 0.559¢ per kWh; and
- (3) an increase in transmission charges that, on average, raises transmission rates by 0.102¢ per kWh. This is due primarily to an increase in forecasted transmission expenses for 2007 and an under recovery of transmission expenses for the period October 2005 through September 2006.

The net effect of the rate changes presented by this filing would decrease the total bill of a 500 kWh residential customer by \$5.11, or 6.6%, from \$77.82 to \$72.71.

In addition, the Company’s filing proposes to continue the second phase of the \$2 million low-income credit that was approved in Docket No. 3710 in 2005. This results in a credit to

Luly Massaro, Commission Clerk
January 2007 Retail Rate Filing
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the low-income rate class equal to 1.306¢ per kWh applicable to the first 450 kWhs consumed per month.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Laura S. Olton

Enclosures

cc: Steve Scialabba, Division
Paul Roberti, Esq.

National Grid

January 2007 Retail Rate Filing

Testimony and Schedules
Of
Jeanne A. Lloyd,
Michael J. Hager, and
Mary P. Haines

November 2006

Submitted to:
Rhode Island Public Utilities Commission
R.I.P.U.C. Docket No. 3788

Submitted by:

nationalgrid

Testimony of
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. My name is Jeanne A. Lloyd, and my business address is 55 Bearfoot Road,
4 Northborough, Massachusetts 01532.

5
6 Q. Please state your position.

7 A. I am the Manager of Distribution Rates, New England in the Distribution Regulatory
8 Services Department of National Grid USA Service Company, Inc. The Distribution
9 Regulatory Services Department provides rate related support to The Narragansett
10 Electric Company d/b/a National Grid (“National Grid” or “Company”).

11
12 Q. Please describe your educational background and training.

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

16
17 Q. Please describe your professional experience?

18 A. I was employed by EUA Service Corporation in December 1990 as an Analyst in the
19 Rate Department. I was promoted to Senior Rate Analyst on January 1, 1993. My
20 responsibilities included the study, analysis and design of the retail electric service rates,
21 rate riders and special contracts for the EUA retail companies. After the merger of New
22 England Electric System and Eastern Utilities Associates in April 2000, I joined the

1 Distribution Regulatory Services Department as a Principal Financial Analyst. I
2 assumed my present position October 1, 2006. Prior to my employment at EUA, I was
3 on the staff of the Missouri Public Service Commission in Jefferson City, Missouri in the
4 position of research economist. My responsibilities included presenting both written and
5 oral testimony before the Missouri Commission in the areas of cost of service and rate
6 design for electric and natural gas rate proceedings.

7
8 Q. Have you previously testified before Rhode Island Public Utilities Commission
9 (“Commission”)?

10 A. Yes.

11
12 **II. Purpose of Testimony**

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

14 A. The Company is requesting Commission approval of the Standard Offer Service rate, the
15 Company’s proposed base non-bypassable transition charge (“transition charge”),
16 transition charge adjustment factor, base transmission charges and transmission service
17 adjustment factor effective for usage on and after January 1, 2007. The Company is also
18 presenting the results of the annual reconciliations: the Standard Offer Service, Last
19 Resort Service, non-bypassable transition charge, and transmission service.

20
21 In addition, the Company has included the final true-up of the Customer Credit, which
22 was refunded to customers from November 1, 2004 through December 31, 2005 pursuant

1 to the provisions of Section 7(C) of the Second Amended Stipulation and Settlement in
2 Docket No. 3617 (“3617 Settlement”). The Company is proposing to apply the final
3 reconciliation balance, as well as the Service Quality penalty of \$174,958 incurred for
4 calendar year 2005 as filed in the Company’s Service Quality report to the Commission
5 filed on May 1, 2006, to the transmission service reconciliation to offset the under
6 recovery incurred during October 2005 through September 2006.

7
8 Also included in this filing is a reconciliation of the low income credit implemented
9 January 1, 2006 per the Commission’s decision in Docket No. 3710. The Company is
10 proposing to extend an additional \$2 million credit to customers receiving service on
11 Low Income Residential Rate A-60 for the period January 1, 2007 through December 31,
12 2007.

13
14 Q. Please describe the changes being proposed to each component of the Company’s
15 charges.

16 A. The Company is proposing a Standard Offer Service rate of 8.3¢ per kWh, a decrease of
17 1.1¢ per kWh from the current rate of 9.4¢ per kWh. The decrease is due to a decrease in
18 the level of natural gas and crude oil prices.

19
20 The Company is proposing to decrease its transition charge from its current level of
21 0.575¢ per kWh to 0.559¢ per kWh for calendar year 2007. The proposed charge is
22 based upon two components. The first component is New England Power Company’s

1 (“NEP”) annual Contract Termination Charge (“CTC”) for 2007 for Narragansett Electric
2 Company, the former Blackstone Valley Electric Company (“BVE”) and the former
3 Newport Electric Corporation (“Newport”). At the time of this filing, NEP has not
4 finalized its 2007 CTCs, but expects to do so by way of a reconciliation report that will
5 be issued to the Commission and other parties to the wholesale restructuring settlements
6 by December 1, 2006. The Company intends to update its proposed transition charge
7 prior to the hearing in this proceeding if the final CTCs result in a transition charge that is
8 different from those included in this filing.

9
10 The second component of the proposed transition charge is the proposed transition charge
11 adjustment factor resulting from the annual reconciliation of the transition charge, which
12 is a credit of 0.010¢ per kWh.

13
14 The Company is proposing revised base transmission charges and a transmission service
15 adjustment factor of 0.297¢ per kWh. On average, the transmission charges are an
16 increase of approximately 0.102¢ per kWh over the base charges and the transmission
17 adjustment factor currently in effect. The increase is due primarily to an increase in the
18 forecast of transmission expenses for 2007 and an under collection of transmission
19 expenses incurred for the period October 2005 through September 2006.

20
21 Schedule JAL-1 presents a summary of the proposed rate changes.

22

1 **III. Standard Offer Service Rate Proposal and Standard Offer Service Reconciliation**

2 Proposed Standard Offer Service Rate

3 Q. What is the Company's Standard Offer rate proposal?

4 A. The Company is proposing a Standard Offer rate of 8.3¢ per kWh effective for
5 consumption on and after January 1, 2007. The proposed rate is based on natural gas and
6 crude oil prices as reported in the *Wall Street Journal* on October 25, 26 and 27, 2006.

7
8 Q. Has the Company prepared a projection of the Standard Offer reconciliation balance
9 through December 2007 based on current fuel price estimates?

10 A. Yes. The projected reconciliation for the period October 2006 through December 2007 is
11 in Schedule JAL-2, page 1 of 1. The reconciliation shows an estimated over recovery of
12 approximately \$106.8 million as of December 31, 2007 based on the Standard Offer rate
13 currently in effect and on the current fuel price estimates.

14
15 Q. How are estimated revenues calculated?

16 A. Estimated revenues are calculated by applying the current retail rate of 9.4¢ per kWh to
17 the Company's projected Standard Offer kWh deliveries for the period October 2006
18 through December 2007. The calculation of estimated revenues is shown on page 2 of
19 Schedule JAL-2.

20
21 Q. How are projected expenses determined?

22 A. The calculation of estimated expenses is shown on page 3 of Schedule JAL-2. Standard

1 Offer expenses are comprised of base wholesale Standard Offer charges and fuel index
2 payments incurred pursuant to the Fuel Index Adjustment Provisions contained in some
3 of the Company's Wholesale Standard Offer Service Agreements.

4
5 Base Standard Offer expenses, shown in Column (e), are determined by applying the base
6 Standard Offer charge in effect in each year to the Company's projected Standard Offer
7 kWh deliveries. For 2006, the base Standard Offer charge is 5.9¢ per kWh and for 2007,
8 the base charge is 6.3¢ per kWh.

9
10 A description of the Fuel Index Adjustment Provision is provided in the testimony of Mr.
11 Hager. Estimated fuel expenses for the period October 2006 through December 2007 are
12 calculated by applying the projected Standard Offer kWh deliveries to the estimated fuel
13 index cost per kWh as shown in Column (f). The estimated fuel index cost per kWh is
14 developed in Schedule MJH-4.

15
16 Q. What is the estimated average Standard Offer expense for the period January 1, 2007
17 through December 21, 2007?

18 A. The estimated Standard Offer expense for the period January 1, 2007 through December
19 31, 2007 is calculated in Schedule JAL-3, Section 1, page 1 of 3. Column (a) shows the
20 estimated monthly fuel index adjustment payments for each month. The base Standard
21 Offer charges for each month are shown in Column (b). Column (c) is the estimated
22 adjustments to Standard Offer expenses as shown on Schedule JAL-2, page 1, column

1 (g). Column (d) sums the fuel index payments, the base charges and the adjustments
2 resulting in the total expected Standard Offer expense in each month. The average
3 Standard Offer Service cost per kWh is calculated by summing the estimated expense for
4 the period, less the estimated over recovery of Standard Offer expense as of December
5 31, 2006, and dividing by the estimated Standard Offer kWh deliveries for the same
6 period. The estimated average Standard Offer cost for the period January 1, 2007
7 through December 31, 2007 is 7.9¢ per kWh.

8
9 For comparison purposes, the estimated Standard Offer Service expense for the first six
10 months of 2007 and for the last six months of 2007 are calculated separately and shown
11 in Section 2 of Schedule JAL-3, page 1. Section 2 shows that the estimated average
12 Standard Offer expense for the period January 1, 2007 through June 30, 2007 is 7.8¢ per
13 kWh and for the period July 1, 2007 through December 31, 2007 is 8.0¢ per kWh.

14
15 Q. Why is the Company proposing a rate of 8.3¢ per kWh instead of 7.9¢ per kWh as
16 calculated on Schedule JAL-3?

17 A. In developing its Standard Offer rate proposal, the Company investigated various
18 alternative Standard Offer Service rate designs with the goal of rate stability in mind, but
19 also mindful of the Commission's pragmatic approach to dramatic changes to the
20 Standard Offer Service rate in uncertain market conditions.

21
22 Due to the volatility of fuel prices during the past two years, it has been necessary for the

1 Company to request mid-year Standard Offer rate adjustments during both 2005 and
2 2006. The Company's last Standard Offer Service rate adjustment, a decrease from 10.0¢
3 per kWh to 9.4¢ per kWh, was implemented on September 1, 2006 in Docket No. 3739.
4 In that filing, the Company anticipated a second adjustment would be possible if fuel
5 prices remained stable or decreased from then current levels. The Company is now in the
6 position of being able to implement the second reduction in the Standard Offer Service
7 rate. However, as has been evidenced in past Standard Offer rate proceedings, fuel prices
8 can reverse quickly in response to weather, fuel supply conditions and other world
9 events. The Company is proposing to reduce the Standard Offer to a level that will
10 provide customers with a significant reduction in monthly bills but takes into account the
11 fact that fuel prices can change dramatically during the winter months. If prices remain
12 stable, the Company will consider filing a request for another incremental decrease after
13 the winter period.

14
15 Q. If the Company's proposed Standard Offer Service rate of 8.3¢ per kWh is approved,
16 what will be the estimated balance in the Standard Offer reconciliation as of June 30,
17 2007 and as of December 31, 2007?

18 A. Schedule JAL-3, page 2, shows the projected Standard Offer reconciliation through
19 December 2007. The beginning balance of \$18.3 million reflects the over recovery of
20 Standard Offer expenses incurred during the period October 2005 through September
21 2006 and is described in more detail below. The estimated balance in the Standard Offer
22 reconciliation as of June 30, 2007, based on the Company's proposed Standard Offer

1 Service rate of 8.3¢ per kWh and on current fuel price estimates, is approximately \$32.0
2 million. The estimated balance as of December 31, 2007 is approximately \$27.4 million.
3 This amount is close to the Commission's recommended threshold of \$23 million that is
4 used as a benchmark for triggering a Standard offer rate adjustment. If the balance in the
5 projected Standard Offer reconciliation is in excess of \$23 million after the winter, the
6 Company would be in a position to file another Standard Offer Service rate reduction.

7
8 The Company will continue to file its monthly reconciliation report with the
9 Commission.

10
11 Q. By way of illustration, how does the Company's proposed Standard Offer Service rate
12 compare to the commodity rates of other utilities in the area?

13 A. Commodity rates are relatively dynamic in New England under each state's rules for the
14 procurement and rate setting of utility-supplied commodity service. However, to
15 illustrate the relative level of the Company's proposed Standard Offer Service rate to the
16 currently effective Basic Service fixed residential rates in Massachusetts, please refer to
17 the table below.

Utility	Residential Basic Service Rate ¹
NStar-Boston Edison	11.442¢
NStar-Cambridge Electric	10.670¢
NStar-Commonwealth Electric	10.454¢
Fitchburg Gas & Electric	12.180¢
National Grid-Mass. Electric	11.672¢
Western Mass. Electric	10.293¢

1

2

3

Standard Offer Reconciliation

4

Q. Please describe the Company's Standard Offer reconciliation for the period October 2005 through September 2006?

5

6

A. This reconciliation is included as Schedule JAL-4. Page 1 of Schedule JAL-4 reflects an over recovery of approximately \$18.3 million for the period October 2005 through September 2006.

7

8

9

10

Q. Please describe the Standard Offer reconciliation process in more detail.

11

A. The Company is required to reconcile Standard Offer revenues and expenses in accordance with the Standard Offer Adjustment Provision, R.I.P.U.C. No. 1153. This provision requires that, on an annual basis, the Company reconcile its total cost of purchased power for Standard Offer supply against its total Standard Offer revenue, and the excess or deficiency be refunded to, or collected from customers through a rate recovery/refund methodology approved by the Commission at the time the Company files

12

13

14

15

16

¹ All of these rates are publicly available and were obtained from the Massachusetts Department of Telecommunications and Energy website. Basic Service rates are market-based rates and those for residential customers are established every six months as new supplies are contracted through a request for proposal process.

1 its annual reconciliation. Total revenues are all charges billed to Standard Offer
2 customers through the Standard Offer rates for the applicable 12-month reconciliation
3 period. If there is a positive or negative balance in the current Standard Offer
4 reconciliation outstanding from the prior period, the balance shall be credited against or
5 added to the new reconciliation amount, as appropriate, in estimating the Standard Offer
6 balance for the new reconciliation period.

7
8 Q. Please describe the adjustments shown in Column (g) of the Standard Offer
9 reconciliation.

10 A. The adjustments shown in Column (g) of Page 1 of the reconciliation reflect the
11 following:

12 1) NEPOOL Generation Information System (“NE-GIS”) expenses of
13 approximately \$103,000. Recovery of these expenses is allowed pursuant to the
14 Commission’s Rules Governing Energy Source Disclosure.

15
16 2) A credit of \$631,413 which reflects the final over recovery balance of the Last
17 Resort Service reconciliation for the period October 2004 through September
18 2005. This amount is included as an offset to Standard Offer expenses pursuant
19 to the Commission’s decision in Docket No. 3706.

20
21 3) fuel index payments of approximately \$10.9 million made to one of the
22 Company’s Standard Offer suppliers. These fuel index payments are currently

1 being disputed by the Company.

2
3 **IV. Transition Charge**

4 Base Transition Charge

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

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

14
15 Q. What is the Company's proposal in this proceeding?

16 A. The Company is proposing a transition charge during 2007 of 0.559¢ per kWh. The
17 charge represents (i) the weighted average base transition charge of 0.569¢ per kWh, and
18 (ii) a transition charge adjustment factor credit of 0.010¢ per kWh, calculated on
19 Schedule JAL-6, page 11, designed to refund the transition charge over recovery for the
20 period October 2005 through September 2006.

21
22 Q. How is the weighted average base transition charge calculated?

1 A. Schedule JAL-5, page 1, shows the calculation of the weighted average base transition
2 charge for 2007. The preliminary individual CTCs and estimated GWhs for
3 Narragansett, BVE and Newport, shown in Section I of page 1, are based upon the most
4 recent estimate of NEP's 2007 CTCs. The individual company CTCs determined in
5 Section I are aggregated in Section II and divided by the total GWh deliveries to arrive at
6 a weighted average base transition charge of 0.569¢ per kWh.

7

8 Transition Charge Reconciliation

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

10 A. The Company reconciles transition charge revenue and CTC expense in accordance with
11 its Non-Bypassable Transition Charge Adjustment Provision, which provides for an
12 annual reconciliation of the Company's total CTC expense against the Company's total
13 revenue from its transition charge. The excess or deficiency is to be refunded to or
14 collected from customers with interest accruing at the rate in effect for customer deposits.
15 The reconciliation is prepared on a monthly basis and for this filing covers the
16 reconciliation period October 2005 through September 2006, as reflected in Schedule
17 JAL-6. Page 1 shows a summary of the reconciliation for the combined company. Pages
18 2 through 4 show individual reconciliations for Narragansett, BVE, and Newport.

19

20 Q. What is the total Company transition charge reconciliation balance for the year ending
21 September 30, 2006?

22 A. The balance for the period October 2005 through September 2006, shown in Schedule

1 JAL-6, page 1, reflects an over recovery of \$798,533.

2
3 Q. How is the Company proposing to treat the over recovery for the period October 2005
4 through September 2006?

5 A. As discussed earlier, the Company is proposing to decrease the weighted average
6 transition charge of 0.569¢ per kWh, calculated on Schedule JAL-5, page 1, by a
7 transition charge adjustment factor credit of 0.010¢ per kWh, as calculated in Schedule
8 JAL-5, page 2. The transition charge over recovery, including interest during the
9 recovery period, of \$816,017 on Line (2) on page 2 of Schedule JAL-5, is divided by the
10 2007 forecasted kWh deliveries, resulting in a credit of 0.010¢ per kWh. This credit,
11 when subtracted from the weighted average transition charge of 0.569¢ per kWh,
12 produces a net transition charge of 0.559¢ per kWh, as shown on Line (5).

13
14 Q. What does page 5 of Schedule JAL-6 reflect?

15 A. Page 5 of Schedule JAL-6 presents the status of the approximately \$437,000 refund of a
16 transition charge over recovery incurred during the period October 2003 through
17 September 2004. The Company refunded this over recovery during 2005 through the
18 2005 transition charge. Page 5 of Schedule JAL-6 shows that as of December 31, 2005,
19 the balance to be refunded was \$56,440. The Company has credited this amount to the
20 base transition reconciliation in the month of January 2006.

21
22 Q. What does page 7 of Schedule JAL-6 reflect?

1 A. Page 7 of Schedule JAL-6 presents the status of the approximately \$143,000 collection of
2 a transition charge under recovery incurred during the period October 2004 through
3 September 2005. The Company is collecting this under recovery during 2006 through the
4 2006 transition charge. Page 7 of Schedule JAL-6 shows that as of October 31, 2006, the
5 balance remaining to be collected is approximately \$87,000. The Company will continue
6 to charge customers through December 2006 and any residual balance, positive or
7 negative, will be credited or charged to the base transition reconciliation in the month of
8 January 2007.

9

10 Q. What does page 9 of Schedule JAL-6 reflect?

11 A. Page 9 of Schedule JAL-6 presents the status of the \$8.5 million refunded to customers
12 pursuant to the Settlement Agreement in Docket No. 3710, Request for Approval of
13 Dispensation of Settlement Proceeds (Order No. 18510 issued January 24, 2006). The
14 Company is refunding this amount during 2006 through the 2006 transition charge. Page
15 9 of Schedule JAL-6 shows that as of October 31, 2006, the balance remaining to be
16 refunded is approximately \$2.3 million. The Company will continue to refund customers
17 through December 2006 and any residual balance, positive or negative, will be credited
18 or charged to the base transition reconciliation in the month of January 2007.

19

20 V. **Transmission Charges**

21 **Proposed Base Transmission Service Rates**

22 Q. Has the Company prepared a forecast of transmission costs for 2007?

1 A. Yes, it has. It is included in the testimony and Schedules of Ms. Mary P. Haines, who
2 will explain the forecast and how it was derived. The transmission forecast for 2007 is
3 approximately \$61.6 million, an increase of approximately \$8.8 million from the 2006
4 forecast.

5
6 Q. How does the Company propose to collect the \$61.6 million of forecasted transmission
7 expense for 2007?

8 A. The Company is proposing to revise its base transmission charges to collect approximately
9 75%, or \$46.4 million, of the forecasted expense. The remaining \$15.2 million of the
10 2007 estimated expenses will be collected in the transmission adjustment factor, along
11 with the under collection incurred during the period October 2005 through September
12 2006 and the remaining uplift expenses approved for recovery by the Commission in
13 Docket No. 3617.

14
15 Q. Please describe the Company's current transmission charges.

16 A. The Company recovers its transmission related expenses pursuant to the Transmission
17 Service Cost Adjustment Provision, R.I.P.U.C. No. 1189, which allows the Company to
18 recover costs billed to it by ISO-NE, as well as New England Power Company.

19
20 Transmission charges are billed to customers through base charges which differ by rate
21 class and a transmission adjustment factor which is design to collect or refund to
22 customers over or under recoveries of expense from the prior year. The transmission

1 adjustment factor is a cent per kWh charge applicable to all rate classes.

2
3 Q. When were the current base transmission charges implemented?

4 A. The current base transmission charges were implemented in the Company's Rate
5 Unbundling Filing in Docket No. 2515. They were designed to collect an estimated level
6 of transmission expense of \$19.1 million. The rates were designed by allocating the
7 estimated transmission expense to each rate class based on coincident peak allocators that
8 had been approved by the Commission in Docket No. 2290, the Company's last general
9 rate prior to Docket No. 2515, in November 1995.

10
11 Q. Why is the Company proposing to revise the base transmission charges?

12 A. Since the rates approved in Dockets 2290 and 2515 were implemented, there have been
13 significant changes to the Company's rate classes that would affect the original allocation
14 of transmission expense to each rate class. First, the merger of National Grid with
15 Eastern Utilities Associates in May 2000 increased the total number of customers and
16 changed the load characteristics in each rate class. Second, the rates implemented in
17 November 2004 pursuant to the 3617 Settlement resulted in the consolidation of several
18 existing rate classes.

19
20 Q. How are the proposed base transmission charges calculated?

21 A. Since the base transmission rates are unique by rate class, the first step in designing the
22 proposed transmission rates is to allocate the estimate of transmission costs to each rate

1 class. The determination of the class-specific expense allocation is based on each rate
2 class' contribution to the coincident peak. This analysis is set forth in Schedule JAL-7.

3
4 Q. Why is the Company proposing to collect only a portion of the forecasted 2007
5 transmission expense in the base charges?

6 A. The base transmission charges applicable to the Company's general service rate classes
7 are demand charges. If the base transmission charges were designed to collect the entire
8 \$61.6 million of forecasted 2007 transmission expense, the resulting demand charges
9 applicable to the general service rate classes would nearly double. Therefore, the
10 Company recommends that the revised base charges collect only 75% of the total
11 forecasted expense. The balance of the forecasted 2007 transmission expense will be
12 collected in the proposed transmission service cost adjustment factor.

13
14 Transmission Service Adjustment Factor

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

16 A. The Company's proposed Transmission Adjustment Factor is 0.297¢ per kWh as shown
17 on Schedule JAL-8, Line (9). This factor consists of the following individual
18 components:

- 19
20 1) A factor of 0.085¢ per kWh designed to collect an under recovery of
21 approximately \$7.3 million incurred for the period October 2005 through
22 September 2006;

- 1 2) A factor of 0.024¢ per kWh, designed to collect the Company's share of
2 uplift expenses incurred from January 1999 through May 2004; and
3 3) A factor of 0.188¢ per kWh designed to collect the remaining 2007
4 forecasted transmission expense that will not be collected in the proposed
5 base transmission charges.

6
7 Each of these adjustments is discussed in more detail below.

8
9 Transmission Service Reconciliation

10 Q. Please discuss the Company's current transmission service reconciliation.

11 A. The Company's transmission service reconciliation is shown in Schedule JAL-9. This
12 reconciliation reflects actual transmission revenue for the period October 2005 through
13 September 2006, actual transmission expenses for the period October 2005 through July
14 2006 and estimated expenses for August and September 2006. This reconciliation is
15 provided in accordance with the Company's Transmission Service Cost Adjustment
16 Provision, which allows for the reconciliation, along with interest on any balance, and the
17 recovery or refund of any under collection or over collection, respectively.

18
19 Q. What is the balance of the transmission reconciliation as of September 2006?

20 A. Schedule JAL-9, page 1, shows that the balance of the transmission reconciliation as of
21 September 2006 is an under recovery of approximately \$7.3 million.

1 Q. Please describe the calculation of the recovery factor designed to collect the under
2 recovery incurred for the period October 2005 through September 2006.

3 A. The under recovery of \$7.3 million, less the remaining Customer Credit balance, plus
4 interest accrued through December 2006 of approximately \$148,000, translates to a
5 recovery factor of 0.085¢ per kWh, which is calculated by dividing the amount to be
6 collected, including an estimate of interest incurred during the recovery period, by
7 estimated kWh deliveries for the period January 2007 through December 2007. This
8 calculation is shown on page 14 of Schedule JAL-9. The Company's proposal to use the
9 remaining Customer Credit balance to offset the transmission service under recovery for
10 the period October 2005 through September 2006 is discussed later in my testimony.

11
12 Q. How does the Company plan to reconcile estimated expenses for August and September
13 2006 to actual expenses?

14 A. Actual expenses for August and September 2006 will be compared to the estimated
15 expenses included in this period's reconciliation. The difference, positive or negative,
16 will be included as an adjustment in October 2006 to the transmission reconciliation for
17 the period October 2006 through September 2007 to be filed with the Commission at this
18 time next year.

19
20 Q. What is the status of the 2006 transmission under recovery as shown on Schedule JAL-9,
21 page 5?

22 A. The 2006 transmission under recovery factor of 0.078¢ per kWh was implemented on

1 January 1, 2006 and designed to collect an under recovery of approximately \$7 million
2 incurred during the period October 2004 through September 2005. The 2006 factor was
3 approved in Docket No. 3706 and was intended to be a 12-month factor. Page 5 of
4 Schedule JAL-9 shows that as of October 31, 2006, the balance remaining to be
5 recovered is approximately \$2.3 million. The Company will continue to charge
6 customers through December 2006 and any residual balance, positive or negative, will be
7 credited or charged to the base transmission reconciliation in the month of January 2007.
8

9 Q. What does page 8 of Schedule JAL-9 reflect?

10 A. Page 8 of Schedule JAL-9 presents the final balance of the approximately \$3.8 million
11 under recovery of transmission expense incurred during the period October 2003 through
12 September 2004. This under recovery was collected from customers during 2005 through
13 the 2005 transmission adjustment factor. Page 8 shows that of the \$3.8 million to be
14 collected from customers, all but approximately \$37,000 was collected. The Company
15 has reflected this final amount as a charge to customers on page 1 of Schedule JAL-9 in
16 column (c) in the month of January 2006.
17

18 Q. What does page 11 of Schedule JAL-9 reflect?

19 A. Page 11 of Schedule JAL-9 shows the status of the recovery of the Company's share of
20 uplift costs that had been incurred for the period January 1999 through May 2004. This
21 recovery mechanism was approved by the Commission in the 3617 Settlement. The
22 approximately \$5.6 million allowed to be recovered is to be recovered over three years,

1 from January 2005 through December 2007. As of October 31, 2006, approximately \$2.6
2 million remains to be recovered from customers through December 2007.

3
4 Q. Please describe the calculation of the factor designed to collect the 2007 forecasted
5 transmission expense not collected in the proposed base transmission charges?

6 A. The calculation of this factor is shown on Schedule JAL-8, lines 1 through 5. Line 5 of
7 Schedule JAL-8 shows the amount of the 2007 forecast to be collected in the
8 transmission service cost adjustment factor. This amount is calculated by subtracting the
9 2007 forecasted transmission expense proposed to be collected in the base transmission
10 charges as determined on Schedule JAL-8 from the total 2007 forecasted transmission
11 expense shown on Line 1 of Schedule JAL-8. This amount is then divided by the 2007
12 forecasted kWh deliveries, resulting in a factor of 0.188¢ per kWh.

13
14 **VI. Last Resort Service Reconciliation**

15 Q. Has the Company prepared a Last Resort Service reconciliation for the year ending
16 September 2006?

17 A. Yes. The Company's Last Resort Service reconciliation for the period October 2005
18 through September 2006 is shown in Schedule JAL-10. This Schedule shows that the
19 balance is an over recovery of \$343,357.

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

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

5
6 Included in this year's reconciliation are separate reconciliations for residential Last
7 Resort Service, shown on Schedule JAL-10, page 2 and for commercial and industrial
8 ("C&I") Last Resort Service, shown on page 3.

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

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

22

1 Q. What are the results of the reconciliations?

2 A. The residential reconciliation on page 2 of Schedule JAL-10 shows an over recovery of
3 \$139,355 for the period October 2005 through September 2006. The C&I reconciliation
4 on page 3 of Schedule JAL-10 shows for the same period an over recovery of \$203,820.
5 The total over recovery for Last Resort Service is \$343,357.

6
7 Q. How is the Company proposing to treat the Last Resort Service over recovery?

8 A. The Company proposes to use the Last Resort Service over recovery to offset fuel index
9 payments in the Standard Offer Service reconciliation. The Company made a similar
10 request in Docket No. 3706 which was approved by the Commission.

11

12 **VII. Reconciliation of Customer Credit**

13 Q. Please describe the Customer Credit Provision.

14 A. The Customer Credit Provision, R.I.P.U.C. No. 1185, was approved by the Commission
15 in the 3617 Settlement. The Customer Credit Factor (“CCF”) was designed to refund to
16 customers all funds accumulated on the behalf of customers (“Customer Credit”)
17 pursuant to Section 11(A) of the Third Amended Stipulation and Settlement Agreement
18 approved by the Commission in Docket No. 2930, in accordance with the adjustments
19 and methodology set forth in the settlement filed by the Company and approved by the
20 Commission in the 3617 Settlement.

21

22 The CCF was implemented November 1, 2004 and was originally designed to refund

1 approximately \$22.8 million over a twelve month period. On May 1, 2005, the Company
2 reconciled the Customer Credit and increased the amount due to customers by
3 approximately \$4.9 million. The Company requested, and the Commission approved, the
4 extension of the CCF through December 31, 2005 in order to refund the additional
5 amounts.

6
7 Q. Has the Customer Credit been fully refunded to customers?

8 A. Schedule JAL-11 shows the reconciliation of the Customer Credit. Column (a) indicates
9 the initial credit of \$22.8 million as filed in Docket No. 3617. Column (b) shows the
10 amount refunded in each month.

11
12 Column (c) details the amount of the credit that would have been due to customers
13 residing in Providence and East Providence. Under the provisions of G.L. 42-98-1.1, the
14 cities of Providence and East Providence opted to waive the application of the CCF for
15 the purposes of supporting the cost to underground the E-183 line in accordance with the
16 settlement approved by the Energy Facilities Siting Board in Docket SB-2003-1.

17
18 Column (d) shows adjustments made to the balance which include i) the May 1, 2005
19 true-up adjustment, ii) the Navy share of the Customer Credit pursuant to the provisions
20 of Docket No. 3551, iii) the Company's share of Navy credit also pursuant to the
21 provisions of Docket No. 3551 , iv) the Bonus Depreciation true-up of \$88,739 as filed
22 by letter on November 3, 2006 in Docket No. 3617, Final True-up of the Bonus

1 Depreciation, v) residual amounts due to cancellation and rebilling of customers and vi)
2 the Service Quality penalty of \$174,958 as filed in the Company's 2005 Service Quality
3 Report on May 1, 2006 in Docket No. 3628.

4
5 Q. Why has the Company included the Service Quality penalty of \$174,958?

6 A. Section 14 of the 3617 Settlement requires the Company to refund all net Service Quality
7 penalties incurred in a calendar year during the following year in a manner approved by
8 the Commission.

9
10 Q. What is the balance in the Customer Credit to be refunded to customers?

11 A. The remaining balance in the Customer Credit, as shown on Schedule JAL-11, is
12 \$492,330.

13
14 Q. How is the Company proposing to refund the remaining Customer Credit balance?

15 A. Because the amount of the remaining balance is relatively small, rather than implement a
16 separate factor just to refund the Customer Credit, the Company is proposing to include
17 the Customer Credit balance as an offset to the transmission reconciliation under
18 recovery incurred for the period October 2005 through September 2006. Because the
19 transmission service cost adjustment provision is applicable to all customers, all
20 customers will get the benefit of the reduction to the under recovery.

1 **VIII. Reconciliation of Low Income Credit and Proposed Credit for 2007**

2 Q. Please describe the low income credit?

3 A. In Docket No. 3710, filed in November 2005, the Company proposed to use \$8 million of
4 the proceeds from a settlement agreement filed in that docket to fund a multi-year
5 enhanced low income credit program. In the order in that docket, the Commission
6 directed the Company to implement a credit of 1.24¢ per kWh applicable to the first 450
7 kWhs consumed per month effective January 1, 2006 which was designed to credit
8 customers approximately \$2 million over a twelve month period. The Commission also
9 directed the Company to retain the remaining \$6 million in an interest bearing account for
10 the benefit of all ratepayers pending further action by the Commission.

11
12 Q. How much of the \$2 million has been credited to customers during 2006?

13 A. Schedule JAL-12, page 1 shows the reconciliation of the low income credit. Column (b)
14 shows that approximately \$1.7 million has been credited to customers from January 1,
15 2006 through October 31, 2006. Column (g) shows that, of the original \$8 million, a
16 balance of approximately \$6.6 million, including interest, remains available to be
17 credited to customers.

18
19 Q. Is the Company proposing to extend the low income credit during 2007?

20 A. Yes, the Company is proposing to implement a credit of 1.306¢ per kWh applicable to
21 the first 450 kWhs consumed per month, effective January 1, 2007 through December 31,
22 2007. The calculation of this credit is shown on Schedule JAL-12, page 3.

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Q. What is the Company’s proposal for refunding the amount remaining in the account after the expiration of the 2007 credit in December 2007?

A. Consistent with the Company’s original proposal in Docket No. 3710, the Company proposes that the amount remaining in the account be used to extend the low income credit for an additional two years. However, if the Commission determines that the remaining balance should be credited to customers in some other manner, the Company requests that the 2006 credit currently in effect, and the 2007 credit, if approved by the Commission in this proceeding, be fully reconciled before determining the remaining amount to be credited to customers.

IX. Revised Standard Offer Tariff and Tariff Cover Sheets

Q. Has the Company prepared revised tariff cover sheets?

A. Yes. The revised tariff cover sheets reflecting rate changes effective January 1, 2007 are included in Schedule JAL-13. Schedule JAL-13 also includes a marked to show changes version of the revised tariff cover sheets. It should also be noted that for some rate classes, approved scheduled changes in distribution charges also occur effective January 1, 2007. These rate changes were approved by the Commission in Docket No. 3617, and are the result of the “phased-in” consolidation of several of the Company’s existing rate classes.

Q. Has the Company included a revised Standard Offer Service tariff in this filing?

1 A. Yes. Schedule JAL-14 includes a revised Standard Offer Tariff, R.I.P.U.C. No. 2000.
2 This tariff reflects the Company's proposed Standard Offer Service Rate of 8.3¢ per
3 kWh. The tariff does not reflect the changes proposed by the Company in Docket No.
4 3765, Renewable Energy Standard Charge Filing. If the Renewable Energy Standard
5 Charge and the tariff language proposed by the Company in Docket No. 3765 are
6 approved by the Commission, the Company will file a compliance tariff reflecting all
7 approved changes including the Standard Offer Service rate approved in this docket.
8

9 **X. Typical Bills**

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

12 A. Yes. The typical bill is contained in Schedules JAL-15. The impact on a typical
13 residential customer using 500 kWh per month is a decrease of \$5.11, from \$77.82 to
14 \$72.71 or approximately 6.6%.
15

16 **XI. Conclusion**

17 Q. Does this conclude your testimony?

18 A. Yes it does.

Schedules of
Jeanne A. Lloyd

Schedules

Schedule JAL-1	Summary of Proposed Rate Changes
Schedule JAL-2	Projected Standard Offer Service Reconciliation for the period October 2005 through December 2007
Schedule JAL-3	Estimated Average Standard Offer Expense for 2007 and Projected Standard Offer Service Reconciliation Based on Proposed Standard Offer Service Rate
Schedule JAL-4	Standard Offer Service Reconciliation for the period October 2005 through September 2006
Schedule JAL-5	Calculation of Proposed Non-Bypassable Transition Charge for January 2007
Schedule JAL-6	Non-Bypassable Transition Charge Reconciliation
Schedule JAL-7	Proposed Base Transmission Charges
Schedule JAL-8	Calculation of Proposed Transmission Adjustment Factor for January 2007
Schedule JAL-9	Transmission Service Reconciliation
Schedule JAL-10	Last Resort Service Reconciliation
Schedule JAL-11	Reconciliation of Customer Credit
Schedule JAL-12	Reconciliation of Low Income Credit and Proposed Credit for 2007
Schedule JAL-13	Tariff Cover Sheets
Schedule JAL-14	Proposed Standard Offer Service Tariff – Clean and Marked to Show Changes Version
Schedule JAL-15	Typical Bill Analysis

Schedule JAL-1

Summary of Proposed Rate Changes

Summary of Proposed Rate Changes
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	\$0.09400	(\$0.01100)	\$0.08300
(2) Transition Charge	\$0.00575	(\$0.00016)	\$0.00559
(3) Transmission Charge *	\$0.00772	\$0.00102	\$0.00874
Net change		(\$0.01014)	

* Reflects Company average current and proposed transmission base charges and transmission service cost adjustment factor. For rate class specific charges, see below.

Column (a):

Lines (1) - (3) per current tariff

Column (b):

Lines (1) - (3) Column (c) - Column (a)

Column (c):

- (1) Schedule JAL-3
- (2) Schedule JAL-5
- (3) Schedule JAL-7

* Rate Class Base Transmission Charges from Schedule JAL-7:

		<u>Current Rate</u> (a)	<u>Proposed Change in Rate</u> (b)	<u>Proposed Rate</u> (c)
Rate A-16	per kWh	\$0.00436	\$0.00210	\$0.00646
Rate A-60	per kWh	\$0.00338	\$0.00308	\$0.00646
Rate E-30	per kWh	\$0.00261	\$0.00385	\$0.00646
Rate C-06	per kWh	\$0.00536	\$0.00078	\$0.00614
Rate G-02	per kW	\$1.40	\$0.62	\$2.02
Rate E-40	per kWh	\$0.00141	\$0.00473	\$0.00614
Rate G-32/B-32	per kW	\$1.27	\$0.54	\$1.81
Rate G-62/B-62	per kW	\$1.39	\$0.75	\$2.14
Rate R-02	per kWh	\$0.00259	\$0.00355	\$0.00614
Rate X-01	per kW	\$1.34	(\$0.68)	\$0.66
Rate S-10	per kWh	\$0.00259	\$0.00195	\$0.00454
Rate S-14	per kWh	\$0.00259	\$0.00195	\$0.00454
Rate T-06	per kWh	\$0.00361	\$0.00253	\$0.00614
Transmission Adj. Factor	per kWh	\$0.00371	(\$0.00074)	\$0.00297

Schedule JAL-2

Projected Standard Offer Service Reconciliation

For the period October 2006 through December 2007

Standard Offer Reconciliation
Projected Balance at Year Ending December 31, 2007

Section 1. Projected Balance @ September 30, 2007

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-06	\$18,341,722	\$16,667,465	\$31,435,301	\$14,916,296	\$46,351,597	(\$29,684,132)	(\$598,879)	(\$11,941,288)	\$15,744,703
(2) Nov-06	(\$11,941,288)	\$50,338,166	\$31,825,502	\$13,505,623	\$45,331,125	\$5,007,041	(\$549,450)	(\$7,483,698)	\$23,347,447
(2) Dec-06	(\$7,483,698)	\$56,056,627	\$35,440,908	\$13,978,376	\$49,419,284	\$6,637,343	(\$605,797)	(\$1,452,152)	\$30,754,372
(2) Jan-07	(\$1,452,152)	\$58,557,316	\$39,513,729	\$11,561,955	\$51,075,685	\$7,481,632	(\$529,056)	\$5,500,423	\$35,016,707
(2) Feb-07	\$5,500,423	\$53,665,970	\$36,213,112	\$10,407,773	\$46,620,884	\$7,045,086	(\$527,449)	\$12,018,060	\$40,595,368
(2) Mar-07	\$12,018,060	\$51,958,740	\$35,061,095	\$10,120,899	\$45,181,994	\$6,776,746	(\$524,976)	\$18,269,830	\$45,631,864
(2) Apr-07	\$18,269,830	\$49,749,152	\$33,570,093	\$9,542,311	\$43,112,404	\$6,636,749	(\$519,926)	\$24,386,653	\$50,683,498
(2) May-07	\$24,386,653	\$47,812,445	\$32,263,228	\$9,043,673	\$41,306,901	\$6,505,544	(\$540,940)	\$30,351,258	\$58,919,697
(2) Jun-07	\$30,351,258	\$51,942,617	\$35,050,215	\$10,034,872	\$45,085,087	\$6,857,531	(\$590,308)	\$36,618,480	\$68,707,834
(2) Jul-07	\$36,618,480	\$58,344,281	\$39,369,976	\$11,507,478	\$50,877,454	\$7,466,827	(\$638,517)	\$43,446,790	\$77,062,640
(2) Aug-07	\$43,446,790	\$61,119,728	\$41,242,812	\$12,080,899	\$53,323,711	\$7,796,016	(\$644,305)	\$50,598,501	\$82,210,322
(2) Sep-07	\$50,598,501	\$57,476,038	\$38,784,097	\$11,752,015	\$50,536,112	\$6,939,926	(\$585,592)	\$56,952,835	\$84,718,943
* (2) Oct-07	\$56,952,835	\$27,766,108				\$27,766,108		\$84,718,943	
Totals	\$18,341,722	\$641,454,655	\$429,770,067	\$138,452,171	\$568,222,238	\$73,232,416	(\$6,855,196)	\$84,718,943	
Interest (3)								\$2,210,651	
Ending Balance@ September 30, 2007 with Interest								\$86,929,594	

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation : (18341722+84718943)/2*(4.29%)

* For September usage billed in October

Section 2. Projected Balance @ December 31, 2007

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-07	\$86,929,594	\$22,717,725	\$34,065,846	\$11,101,072	\$45,166,918	(\$22,449,193)	(\$503,942)	\$63,976,458	\$92,571,587
(2) Nov-07	\$63,976,458	\$51,991,143	\$35,082,959	\$11,863,936	\$46,946,896	\$5,044,247	(\$524,280)	\$68,496,425	\$100,201,246
(2) Dec-07	\$68,496,425	\$57,645,128	\$38,898,197	\$13,528,208	\$52,426,404	\$5,218,724	(\$600,019)	\$73,115,130	\$105,804,752
* (2) Jan-08	\$73,115,130	\$32,689,622				\$32,689,622		\$105,804,752	
Totals	\$86,929,594	\$165,043,617	\$108,047,002	\$36,493,217	\$144,540,218	\$20,503,399	(\$1,628,241)	\$105,804,752	
Interest (3)								\$1,033,538	
Ending Balance@ December 31, 2007 with Interest								\$106,838,290	

* For December usage billed in January

- (2) Estimated revenues and expenses
- (3) Interest expense calculation : (86929594+105804752)/2*(4.29%)

Column Notes:

- Column (a) Column (g) from previous row; beginning balance from Schedule JAL-4, page 1
- Column (b) from Page 2
- Column (c) from Page 3
- Column (d) from Page 3
- Column (e) Column (c) + Column (d)
- Column (f) Column (b) - Column (e)
- Column (g) Includes estimated protest payments made to one of the Company's suppliers and estimated NE_GIS expenses
- Column (h) Column (a) + Column (f) + Column (g)
- Column (i) Column (h) + 55% of next month's Column (b)

Standard Offer Reconciliation
 Estimated Revenue through December 2007

<u>Month</u>	Estimated Standard Offer <u>Deliveries</u> (a)	Standard Offer <u>Rate</u> (b)	Total Estimated <u>Revenues</u> (c)
Oct-05	n/a	\$0.08200	n/a
Nov-05	n/a	\$0.08200	n/a
Dec-05	n/a	\$0.08200	n/a
Jan-06	n/a	\$0.10000	n/a
Feb-06	n/a	\$0.10000	n/a
Mar-06	n/a	\$0.10000	n/a
Apr-06	n/a	\$0.10000	n/a
May-06	n/a	\$0.10000	n/a
Jun-06	n/a	\$0.10000	n/a
Jul-06	n/a	\$0.10000	n/a
Aug-06	n/a	\$0.10000	n/a
Sep-06	n/a	\$0.09400	n/a
Oct-06	n/a	\$0.09400	n/a
Nov-06	535,512,408	\$0.09400	\$50,338,166
Dec-06	596,347,100	\$0.09400	\$56,056,627
Jan-07	622,950,171	\$0.09400	\$58,557,316
Feb-07	570,914,578	\$0.09400	\$53,665,970
Mar-07	552,752,556	\$0.09400	\$51,958,740
Apr-07	529,246,302	\$0.09400	\$49,749,152
May-07	508,643,033	\$0.09400	\$47,812,445
Jun-07	552,581,034	\$0.09400	\$51,942,617
Jul-07	620,683,838	\$0.09400	\$58,344,281
Aug-07	650,209,871	\$0.09400	\$61,119,728
Sep-07	611,447,214	\$0.09400	\$57,476,038
Oct-07	537,062,045	\$0.09400	\$50,483,832
Nov-07	553,097,264	\$0.09400	\$51,991,143
Dec-07	613,246,046	\$0.09400	\$57,645,128
Jan-08 full mo kWh	632,294,424	\$0.09400	\$59,435,676

Column Notes:

- (a) from Page 3, Column (c)
- (b) Per currently effective tariff
- (c) Column (a) x Column (b)

Standard Offer Reconciliation
Estimated Standard Offer Expenses

	Estimated Total Company kWh Deliveries (a)	% of Standard Offer kWhs to Total kWhs (b)	Estimated Standard Offer kWh Deliveries (c)	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)
2006								
Oct-2005	631,297,642	86.0%	n/a	\$0.05943	n/a	\$0.02334	n/a	n/a
Nov-2005	629,717,437	86.0%	n/a	\$0.05943	n/a	\$0.02663	n/a	n/a
Dec-2005	690,430,346	86.0%	n/a	\$0.05943	n/a	\$0.02961	n/a	n/a
Jan-2006	692,810,528	86.0%	n/a	\$0.05943	n/a	\$0.02907	n/a	n/a
Feb-2006	645,230,665	86.0%	n/a	\$0.05943	n/a	\$0.03082	n/a	n/a
Mar-2006	648,203,679	86.0%	n/a	\$0.05943	n/a	\$0.03190	n/a	n/a
Apr-2006	611,007,924	86.0%	n/a	\$0.05943	n/a	\$0.03263	n/a	n/a
May-2006	583,163,961	86.0%	n/a	\$0.05943	n/a	\$0.03342	n/a	n/a
Jun-2006	632,714,427	86.0%	n/a	\$0.05943	n/a	\$0.03374	n/a	n/a
Jul-2006	709,622,935	86.0%	n/a	\$0.05943	n/a	\$0.03368	n/a	n/a
Aug-2006	740,915,456	86.0%	n/a	\$0.05943	n/a	\$0.03370	n/a	n/a
Sep-2006	698,879,291	86.0%	n/a	\$0.05943	n/a	\$0.03184	n/a	n/a
Oct-2006	615,054,271	86.0%	528,946,673	\$0.05943	\$31,435,301	\$0.02820	\$14,916,296	\$46,351,597
Nov-2006	622,688,847	86.0%	535,512,408	\$0.05943	\$31,825,502	\$0.02522	\$13,505,623	\$45,331,125
Dec-2006	693,426,860	86.0%	596,347,100	\$0.05943	\$35,440,908	\$0.02344	\$13,978,376	\$49,419,284
Total Expected Payments through December							\$42,400,295	\$141,102,006
2007								
Jan-07	724,360,664	86.0%	622,950,171	\$0.06343	\$39,513,729	\$0.01856	\$11,561,955	\$51,075,685
Feb-07	663,854,160	86.0%	570,914,578	\$0.06343	\$36,213,112	\$0.01823	\$10,407,773	\$46,620,884
Mar-07	642,735,530	86.0%	552,752,556	\$0.06343	\$35,061,095	\$0.01831	\$10,120,899	\$45,181,994
Apr-07	615,402,677	86.0%	529,246,302	\$0.06343	\$33,570,093	\$0.01803	\$9,542,311	\$43,112,404
May-07	591,445,387	86.0%	508,643,033	\$0.06343	\$32,263,228	\$0.01778	\$9,043,673	\$41,306,901
Jun-07	642,536,086	86.0%	552,581,034	\$0.06343	\$35,050,215	\$0.01816	\$10,034,872	\$45,085,087
Jul-07	721,725,393	86.0%	620,683,838	\$0.06343	\$39,369,976	\$0.01854	\$11,507,478	\$50,877,454
Aug-07	756,057,989	86.0%	650,209,871	\$0.06343	\$41,242,812	\$0.01858	\$12,080,899	\$53,323,711
Sep-07	710,985,132	86.0%	611,447,214	\$0.06343	\$38,784,097	\$0.01922	\$11,752,015	\$50,536,112
Oct-07	624,490,750	86.0%	537,062,045	\$0.06343	\$34,065,846	\$0.02067	\$11,101,072	\$45,166,918
Nov-07	643,136,354	86.0%	553,097,264	\$0.06343	\$35,082,959	\$0.02145	\$11,863,936	\$46,946,896
Dec-07	713,076,798	86.0%	613,246,046	\$0.06343	\$38,898,197	\$0.02206	\$13,528,208	\$52,426,404
Total Expected Payments January - December							\$132,545,093	\$571,660,450

Column Notes:

- (a) Per Company forecast
- (b) Reflects 12-month average Standard Offer kWh deliveries as a percentage of total kWh deliveries
- (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) Schedule MJH-4, Page 3 of 3
- (g) Column (c) x Column (f)
- (h) Column (e) + Column (g)

Schedule JAL-3

Estimated Standard Offer Expense for 2007

and

Projected Standard Offer Service Reconciliation
Based on Proposed Standard Offer Service Rate

Estimated Standard Offer Average Cost
Based on Fuel Price Estimates as Reported in the Wall Street Journal on October 25, 26 & 27, 2006

Section 1. Calculation of Average Standard Offer Cost for the period January 2007 through December 2007

	Estimated Fuel Index Payments (a)	Estimated Base Standard Offer Expense (b)	Estimated Adjustments (c)	Estimated Total Standard Offer Expense (d)
Jan-2007	\$11,561,955	\$39,513,729	\$529,056	\$51,604,741
Feb-2007	\$10,407,773	\$36,213,112	\$527,449	\$47,148,333
Mar-2007	\$10,120,899	\$35,061,095	\$524,976	\$45,706,970
Apr-2007	\$9,542,311	\$33,570,093	\$519,926	\$43,632,330
May-2007	\$9,043,673	\$32,263,228	\$540,940	\$41,847,841
Jun-2007	\$10,034,872	\$35,050,215	\$590,308	\$45,675,395
Jul-2007	\$11,507,478	\$39,369,976	\$638,517	\$51,515,971
Aug-2007	\$12,080,899	\$41,242,812	\$644,305	\$53,968,016
Sep-2007	\$11,752,015	\$38,784,097	\$585,592	\$51,121,705
Oct-2007	\$11,101,072	\$34,065,846	\$503,942	\$45,670,860
Nov-2007	\$11,863,936	\$35,082,959	\$524,280	\$47,471,176
Dec-2007	<u>\$13,528,208</u>	<u>\$38,898,197</u>	<u>\$600,019</u>	<u>\$53,026,423</u>
	\$132,545,093	\$439,115,358	\$6,729,310	\$578,389,761
(1) Estimated Over-recovery as of December 2006				30,754,372
(2) Total Expenses to be Recovered				<u>547,635,389</u>
(3) Projected kWh Deliveries for the period January 2007 through December 2007				6,927,973,290
(4) Average Standard Offer for the period January 2007 through December 2007				\$0.07900

Section 2. Calculation of Average Standard Offer Cost for the periods January 2007 through June 2007 and July 2007 through December 2007

	Estimated Fuel Index Payments (a)	Estimated Base Standard Offer Expense (b)	Estimated Adjustments (c)	Estimated Total Standard Offer Expense (d)
January 2007 thru June 2007				
Jan-2007	\$11,561,955	\$39,513,729	\$529,056	\$51,604,741
Feb-2007	\$10,407,773	\$36,213,112	\$527,449	\$47,148,333
Mar-2007	\$10,120,899	\$35,061,095	\$524,976	\$45,706,970
Apr-2007	\$9,542,311	\$33,570,093	\$519,926	\$43,632,330
May-2007	\$9,043,673	\$32,263,228	\$540,940	\$41,847,841
Jun-2007	<u>\$10,034,872</u>	<u>\$35,050,215</u>	<u>\$590,308</u>	<u>\$45,675,395</u>
	\$60,711,483	\$211,671,471	\$3,232,656	\$275,615,609
(1) One-half of Estimated Over-recovery as of December 2006				15,377,186
(2) Total Expenses to be Recovered				<u>260,238,423</u>
(3) Projected kWh Deliveries for the period January 2007 through June 2007				3,335,841,190
(4) Average Standard Offer for the period January 2007 through June 2007				\$0.07800
July 2007 thru December 2007				
Jul-2007	\$11,507,478	\$39,369,976	\$638,517	\$51,515,971
Aug-2007	\$12,080,899	\$41,242,812	\$644,305	\$53,968,016
Sep-2007	\$11,752,015	\$38,784,097	\$585,592	\$51,121,705
Oct-2007	\$11,101,072	\$34,065,846	\$503,942	\$45,670,860
Nov-2007	\$11,863,936	\$35,082,959	\$524,280	\$47,471,176
Dec-2007	<u>\$13,528,208</u>	<u>\$38,898,197</u>	<u>\$600,019</u>	<u>\$53,026,423</u>
	\$71,833,610	\$227,443,886	\$3,496,655	\$302,774,151
(1) One-half of Estimated Over-recovery as of December 2006				15,377,186
(2) Total Expenses to be Recovered				<u>287,396,965</u>
(3) Projected kWh Deliveries for the period July 2007 through December 2007				3,592,132,100
(4) Average Standard Offer for the period July 2007 through December 2007				\$0.08000

Columns:

- Schedule JAL-2, page 3, column (g)
- Schedule JAL-2, page 3, column (e)
- Schedule JAL-2, page 1, column (g)
- Column (a) + Column (b) + Column (c)

Rows:

- Schedule JAL-4, page 1
- Total from column (d) - Line (1)
- Schedule JAL-4, page 2, column (a) for the period January 2007 through December 2007
- Line (2) ÷ Line (3), truncated to three places

Standard Offer Reconciliation
Projected Balance at Year Ending December 31, 2007 Based on Proposed Standard Offer Service Rate**Section 1. Projected Balance @ December 31, 2007**

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 (1) (h)	Monthly Balance Including Unbilled (i)
Oct-06	\$18,341,722	\$16,667,465	\$31,435,301	\$14,916,296	\$46,351,597	(\$29,684,132)	(\$598,879)	(\$11,941,288)	\$15,744,703
Nov-06	(\$11,941,288)	\$50,338,166	\$31,825,502	\$13,505,623	\$45,331,125	\$5,007,041	(\$549,450)	(\$7,483,698)	\$23,347,447
Dec-06	(\$7,483,698)	\$56,056,627	\$35,440,908	\$13,978,376	\$49,419,284	\$6,637,343	(\$605,797)	(\$1,452,152)	\$29,058,390
Jan-07	(\$1,452,152)	\$55,473,713	\$39,513,729	\$11,561,955	\$51,075,685	\$4,398,028	(\$529,056)	\$2,416,820	\$28,479,071
Feb-07	\$2,416,820	\$47,385,910	\$36,213,112	\$10,407,773	\$46,620,884	\$765,026	(\$527,449)	\$2,654,397	\$27,887,551
Mar-07	\$2,654,397	\$45,878,462	\$35,061,095	\$10,120,899	\$45,181,994	\$696,468	(\$524,976)	\$2,825,889	\$26,985,982
Apr-07	\$2,825,889	\$43,927,443	\$33,570,093	\$9,542,311	\$43,112,404	\$815,039	(\$519,926)	\$3,121,002	\$26,340,556
May-07	\$3,121,002	\$42,217,372	\$32,263,228	\$9,043,673	\$41,306,901	\$910,471	(\$540,940)	\$3,490,533	\$28,715,857
Jun-07	\$3,490,533	\$45,864,226	\$35,050,215	\$10,034,872	\$45,085,087	\$779,139	(\$590,308)	\$3,679,364	\$32,013,581
Jul-07	\$3,679,364	\$51,516,759	\$39,369,976	\$11,507,478	\$50,877,454	\$639,304	(\$638,517)	\$3,680,152	\$33,362,232
Aug-07	\$3,680,152	\$53,967,419	\$41,242,812	\$12,080,899	\$53,323,711	\$643,708	(\$644,305)	\$3,679,555	\$31,592,120
Sep-07	\$3,679,555	\$50,750,119	\$38,784,097	\$11,752,015	\$50,536,112	\$214,007	(\$585,592)	\$3,307,969	\$27,824,851
Oct-07	\$3,307,969	\$44,576,150	\$34,065,846	\$11,101,072	\$45,166,918	(\$590,768)	(\$503,942)	\$2,213,258	\$27,462,148
Nov-07	\$2,213,258	\$45,907,073	\$35,082,959	\$11,863,936	\$46,946,896	(\$1,039,823)	(\$524,280)	\$649,155	\$28,643,837
Dec-07	\$649,155	\$50,899,422	\$38,898,197	\$13,528,208	\$52,426,404	(\$1,526,983)	(\$600,019)	(\$1,477,846)	\$27,386,394
Jan-08	(\$1,477,846)	\$52,480,437							

(1) Balance does not reflect interest charges.

Column Notes:

Column (a) Column (g) from previous row; beginning balance from Schedule JAL-4, page 1

Column (b) from Page 3

Column (c) from Schedule JAL-2, Page 3, column (e)

Column (d) from Schedule JAL-2, Page 3, column (g)

Column (e) Column (c) + Column (d)

Column (f) Column (b) - Column (e)

Column (g) from Schedule JAL-2, page 1, column (g)

Column (h) Column (a) + Column (f) + Column (g)

Column (i) Column (h) + 55% of next month's Column (b)

<u>Month/Year</u>	<u>Standard Offer Reconciliation</u>		
	<u>Estimated Revenue</u>		
	<u>Estimated Standard Offer Deliveries</u> (a)	<u>Standard Offer Rate</u> (b)	<u>Total Estimated Revenues</u> (c)
Oct-06	n/a	\$0.09400	
Nov-06	535,512,408	\$0.09400	\$50,338,166
Dec-06	596,347,100	\$0.09400	\$56,056,627
Jan-07	622,950,171	\$0.08300	\$55,473,713
Feb-07	570,914,578	\$0.08300	\$47,385,910
Mar-07	552,752,556	\$0.08300	\$45,878,462
Apr-07	529,246,302	\$0.08300	\$43,927,443
May-07	508,643,033	\$0.08300	\$42,217,372
Jun-07	552,581,034	\$0.08300	\$45,864,226
Jul-07	620,683,838	\$0.08300	\$51,516,759
Aug-07	650,209,871	\$0.08300	\$53,967,419
Sep-07	611,447,214	\$0.08300	\$50,750,119
Oct-07	537,062,045	\$0.08300	\$44,576,150
Nov-07	553,097,264	\$0.08300	\$45,907,073
Dec-07	613,246,046	\$0.08300	\$50,899,422
Jan-08	632,294,424	\$0.08300	<u>\$52,480,437</u>

Column Notes:

- (a) Schedule JAL-2, Page 2, Column (a)
(b) Currently effective rate through Dec 2006; proposed rate for Jan 2007
(c) Column (a) x Column (b)

Schedule JAL-4

Standard Offer Service Reconciliation

For the period October 2005 through September 2006

Standard Offer Reconciliation
For the Period October 2005 through September 2006

Projected Balance @ September 30, 2006

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-05	(\$14,122,974)	\$15,650,388	\$28,996,088	\$12,308,381	\$41,304,469	(\$25,654,081)	(\$681,915)	(\$40,458,970)	(\$17,418,698)
(1) Nov-05	(\$40,458,970)	\$41,891,403	\$27,904,900	\$13,527,645	\$41,432,545	\$458,858	(\$802,060)	(\$40,802,172)	(\$13,656,218)
(1) Dec-05	(\$40,802,172)	\$49,356,280	\$31,774,975	\$17,134,045	\$48,909,020	\$447,260	(\$456,026)	(\$40,810,938)	(\$11,355,691)
(1) Jan-06	(\$40,810,938)	\$53,554,994	\$33,033,210	\$16,282,947	\$49,316,157	\$4,238,837	(\$1,082,390)	(\$37,654,490)	(\$9,205,684)
(1) Feb-06	(\$37,654,490)	\$51,725,103	\$30,414,298	\$15,937,659	\$46,351,957	\$5,373,146	(\$1,104,575)	(\$33,385,920)	(\$1,873,622)
(1) Mar-06	(\$33,385,920)	\$57,295,088	\$31,993,526	\$17,350,530	\$49,344,056	\$7,951,032	(\$1,167,381)	(\$26,602,269)	\$536,688
(1) Apr-06	(\$26,602,269)	\$49,343,559	\$27,827,903	\$15,399,194	\$43,227,097	\$6,116,462	(\$967,198)	(\$21,453,005)	\$3,718,595
(1) May-06	(\$21,453,005)	\$45,766,547	\$29,289,997	\$16,626,980	\$45,916,977	(\$150,431)	(\$918,442)	(\$22,521,878)	\$5,012,617
(1) Jun-06	(\$22,521,878)	\$50,062,717	\$32,997,440	\$18,952,659	\$51,950,099	(\$1,887,381)	(\$894,779)	(\$25,304,038)	\$8,480,656
(1) Jul-06	(\$25,304,038)	\$61,426,717	\$40,913,211	\$23,657,797	\$64,571,008	(\$3,144,291)	(\$946,874)	(\$29,395,202)	\$7,741,014
(1) Aug-06	(\$29,395,202)	\$67,520,394	\$37,308,008	\$21,540,759	\$58,848,767	\$8,671,626	(\$746,429)	(\$21,470,004)	\$9,574,817
(1) Sep-06	(\$21,470,004)	\$56,445,129	\$29,145,142	\$15,849,636	\$44,994,778	\$11,450,351	(\$561,728)	(\$10,581,382)	\$18,253,299
* (1) Oct-06	(\$10,581,382)	\$28,834,680				\$28,834,680		\$18,253,299	
Totals	(\$14,122,974)	\$628,872,997	\$381,598,697	\$204,568,232	\$586,166,929	\$42,706,068	(\$10,329,795)	\$18,253,299	
Interest (3)								\$88,423	
Ending Balance@ September 30, 2006 with Interest								\$18,341,722	

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(-14122974+18253299)/2*((4.27\%*5/12)+(4.29\%*7/12))$

* For September usage billed in October

Column Notes:

- Column (a) Column (g) from previous row; beginning balance from RIPUC Docket No. 3706
- Column (b) from Page 2
- Column (c) from Page 3
- Column (d) from Page 3
- Column (e) Column (c) + Column (d)
- Column (f) Column (b) - Column (e)
- Column (g) Includes protest payments made to one of the Company's suppliers and NE_GIS expenses
Dec 2005: Last Resort Service reconciliation over recovery of \$631,413 incurred for the period October 2004 through September 2005 transferred to Standard Offer reconciliation per Commission decision in Docket No. 3706
- Column (h) Column (a) + Column (f) + Column (g)
- Column (i) Column (h) + 55% of next month's Column (b)

Summary of Standard Offer Revenue

	Actual		
	<u>Gross Revenue</u>	<u>HVM Discount</u>	<u>Net Revenue</u>
	(a)	(b)	(c)
Oct-05	\$40,018,176	(\$49,970)	\$39,968,206
Nov-05	\$41,942,909	(\$51,506)	\$41,891,403
Dec-05	\$49,414,768	(\$58,488)	\$49,356,280
Jan-06	\$53,612,777	(\$57,783)	\$53,554,994
Feb-06	\$51,783,681	(\$58,579)	\$51,725,103
Mar-06	\$57,366,456	(\$71,368)	\$57,295,088
Apr-06	\$49,404,169	(\$60,610)	\$49,343,559
May-06	\$45,821,837	(\$55,291)	\$45,766,547
Jun-06	\$50,120,195	(\$57,477)	\$50,062,717
Jul-06	\$61,493,663	(\$66,946)	\$61,426,717
Aug-06	\$67,576,961	(\$56,567)	\$67,520,394
Sep-06	\$56,518,547	(\$73,418)	\$56,445,129
Oct-06	\$45,557,752	(\$55,606)	\$45,502,145

Notes:

- (a) from Company SMB702 monthly revenue reports
(b) Page 3
(c) Column (a) + Column (b)

Standard Offer Revenue - HVM Discount

	Standard Offer Revenues - Primary Metered <u>Customers</u> (a)	HVM <u>Discount</u> (b)
Oct-05	\$4,996,960	\$49,970
Nov-05	\$5,150,559	\$51,506
Dec-05	\$5,848,757	\$58,488
Jan-06	\$5,778,290	\$57,783
Feb-06	\$5,857,880	\$58,579
Mar-06	\$7,136,765	\$71,368
Apr-06	\$6,061,026	\$60,610
May-06	\$5,529,086	\$55,291
Jun-06	\$5,747,740	\$57,477
Jul-06	\$6,694,599	\$66,946
Aug-06	\$5,656,739	\$56,567
Sep-06	\$7,341,777	\$73,418
Oct-06	\$5,560,633	\$55,606

Notes:

- (a) CIS System Data
(b) Column (a) x 1%

Schedule JAL-5

Calculation of Proposed Non-Bypassable Transition Charge for January 2007

Calculation of Proposed Non-bypassable Transition Charge for January 2007

Section 1: Individual CTC Amounts

	<u>CTC</u> (1)	<u>GWhs</u> (2)	<u>Expected CTC Costs</u> (3)
Narragansett			
2007	\$0.00360	5,562	\$20,023,200
BVE			
2007	\$0.01200	1,471.219	\$17,654,628
Newport			
2007	\$0.00970	596.366	\$5,784,750
Total CTC Costs			\$43,462,578

Section 2: Total Estimated CTC Costs and Transition Charge Calculation

	<u>Total Company GWhs</u> (4)	<u>Total Company CTC Costs</u> (5)
Total		
2007	7,629.585	\$43,462,578
(6) 2007 Transition Charge		0.569

- (1) Per 2006 NEP and Montaup CTC Reconciliation Reports, Schedule 1 for 2007
- (2) Per 2006 NEP and Montaup CTC Reconciliation Reports, Schedule 1 for 2007
- (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)

Calculation of Proposed Non-bypassable Transition Charge for January 2007

Section 1. Calculation of 2007 Non-Bypassable Transition Charge

(1) 2007 Transition Charge		\$0.00569
(2) Transition Charge Under Recovery at September 30, 2006	\$816,017	
(3) divided by: forecasted kWh deliveries for 2007	8,049,806,920	
(4) Transition charge kWh Recovery Factor		<u>\$0.00010</u>
(5) Proposed Transition Charge for January 1, 2007		\$0.00559

-
- (1) Page 1 of 2, (6)
(2) Schedule JAL-6, page 11 of 11; 2006 over recovery of \$798,533 plus interest during refund period of \$17,484.
(3) from Company forecast
(4) Line (2) ÷ Line (3), truncated after 5 decimal places
(5) Line (1) - Line (4)

Schedule JAL-6

Non-Bypassable Transition Charge Reconciliation

Non-Bypassable Transition Charge Reconciliation - Total Company

<u>Company</u>	<u>(Under)/Over Beginning Balance</u> (a)	<u>Transition Charge Revenue</u> (b)	<u>Contract Termination Expense</u> (c)	<u>(Under)/Over</u> (d)	<u>(Under)/Over Ending Balance</u> (e)	<u>Adjustments</u> (f)	<u>Interest</u> (g)	<u>(Under)/Over Ending Balance</u> (h)
Narragansett	\$0	\$42,814,892	\$36,336,809	\$6,478,084	\$6,478,084	\$56,440	\$164,213	\$6,698,736
Blackstone Valley Electric	\$0	\$9,929,550	\$14,669,142	(\$4,739,592)	(\$4,739,592)	\$0	(\$157,732)	(\$4,897,324)
Newport	\$0	\$4,441,140	\$5,402,123	(\$960,982)	(\$960,982)	\$0	(\$41,896)	(\$1,002,879)
Total Company	\$0	\$57,185,582	\$56,408,073	\$777,509	\$777,509	\$56,440	(\$35,415)	\$798,533

Column (a) From Pages 2, 3 and 4, column (a): October 2005
 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) Jan 2006: Remaining balance from over recovery incurred for the period October 2003 through September 2004 from page 5.
 Column (g) From Pages 2, 3 and 4, column (h): Total
 Column (h) column (e) + column (f) + column (g)

Non-Bypassable Transition Charge Reconciliation - Narragansett Electric Company

<u>Month</u>	<u>(Under)/Over Beginning Balance</u> (a)	<u>Transition Charge Revenue</u> (b)	<u>Contract Termination Expense</u> (c)	<u>Monthly (Under)/Over</u> (d)	<u>(Under)/Over Ending Balance</u> (e)	<u>Interest Balance</u> (f)	<u>Monthly Interest Rate</u> (g)	<u>Monthly Interest</u> (h)	<u>Adjustments</u> (i)	<u>Ending Balance</u> (j)
Oct-05	\$0	\$4,153,919	\$3,271,138	\$882,781	\$882,781	\$441,391	4.270%	\$1,541		\$884,322
Nov-05	\$884,322	\$3,784,132	\$2,973,364	\$810,768	\$1,695,090	\$1,289,706	4.270%	\$4,502		\$1,699,592
Dec-05	\$1,699,592	\$4,469,106	\$3,518,871	\$950,234	\$2,649,826	\$2,174,709	4.270%	\$7,591		\$2,657,417
Jan-06	\$2,657,417	\$3,990,787	\$3,261,793	\$728,994	\$3,386,411	\$3,021,914	4.270%	\$10,548	\$56,440	\$3,453,399
Feb-06	\$3,453,399	\$3,047,432	\$2,692,285	\$355,147	\$3,808,546	\$3,630,972	4.270%	\$12,674		\$3,821,220
Mar-06	\$3,821,220	\$3,359,447	\$2,956,517	\$402,930	\$4,224,150	\$4,022,685	4.290%	\$14,106		\$4,238,256
Apr-06	\$4,238,256	\$2,950,754	\$2,601,232	\$349,522	\$4,587,778	\$4,413,017	4.290%	\$15,475		\$4,603,253
May-06	\$4,603,253	\$2,757,059	\$2,430,096	\$326,963	\$4,930,215	\$4,766,734	4.290%	\$16,715		\$4,946,930
Jun-06	\$4,946,930	\$3,081,172	\$2,737,149	\$344,023	\$5,290,953	\$5,118,942	4.290%	\$17,950		\$5,308,903
Jul-06	\$5,308,903	\$3,697,212	\$3,260,926	\$436,286	\$5,745,189	\$5,527,046	4.290%	\$19,381		\$5,764,570
Aug-06	\$5,764,570	\$4,036,321	\$3,560,574	\$475,747	\$6,240,317	\$6,002,443	4.290%	\$21,048		\$6,261,365
Sep-06	\$6,261,365	\$3,487,552	\$3,072,864	\$414,688	\$6,676,053	\$6,468,709	4.290%	\$22,683		\$6,698,736
Total	\$0	\$42,814,892	\$36,336,809	\$6,478,084	\$6,478,084			\$164,213	\$56,440	\$6,698,736

- Column (a) Column (j) from previous row; beginning balance from Docket No. 3706, filed November 15, 2005
- Column (b) From Transition Revenues to Narragansett Electric Company
- Column (c) From CTC Bills to Narragansett Electric Company
- Column (d) Column (b) - Column (c)
- Column (e) Column (a) + Column (d)
- Column (f) (Column (a) + Column (e))÷ 2
- Column (g) Customer Deposit Rate
- Column (h) Column (f) * (1 + Column (g)^(1/12))
- Column (i) Jan 2006: Remaining balance from over recovery incurred for the period October 2003 through September 2004 from page 5.
- Column (j) Column (e) + Column (h) + Column (i)

Non-Bypassable Transition Charge 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-05	\$0	\$327,319	\$1,531,257	(\$1,203,938)	(\$1,203,938)	(\$601,969)	4.270%	(\$2,101)		(\$1,206,040)
Nov-05	(\$1,206,040)	\$907,659	\$1,493,634	(\$585,974)	(\$1,792,014)	(\$1,499,027)	4.270%	(\$5,232)		(\$1,797,246)
Dec-05	(\$1,797,246)	\$1,060,183	\$1,747,067	(\$686,884)	(\$2,484,130)	(\$2,140,688)	4.270%	(\$7,472)		(\$2,491,602)
Jan-06	(\$2,491,602)	\$923,522	\$1,425,372	(\$501,850)	(\$2,993,452)	(\$2,742,527)	4.270%	(\$9,573)		(\$3,003,025)
Feb-06	(\$3,003,025)	\$707,304	\$955,704	(\$248,399)	(\$3,251,424)	(\$3,127,224)	4.270%	(\$10,916)		(\$3,262,340)
Mar-06	(\$3,262,340)	\$841,661	\$1,140,495	(\$298,834)	(\$3,561,173)	(\$3,411,756)	4.290%	(\$11,964)		(\$3,573,137)
Apr-06	(\$3,573,137)	\$703,452	\$953,021	(\$249,570)	(\$3,822,707)	(\$3,697,922)	4.290%	(\$12,967)		(\$3,835,674)
May-06	(\$3,835,674)	\$667,492	\$904,455	(\$236,963)	(\$4,072,637)	(\$3,954,155)	4.290%	(\$13,866)		(\$4,086,502)
Jun-06	(\$4,086,502)	\$724,407	\$981,741	(\$257,334)	(\$4,343,836)	(\$4,215,169)	4.290%	(\$14,781)		(\$4,358,617)
Jul-06	(\$4,358,617)	\$847,601	\$1,148,461	(\$300,861)	(\$4,659,478)	(\$4,509,047)	4.290%	(\$15,811)		(\$4,675,289)
Aug-06	(\$4,675,289)	\$962,727	\$1,303,900	(\$341,173)	(\$5,016,462)	(\$4,845,876)	4.290%	(\$16,992)		(\$5,033,455)
Sep-06	(\$5,033,455)	\$800,394	\$1,084,035	(\$283,642)	(\$5,317,096)	(\$5,175,275)	4.290%	(\$18,147)		(\$5,335,244)
** Oct-06	(\$5,335,244)	\$455,829		\$455,829	(\$4,879,415)	(\$5,107,329)	4.290%	(\$17,909)		(\$4,897,324)
Total	\$0	\$9,929,550	\$14,669,142	(\$4,739,592)				(\$157,732)		

* Indicates prorated revenues for usage on and after October 1, 2005 = 35.20%

** Indicates estimated revenues for September 2006 billed in October 2006 = 63.19%

- Column (a) Column (j) from previous row; beginning balance from Docket No. 3706, filed November 15, 2005
- 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 (b) - Column (c)
- Column (e) Column (a) + Column (d)
- Column (f) (Column (a) + Column (e)) ÷ 2
- Column (g) Customer Deposit Rate
- Column (h) Column (f) * (1 + Column (g))^(1/12)
- Column (i)
- Column (j) Column (e) + Column (h) + Column (i)

Non-Bypassable Transition Charge 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-05	\$0	\$158,388	\$630,374.5	(\$471,987)	(\$471,987)	(\$235,993)	4.270%	(\$824)		(\$472,810)
Nov-05	(\$472,810)	\$399,484	\$558,730.7	(\$159,247)	(\$632,057)	(\$552,434)	4.270%	(\$1,928)		(\$633,986)
Dec-05	(\$633,986)	\$458,237	\$642,036.5	(\$183,800)	(\$817,785)	(\$725,885)	4.270%	(\$2,534)		(\$820,319)
Jan-06	(\$820,319)	\$461,480	\$566,064.4	(\$104,584)	(\$924,903)	(\$872,611)	4.270%	(\$3,046)		(\$927,949)
Feb-06	(\$927,949)	\$320,151	\$349,805.1	(\$29,654)	(\$957,603)	(\$942,776)	4.270%	(\$3,291)		(\$960,894)
Mar-06	(\$960,894)	\$365,401	\$396,851.1	(\$31,450)	(\$992,344)	(\$976,619)	4.290%	(\$3,425)		(\$995,768)
Apr-06	(\$995,768)	\$316,028	\$344,394	(\$28,366)	(\$1,024,134)	(\$1,009,951)	4.290%	(\$3,541)		(\$1,027,676)
May-06	(\$1,027,676)	\$290,553	\$316,683	(\$26,130)	(\$1,053,806)	(\$1,040,741)	4.290%	(\$3,649)		(\$1,057,455)
Jun-06	(\$1,057,455)	\$312,559	\$340,638	(\$28,079)	(\$1,085,534)	(\$1,071,495)	4.290%	(\$3,757)		(\$1,089,291)
Jul-06	(\$1,089,291)	\$360,780	\$393,188	(\$32,408)	(\$1,121,700)	(\$1,105,496)	4.290%	(\$3,877)		(\$1,125,576)
Aug-06	(\$1,125,576)	\$404,943	\$441,521	(\$36,577)	(\$1,162,153)	(\$1,143,865)	4.290%	(\$4,011)		(\$1,166,164)
Sep-06	(\$1,166,164)	\$387,358	\$421,836	(\$34,478)	(\$1,200,642)	(\$1,183,403)	4.290%	(\$4,150)		(\$1,204,792)
** Oct-06	(\$1,204,792)	\$205,777		\$205,777	(\$999,015)	(\$1,101,903)	4.290%	(\$3,864)		(\$1,002,879)
Total	\$0	\$4,441,140	\$5,402,123	(\$960,982)				(\$41,896)		

* Indicates prorated revenues for usage on and after October 1, 2005 = 35.2%

** Indicates estimated revenues for September 2006 billed in October 2006 = 63.19%

- Column (a) Column (j) from previous row; beginning balance from Docket No. 3706, filed November 15, 2005
- 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 (b) - Column (c)
- Column (e) Column (a) + Column (d)
- Column (f) (Column (a) + Column (e)) ÷ 2
- Column (g) Customer Deposit Rate
- Column (h) Column (f) * (1 + Column (g)^(1/12))
- Column (i) Column (e) + Column (h) + Column (i)
- Column (j) Column (e) + Column (h) + Column (i)

Transition Charge Over Recovery
Incurred October 2003 through September 2004

<u>Month</u>	<u>Beginning Over Recovery Balance</u> (a)	<u>Transition Charge Over Recovery Refund</u> (b)	<u>Ending Over Recovery Balance</u> (c)	<u>Interest Balance</u> (d)	<u>Monthly Interest Rate</u> (e)	<u>Monthly Interest</u> (f)	<u>Ending Balance w/ Interest</u> (g)
Nov-04	\$437,110	\$0	\$437,110	\$437,110	4.010%	\$1,435	\$438,545
Dec-04	\$438,545	\$0	\$438,545	\$438,545	4.010%	\$1,439	\$439,984
(1) Jan-05	\$439,984	(\$15,593)	\$424,391	\$432,187	4.010%	\$1,418	\$425,809
Feb-05	\$425,809	(\$32,302)	\$393,508	\$409,659	4.010%	\$1,344	\$394,852
Mar-05	\$394,852	(\$32,961)	\$361,891	\$378,372	4.270%	\$1,321	\$363,212
Apr-05	\$363,212	(\$29,990)	\$333,223	\$348,217	4.270%	\$1,215	\$334,438
May-05	\$334,438	(\$28,059)	\$306,379	\$320,408	4.270%	\$1,118	\$307,497
Jun-05	\$307,497	(\$30,666)	\$276,831	\$292,164	4.270%	\$1,020	\$277,851
Jul-05	\$277,851	(\$36,041)	\$241,810	\$259,830	4.270%	\$907	\$242,717
Aug-05	\$242,717	(\$38,758)	\$203,959	\$223,338	4.270%	\$780	\$204,739
Sep-05	\$204,739	(\$32,529)	\$172,210	\$188,474	4.270%	\$658	\$172,868
Oct-05	\$172,868	(\$29,871)	\$142,996	\$157,932	4.270%	\$551	\$143,548
Nov-05	\$143,548	(\$35,197)	\$108,350	\$125,949	4.270%	\$440	\$108,790
Dec-05	\$108,790	(\$34,357)	\$74,433	\$91,612	4.270%	\$320	\$74,753
(2) Jan-06	\$74,753	(\$18,542)	\$56,211	\$65,482	4.270%	\$229	\$56,440

(1) Percentage of kWhs consumed on and after Jan 1, 2005 = 46.29%
(2) Percentage of kWhs billed in Jan 2006 and consumed prior to Jan 1, 2006 = 56.10%

- (a) Prior Month Column (c); beginning balance per R.I.P.U.C. Docket No. 3648, Schedule JAL-3, page 1
- (b) from Page 6
- (c) Column (a) + Column (b)
- (d) (Column (a) + Column (c)) ÷ 2
- (e) Customer Deposit Rate
- (f) Column (f) * (1 + Column (g))^(1/12))
- (g) Column (c) + Column (f)

January 2005 Transition Charge Over Recovery Revenue

2006 Factor: (\$0.00005)

	<u>Month</u>	<u>Blackstone kWh Deliveries</u> (a)	<u>Blackstone Over Recovery Revenues</u> (b)	<u>Newport kWh Deliveries</u> (c)	<u>Newport Over Recovery Revenues</u> (d)	<u>Narragansett kWh Deliveries</u> (e)	<u>Narragansett Over Recovery Revenues</u> (f)	<u>Total Over Recovery Revenues</u> (g)
(1)	Jan-05	53,212,017	(\$2,661)	\$25,732,148	(\$1,287)	\$232,910,570	(\$11,646)	(15,593)
	Feb-05	111,548,371	(\$5,577)	52,742,038	(\$2,637)	481,741,897	(\$24,087)	(32,302)
	Mar-05	114,393,687	(\$5,720)	54,065,042	(\$2,703)	490,754,953	(\$24,538)	(32,961)
	Apr-05	107,675,521	(\$5,384)	48,797,916	(\$2,440)	443,319,171	(\$22,166)	(29,990)
	May-05	99,391,153	(\$4,970)	43,973,352	(\$2,199)	417,819,698	(\$20,891)	(28,059)
	Jun-05	111,293,611	(\$5,565)	44,917,820	(\$2,246)	457,115,551	(\$22,856)	(30,666)
	Jul-05	122,873,240	(\$6,144)	56,521,438	(\$2,826)	541,415,693	(\$27,071)	(36,041)
	Aug-05	136,216,302	(\$6,811)	61,135,570	(\$3,057)	577,806,062	(\$28,890)	(38,758)
	Sep-05	109,375,518	(\$5,469)	52,972,646	(\$2,649)	488,229,539	(\$24,411)	(32,529)
	Oct-05	106,688,118	(\$5,334)	46,952,162	(\$2,348)	443,785,615	(\$22,189)	(29,871)
	Nov-05	124,790,469	(\$6,240)	53,952,648	(\$2,698)	525,204,683	(\$26,260)	(35,197)
	Dec-05	119,853,227	(\$5,993)	57,037,904	(\$2,852)	510,239,011	(\$25,512)	(34,357)
(2)	Jan-06	52,619,420	(\$2,631)	31,996,430	(\$1,600)	286,227,681	(\$14,311)	(18,542)

(1) Consumption on and after January 1, 2005 = 46.290%

(2) Consumption prior to January 1, 2006 = 56.097%

- (a) from monthly SMB702 revenue reports
- (b) Column (a) x Factor
- (c) from monthly SMB702 revenue reports
- (d) Column (c) x Factor
- (e) from monthly SMB702 revenue reports
- (f) Column (e) x Factor
- (f) Column (b) + Column (d) + Column (f)

Transition Charge Under Recovery
Incurred October 2004 through September 2005

<u>Month</u>	<u>Beginning Under Recovery Balance</u> (a)	<u>Transition Charge Under Recovery Refund</u> (b)	<u>Ending Under Recovery Balance</u> (c)	<u>Interest Balance</u> (d)	<u>Monthly Interest Rate</u> (e)	<u>Monthly Interest</u> (f)	<u>Ending Balance w/ Interest</u> (g)
Nov-2005	(\$142,922)	\$0	(\$142,922)	(\$142,922)	4.270%	(\$499)	(\$143,421)
Dec-2005	(\$143,421)	\$0	(\$143,421)	(\$143,421)	4.270%	(\$501)	(\$143,921)
(1) Jan-06	(\$143,921)	\$3,017	(\$140,905)	(\$142,413)	4.270%	(\$497)	(\$141,402)
Feb-06	(\$141,402)	\$5,999	(\$135,403)	(\$138,403)	4.270%	(\$483)	(\$135,886)
Mar-06	(\$135,886)	\$6,703	(\$129,183)	(\$132,535)	4.290%	(\$465)	(\$129,648)
Apr-06	(\$129,648)	\$5,837	(\$123,811)	(\$126,729)	4.290%	(\$444)	(\$124,255)
May-06	(\$124,255)	\$5,461	(\$118,794)	(\$121,525)	4.290%	(\$426)	(\$119,220)
Jun-06	(\$119,220)	\$6,089	(\$113,131)	(\$116,176)	4.290%	(\$407)	(\$113,538)
Jul-06	(\$113,538)	\$7,215	(\$106,324)	(\$109,931)	4.290%	(\$385)	(\$106,709)
Aug-06	(\$106,709)	\$7,948	(\$98,761)	(\$102,735)	4.290%	(\$360)	(\$99,121)
Sep-06	(\$99,121)	\$6,870	(\$92,251)	(\$95,686)	4.290%	(\$336)	(\$92,587)
Oct-06	(\$92,587)	\$5,964	(\$86,623)	(\$89,605)	4.290%	(\$314)	(\$86,937)
Nov-06	(\$86,937)	\$0	(\$86,937)	(\$86,937)	4.290%	(\$305)	(\$87,242)
Dec-06	(\$87,242)	\$0	(\$87,242)	(\$87,242)	4.290%	(\$306)	(\$87,548)
(2) Jan-07	(\$87,548)	\$0	(\$87,548)	(\$87,548)	4.290%	(\$307)	(\$87,855)

(1) Percentage of kWhs consumed on and after Jan 1, 2006 = 43.90%
(2) Percentage of kWhs billed in Jan 2007 and consumed prior to Jan 1, 2007 = 0.00%

- (a) Prior Month Column (c); beginning balance per R.I.P.U.C. Docket No. 3648, Schedule JAL-3, page 1
- (b) from Page 8
- (c) Column (a) + Column (b)
- (d) (Column (a) + Column (c)) ÷ 2
- (e) Customer Deposit Rate
- (f) Column (f) * (1 + Column (g))^(1/12))
- (g) Column (c) + Column (f)

January 2006 Transition Charge Under Recovery Revenue

2006 Factor: \$0.00001

	<u>Month</u>	<u>Blackstone kWh Deliveries</u> (a)	<u>Blackstone Under Recovery Revenues</u> (b)	<u>Newport kWh Deliveries</u> (c)	<u>Newport Under Recovery Revenues</u> (d)	<u>Narragansett kWh Deliveries</u> (e)	<u>Narragansett Under Recovery Revenues</u> (f)	<u>Total Under Recovery Revenues</u> (g)
(1)	Jan-06	52,619,420	\$526	25,041,474	\$250	224,011,330	\$2,240	3,017
	Feb-06	103,880,828	\$1,039	47,270,961	\$473	448,714,157	\$4,487	5,999
	Mar-06	123,966,858	\$1,240	53,628,531	\$536	492,752,845	\$4,928	6,703
	Apr-06	103,589,280	\$1,036	46,539,781	\$465	433,538,585	\$4,335	5,837
	May-06	98,310,332	\$983	42,795,017	\$428	405,015,967	\$4,050	5,461
	Jun-06	106,710,969	\$1,067	46,032,214	\$460	456,191,431	\$4,562	6,089
	Jul-06	124,832,733	\$1,248	53,133,464	\$531	543,487,689	\$5,435	7,215
	Aug-06	141,728,262	\$1,417	59,664,948	\$597	593,429,029	\$5,934	7,948
	Sep-06	117,829,934	\$1,178	57,004,878	\$570	512,144,029	\$5,121	6,870
	Oct-06	106,229,016	\$1,062	47,959,531	\$480	442,210,351	\$4,422	5,964
	Nov-06	-	\$0	-	\$0	-	\$0	-
	Dec-06	-	\$0	-	\$0	-	\$0	-
(1)	Jan-07	-	\$0	-	\$0	-	\$0	-

(1) Consumption on and after January 1, 2006 = 43.90%
(2) Consumption prior to January 1, 2007 = 0%

- (a) from monthly SMB702 revenue reports
- (b) Column (a) x Factor
- (c) from monthly SMB702 revenue reports
- (d) Column (c) x Factor
- (e) from monthly SMB702 revenue reports
- (f) Column (e) x Factor
- (g) Column (b) + Column (d) + Column (f)

RIPUC Docket No. 3710 Settlement Refund

<u>Month</u>	<u>Beginning Balance</u> (a)	<u>Settlement Refund</u> (b)	<u>Ending Balance</u> (c)	<u>Interest Balance</u> (d)	<u>Monthly Interest Rate</u> (e)	<u>Monthly Interest</u> (f)	<u>Ending Balance w/ Interest</u> (g)
Nov-2005	\$0	\$8,500,000	\$8,500,000	\$4,250,000	4.270%	\$14,835	\$8,514,835
Dec-2005	\$8,514,835	\$0	\$8,514,835	\$8,514,835	4.270%	\$29,721	\$8,544,556
(1) Jan-06	\$8,544,556	(\$316,756)	\$8,227,800	\$8,386,178	4.270%	\$29,272	\$8,257,073
Feb-06	\$8,257,073	(\$629,859)	\$7,627,213	\$7,942,143	4.270%	\$27,722	\$7,654,936
Mar-06	\$7,654,936	(\$703,866)	\$6,951,070	\$7,303,003	4.290%	\$25,609	\$6,976,679
Apr-06	\$6,976,679	(\$612,851)	\$6,363,827	\$6,670,253	4.290%	\$23,390	\$6,387,217
May-06	\$6,387,217	(\$573,427)	\$5,813,790	\$6,100,504	4.290%	\$21,392	\$5,835,182
Jun-06	\$5,835,182	(\$639,381)	\$5,195,800	\$5,515,491	4.290%	\$19,340	\$5,215,141
Jul-06	\$5,215,141	(\$757,527)	\$4,457,614	\$4,836,378	4.290%	\$16,959	\$4,474,573
Aug-06	\$4,474,573	(\$834,563)	\$3,640,010	\$4,057,292	4.290%	\$14,227	\$3,654,237
Sep-06	\$3,654,237	(\$721,328)	\$2,932,909	\$3,293,573	4.290%	\$11,549	\$2,944,459
Oct-06	\$2,944,459	(\$626,219)	\$2,318,240	\$2,631,349	4.290%	\$9,227	\$2,327,467
Nov-06	\$2,327,467	\$0	\$2,327,467	\$2,327,467	4.290%	\$8,161	\$2,335,628
Dec-06	\$2,335,628	\$0	\$2,335,628	\$2,335,628	4.290%	\$8,190	\$2,343,818
(2) Jan-07	\$2,343,818	\$0	\$2,343,818	\$2,343,818	4.290%	\$8,219	\$2,352,037

(1) Percentage of kWhs consumed on and after Jan 1, 2006 = 43.90%
 (2) Percentage of kWhs billed in Jan 2007 and consumed prior to Jan 1, 2007 = 0.00%

- (a) Prior Month Column (c); beginning balance per R.I.P.U.C. Docket No. 3648, Schedule JAL-3, page 1
- (b) from Page 10; Nov 2005: \$8.5 million settlement proceeds per Commission decision in Dockets 3706 and 3710
- (c) Column (a) - Column (b)
- (d) (Column (a) + Column (c)) ÷ 2
- (e) Customer Deposit Rate
- (f) Column (f) * (1 + Column (g)^(1/12))
- (g) Column (c) + Column (f)

RIPUC Docket No. 3710 Settlement Refund

2006 Factor:		(\$0.00105)						
Month	Blackstone kWh Deliveries (a)	Blackstone Refund Revenues (b)	Newport kWh Deliveries (c)	Newport Refund Revenues (d)	Narragansett kWh Deliveries (e)	Narragansett Refund Revenues (f)	Total Refund Revenues (g)	
(1) Jan-06	52,619,420	(\$55,250)	25,041,474	(\$26,294)	224,011,330	(\$235,212)	(316,756)	
Feb-06	103,880,828	(\$109,075)	47,270,961	(\$49,635)	448,714,157	(\$471,150)	(629,859)	
Mar-06	123,966,858	(\$130,165)	53,628,531	(\$56,310)	492,752,845	(\$517,390)	(703,866)	
Apr-06	103,589,280	(\$108,769)	46,539,781	(\$48,867)	433,538,585	(\$455,216)	(612,851)	
May-06	98,310,332	(\$103,226)	42,795,017	(\$44,935)	405,015,967	(\$425,267)	(573,427)	
Jun-06	106,710,969	(\$112,047)	46,032,214	(\$48,334)	456,191,431	(\$479,001)	(639,381)	
Jul-06	124,832,733	(\$131,074)	53,133,464	(\$55,790)	543,487,689	(\$570,662)	(757,527)	
Aug-06	141,728,262	(\$148,815)	59,664,948	(\$62,648)	593,429,029	(\$623,100)	(834,563)	
Sep-06	117,829,934	(\$123,721)	57,004,878	(\$59,855)	512,144,029	(\$537,751)	(721,328)	
Oct-06	106,229,016	(\$111,540)	47,959,531	(\$50,358)	442,210,351	(\$464,321)	(626,219)	
Nov-06	-	\$0	-	\$0	-	\$0	-	
Dec-06	-	\$0	-	\$0	-	\$0	-	
(2) Jan-07	-	\$0	-	\$0	-	\$0	-	
	(1) Consumption on and after January 1, 2006 =		43.90%					
	(2) Consumption prior to January 1, 2007 =		0%					

- (a) from monthly SMB702 revenue reports
- (b) Column (a) x Factor
- (c) from monthly SMB702 revenue reports
- (d) Column (c) x Factor
- (e) from monthly SMB702 revenue reports
- (f) Column (e) x Factor
- (f) Column (b) + Column (d) + Column (f)

Calculation of Interest and Over Recovery Factor for the period October 2005 through September 2006

Month	Beginning Balance (1)	Surcharge/ (Refund) (2)	Ending Balance (3)	Interest Rate (4)	Interest (5)
Nov-2006	(\$798,533)	\$0	(\$798,533)	0.3575%	(\$2,855)
Dec-2006	(\$801,388)	\$0	(\$801,388)	0.3575%	(\$2,865)
Jan-2007	(\$804,253)	(\$67,021)	(\$737,232)	0.3575%	(\$2,755)
Feb-2007	(\$739,987)	(\$67,272)	(\$672,715)	0.3575%	(\$2,525)
Mar-2007	(\$675,241)	(\$67,524)	(\$607,717)	0.3575%	(\$2,293)
Apr-2007	(\$610,010)	(\$67,779)	(\$542,231)	0.3575%	(\$2,060)
May-2007	(\$544,291)	(\$68,036)	(\$476,254)	0.3575%	(\$1,824)
Jun-2007	(\$478,079)	(\$68,297)	(\$409,782)	0.3575%	(\$1,587)
Jul-2007	(\$411,369)	(\$68,561)	(\$342,807)	0.3575%	(\$1,348)
Aug-2007	(\$344,155)	(\$68,831)	(\$275,324)	0.3575%	(\$1,107)
Sep-2007	(\$276,432)	(\$69,108)	(\$207,324)	0.3575%	(\$865)
Oct-2007	(\$208,188)	(\$69,396)	(\$138,792)	0.3575%	(\$620)
Nov-2007	(\$139,412)	(\$69,706)	(\$69,706)	0.3575%	(\$374)
Dec-2007	(\$70,080)	(\$70,080)	\$0	0.3575%	(\$125)
					(\$17,484)
			Total Surcharge/(Refund) to Customers with Interest		(\$816,017)
			Total Forecasted kWh Sales for 12 months ending Dec 2007		<u>8,049,806.920</u>
			Reconciliation Transmission Adjustment Factor per kWh		(\$0.00010)

Notes:

- 1 Column (3) + Column (5) of previous month
- 2 For Jan 2007, (Column (1)) ÷ 12. For Feb 2007, (Column (1))÷11, etc.
- 3 Column (1) - Column (2)
- 4 Current Rate for Customer Deposits ÷ 12
- 5 ((Column (1) + Column (3))÷2)* Column (4)

Schedule JAL-7

Proposed Base Transmission Charges

National Grid
2007 Transmission Charge Calculation

	<u>Total</u>	<u>A-16/A-60</u>	<u>C-06</u>	<u>G-02</u>	<u>G-32</u>	<u>G-62</u>	<u>X-01</u>	<u>Streetlights</u>
(1) Estimate of 2007 Transmission Expense	\$61,593,043							
(2) Percentage to be Collected in Base Charges	75%							
(3) Design Base Transmission Charge Revenue	\$46,194,782							
(4) Coincident Peak with NEP's Peak (KW)	15,283,622	6,646,729	1,179,761	2,669,373	3,756,904	983,786	47,069	102,011
(5) Coincident Peak Allocator	100.00%	43.49%	7.72%	17.47%	24.58%	6.44%	0.31%	0.67%
(6) Allocated 2007 Transmission Expense	\$46,194,782	\$20,089,754	\$3,565,830	\$8,068,185	\$11,355,251	\$2,973,496	\$142,266	\$308,328
(7) Forecasted 2007 kWh Deliveries	8,049,806,921	3,105,568,025	580,611,374	1,459,274,957	2,205,567,307	609,897,835	21,007,800	67,879,623
(8) Forecasted 2007 kW				3,977,332	6,248,066	1,389,289	214,365	
(9) Proposed Base Transmission Charge per kWh		\$0.00646	\$0.00614					\$0.00454
(10) Proposed Base Transmission Charge per kW				\$2.02	\$1.81	\$2.14	\$0.66	

- (1) Schedule MPH-1, Summary, Page 1 of 1
- (2) Set at 75%
- (3) Line (1) x Line (2)
- (4) Page 2
- (5) Line (4) ÷ Line (4) Total Company
- (6) Line (3) x Line (5)
- (7) Per Company Forecast
- (8) Per Company Forecast
- (9) Line (6) ÷ Line (7), truncated after 5 decimal places
- (10) Line (6) ÷ Line (8), truncated after 2 decimal places

National Grid
 2005 Coincident Peak Data

	<u>Total</u>	<u>A-16/A-60</u>	<u>C-06</u>	<u>G-02</u>	<u>G-32</u>	<u>G-62</u>	<u>X-01</u>	<u>Streetlights</u>
January	1,282,791	606,116	83,414	191,142	297,722	80,245	7,337	16,815
February	1,176,151	535,227	75,981	186,289	279,795	75,489	7,063	16,307
March	1,171,086	518,764	81,593	193,271	275,914	77,909	5,717	17,917
April	988,622	438,468	53,934	161,411	243,860	69,074	4,695	17,180
May	992,584	451,012	54,443	163,910	251,282	68,675	3,226	35
June	1,488,040	632,153	126,936	274,361	361,358	91,784	1,412	35
July	1,673,680	737,495	151,304	299,614	385,748	96,461	3,024	35
August	1,615,745	683,889	159,150	299,408	371,995	99,483	1,786	35
September	1,439,644	569,252	124,949	273,832	377,642	91,162	2,772	35
October	1,194,645	358,644	120,686	256,684	364,508	90,481	3,607	35
November	1,113,690	519,245	70,603	180,192	256,918	67,347	3,744	15,642
December	<u>1,248,955</u>	<u>596,463</u>	<u>76,768</u>	<u>189,258</u>	<u>290,164</u>	<u>75,675</u>	<u>2,686</u>	<u>17,940</u>
Total	15,385,633	6,646,729	1,179,761	2,669,373	3,756,904	983,786	47,069	102,011

Source: Company Load Data

Proposed Transmission Charges - Revenue Proof

Section 1. Projected Base Transmission Revenue Based on Current and Proposed Transmission Charges

		Current Rate (a)	Projected kWh (b)	Projected kW (c)	Projected Base Transmission Revenue Based on Current Rates (d)	Projected Avg Base Transmission Revenue Based on Current Rates (e)	Proposed Rate (f)	Projected Base Transmission Revenue Based on Proposed Rates (g)	Projected Avg Base Transmission Revenue Based on Proposed Rates (h)
Rate A-16	per kWh	\$0.00436	2,877,306,016		\$12,545,054	\$0.00436	\$0.00646	\$18,587,397	\$0.00646
Rate A-60	per kWh	\$0.00338	226,498,344		\$765,564	\$0.00338	\$0.00646	\$1,463,179	\$0.00646
Rate E-30	per kWh	\$0.00261	1,763,665		\$4,603	\$0.00261	\$0.00646	\$11,393	\$0.00646
Rate C-06	per kWh	\$0.00536	560,449,137		\$3,004,007	\$0.00536	\$0.00614	\$3,441,158	\$0.00614
Rate R-02	per kWh	\$0.00259	4,578,720		\$11,859	\$0.00259	\$0.00614	\$28,113	\$0.00614
Rate G-02	per kW	\$1.4	1,459,274,957	3,977,332	\$5,568,264	\$0.00381	\$2.02	\$8,034,210	\$0.00550
Rate E-40	per kWh	\$0.00141	8,484,263		\$11,963	\$0.00141	\$0.00614	\$52,093	\$0.00614
Rate G-32/B-32	per kW	\$1.27	2,197,083,044	6,248,066	\$7,935,044	\$0.00361	\$1.81	\$11,309,000	\$0.00514
Rate G-62/B-62	per kW	\$1.39	609,897,835	1,389,289	\$1,931,112	\$0.00316	\$2.14	\$2,973,078	\$0.00487
Rate X-01	per kW	\$1.34	21,007,800	214,365	\$287,250	\$0.01367	\$0.66	\$141,481	\$0.00673
Rate S-10/S-14	per kWh	\$0.00259	67,879,623		\$175,808	\$0.00259	\$0.00454	\$308,173	\$0.00454
Rate T-06	per kWh	\$0.00361	15,583,517		\$56,256	\$0.00361	\$0.00614	\$95,683	\$0.00614
			8,049,806,921	11,829,052	\$32,296,785	\$0.00401		\$46,444,959	\$0.00576

- (a) per tariff
- (b) from Page 1
- (c) from Page 1
- (d) column (a) x column (b); column (a) x column (c) for Rates G-02, G-32, G-62 and X-01
- (e) column (d) ÷ column (b)
- (f) from Page 1
- (g) column (f) x column (b); column (f) x column (c) for Rates G-02, G-32, G-62 and X-01
- (h) column (g) ÷ column (b)

Section 2. Projected Total Transmission Revenue Based on Current and Proposed Transmission Charges

Current Adjustment Factor	\$0.00371
Proposed Adjustment Factor	\$0.00297

		Projected Transmission Base Rev Current Rate (a)	Projected Transmission Base Rev Proposed Rate (b)	Projected Increase(Decrease) (c)	Projected Transmission Adj Factor Rev Current Rate (d)	Projected Transmission Adj Factor Rev Proposed Rate (e)	Projected Increase(Decrease) (f)	Projected Transmission Total Rev Current Rate (g)	Projected Transmission Total Rev Proposed Rate (h)	Projected Increase(Decrease) (i)	Total Avg Transmission Revenue Current Rates (j)	Total Avg Transmission Revenue Proposed Rate (k)	Total Avg Increase(Decrease) (l)
Rate A-16	per kWh	\$12,545,054	\$18,587,397	\$6,042,343	\$10,674,805	\$8,545,599	(\$2,129,206)	\$23,219,860	\$27,132,996	\$3,913,136	\$0.00807	\$0.00943	\$0.00136
Rate A-60	per kWh	\$765,564	\$1,463,179	\$697,615	\$840,309	\$672,700	(\$167,609)	\$1,605,873	\$2,135,879	\$530,006	\$0.00709	\$0.00943	\$0.00234
Rate E-30	per kWh	\$4,603	\$11,393	\$6,790	\$6,543	\$5,238	(\$1,305)	\$11,146	\$16,631	\$5,485	\$0.00632	\$0.00943	\$0.00311
Rate C-06	per kWh	\$3,004,007	\$3,441,158	\$437,150	\$2,079,266	\$1,664,534	(\$414,732)	\$5,083,274	\$5,105,692	\$22,418	\$0.00907	\$0.00911	\$0.00004
Rate R-02	per kWh	\$11,859	\$28,113	\$16,254	\$16,987	\$13,599	(\$3,388)	\$28,846	\$41,712	\$12,866	\$0.00630	\$0.00911	\$0.00281
Rate G-02	per kW	\$5,568,264	\$8,034,210	\$2,465,946	\$5,413,910	\$4,334,047	(\$1,079,863)	\$10,982,175	\$12,368,257	\$1,386,082	\$0.00752	\$0.00847	\$0.00095
Rate E-40	per kWh	\$11,963	\$52,093	\$40,131	\$31,477	\$25,198	(\$6,278)	\$43,439	\$77,292	\$33,852	\$0.00512	\$0.00911	\$0.00399
Rate G-32/B-32	per kW	\$7,935,044	\$11,309,000	\$3,373,956	\$8,151,178	\$6,525,337	(\$1,625,841)	\$16,086,222	\$17,834,336	\$1,748,114	\$0.00732	\$0.00811	\$0.00079
Rate G-62/B-62	per kW	\$1,931,112	\$2,973,078	\$1,041,967	\$2,262,721	\$1,811,397	(\$451,324)	\$4,193,833	\$4,784,475	\$590,642	\$0.00687	\$0.00784	\$0.00097
Rate X-01	per kW	\$287,250	\$141,481	(\$145,768)	\$77,939	\$62,393	(\$15,546)	\$365,188	\$203,874	(\$161,314)	\$0.01738	\$0.00970	(\$0.00768)
Rate S-10/S-14	per kWh	\$175,808	\$308,173	\$132,365	\$251,833	\$201,602	(\$50,231)	\$427,642	\$509,776	\$82,134	\$0.00630	\$0.00751	\$0.00121
Rate T-06	per kWh	\$56,256	\$95,683	\$39,426	\$57,815	\$46,283	(\$11,532)	\$114,071	\$141,966	\$27,894	\$0.00732	\$0.00911	\$0.00179
		\$32,296,785	\$46,444,959	\$14,148,174	\$29,864,784	\$23,907,927	(\$5,956,857)	\$62,161,569	\$70,352,886	\$8,191,317	\$0.00772	\$0.00874	\$0.00102

- (a) Section 1, column (b) x Current Adjustment Factor
- (b) Section 1, column (b) x Proposed Adjustment Factor
- (c) column (b) - column (a)
- (d) Section 1, column (d)
- (e) Section 1, column (g)
- (f) column (e) - column (d)
- (g) column (a) + column (d)
- (h) column (b) + column (e)
- (i) column (h) - column (g)
- (j) column (g) ÷ Section 1, column (b)
- (k) column (h) ÷ Section 1, column (b)
- (l) column (k) - column (j)

Schedule JAL-8

Calculation of Proposed Transmission Adjustment Factor for January 2007

Calculation of Proposed Transmission Adjustment Factor for January 2007
Effective January 1, 2007 - December 31, 2007

(1) Forecasted 2007 Transmission Expense	\$61,593,043	
(2) 2007 Forecasted kWh Sales	8,049,806,920	
(3) Average 2007 Transmission Expense per kWh		\$0.00765
(4) Forecasted 2007 Transmission Expense Collected in Base Transmission Charges		\$46,444,959
(5) Forecasted 2007 Transmission Expense Collected in Adjustment Factor		\$15,148,083
(6) Average 2007 Transmission Expense Adjustment Factor		\$0.00188
(7) Uplift Recovery Factor		\$0.00024
(8) Implementation of 2007 Under recovery factor		<u>\$0.00085</u>
(9) Proposed 2007 Transmission Adjustment Factor		\$0.00297

-
- (1) from Schedule MPH-1, Summary, Page 1 of 1
(2) from Company forecast
(3) Line (1) ÷ Line (2)
(4) from Schedule JAL-7, Page 3, Section 1, column (g)
(5) Line (1) - Line (4)
(6) Line (5) ÷ Line (2)
(7) from Page 12
(8) from Page 14
(10) Line (6) + Line (7) + Line (8)

Schedule JAL-9
Transmission Service Reconciliation

Transmission Service Reconciliation
October 2005 through September 2006**Base Transmission Reconciliation Balance @September 30, 2006**

	<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-05	\$0	\$978,674	(\$198,086)	\$3,836,377	(\$3,055,789)	(\$3,055,789)
	Nov-05	(\$3,055,789)	\$3,407,057		\$4,017,856	(\$610,798)	(\$3,666,587)
	Dec-05	(\$3,666,587)	\$3,868,243		\$4,877,704	(\$1,009,461)	(\$4,676,048)
	Jan-06	(\$4,676,048)	\$4,338,550	(\$36,932)	\$4,156,308	\$145,310	(\$4,530,738)
	Feb-06	(\$4,530,738)	\$4,061,079		\$3,917,450	\$143,630	(\$4,387,109)
	Mar-06	(\$4,387,109)	\$4,432,244		\$4,625,788	(\$193,544)	(\$4,580,653)
	Apr-06	(\$4,580,653)	\$3,916,148		\$3,864,449	\$51,698	(\$4,528,955)
	May-06	(\$4,528,955)	\$3,723,680		\$4,790,821	(\$1,067,141)	(\$5,596,096)
	Jun-06	(\$5,596,096)	\$4,067,450		\$5,920,276	(\$1,852,826)	(\$7,448,922)
	Jul-06	(\$7,448,922)	\$4,829,582		\$5,360,558	(\$530,976)	(\$7,979,898)
	Aug-06	(\$7,979,898)	\$5,314,488		\$6,675,401	(\$1,360,914)	(\$9,340,811)
	Sep-06	(\$9,340,811)	\$4,744,566		\$4,975,957	(\$231,391)	(\$9,572,202)
(2)	Oct-06	(\$9,572,202)	\$2,468,481			\$2,468,481	(\$7,103,721)
	Total	\$0	\$50,150,242	(\$235,018)	\$57,018,944	(\$7,103,721)	(\$7,103,721)
	Interest through September 2006						(\$151,664)
	Base Transmission Reconciliation Balance with Interest						(\$7,255,385)

- (1) Indicates estimated revenues for consumption on and after October 1, 2005
(2) Indicates estimated revenues for September 2006 usage billed in October 2006

Column Descriptions:

- (a) Prior Month Column (f); beginning balance per order in RIPUC Docket No. 3706
(b) from Page 2
(c) October 2005: True-up of estimated 2005 expenses to actual expenses
Jan 2006: Remaining balance of transmission expense under recovery incurred Oct 2003 through Sep 2004 from page 8
(d) from Page 4
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)

Total Transmission Revenue

		Total Transmission Revenue (a)	Less 2005 Transmission Adjustment Revenue (c)	Less 2006 Transmission Adjustment Revenue (b)	Less Uplift Recovery Revenue (c)	Base Transmission Revenue (d)	Less HVM Credit (e)	Net Base Transmission Revenue (f)
(1)	Oct-05	\$1,448,057	\$311,782	\$0	\$155,891	\$980,385	(\$1,711)	\$978,674
	Nov-05	\$3,841,113	\$286,315	\$0	\$143,157	\$3,411,641	(\$4,583)	\$3,407,057
	Dec-05	\$4,379,262	\$337,368	\$0	\$168,684	\$3,873,210	(\$4,967)	\$3,868,243
	Jan-06	\$4,743,047	\$0	\$234,960	\$164,682	\$4,343,404	(\$4,855)	\$4,338,550
	Feb-06	\$4,677,328	\$0	\$467,239	\$143,766	\$4,066,323	(\$5,244)	\$4,061,079
	Mar-06	\$5,120,270	\$0	\$521,287	\$160,396	\$4,438,587	(\$6,343)	\$4,432,244
	Apr-06	\$4,515,358	\$0	\$453,936	\$139,673	\$3,921,750	(\$5,602)	\$3,916,148
	May-06	\$4,284,701	\$0	\$424,870	\$130,729	\$3,729,101	(\$5,421)	\$3,723,680
	Jun-06	\$4,692,560	\$0	\$473,845	\$145,799	\$4,072,917	(\$5,467)	\$4,067,450
	Jul-06	\$5,570,163	\$0	\$561,558	\$172,787	\$4,835,818	(\$6,236)	\$4,829,582
	Aug-06	\$6,130,180	\$0	\$619,146	\$190,507	\$5,320,527	(\$6,040)	\$5,314,488
	Sep-06	\$5,285,926	\$0	\$534,529	\$164,470	\$4,751,398	(\$6,832)	\$4,744,566
(2)	Oct-06	<u>\$2,936,865</u>	<u>\$0</u>	<u>\$464,409</u>	<u>\$142,895</u>	<u>\$2,472,457</u>	<u>(\$3,976)</u>	<u>\$2,468,481</u>
	Total	\$57,624,831	\$935,464	\$4,755,779	\$2,023,435	\$50,217,518	(\$67,276)	\$50,150,242

(1) Indicates estimated revenues for consumption on and after October 1, 2005 = 35.20%
 (2) Indicates estimated revenues for September 2006 usage billed in October 2006 = 63.19%

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

Transmission Revenue - HVM Discount

	Transmission Revenues - Primary Metered Customers (a)	Transmission kWh Deliveries - Primary Metered Customers (b)	HVM Discount (c)	Less 2006 Transmission Adjustment HVM Revenue (d)	Less 2005 Transmission Adjustment HVM Revenue (e)	Less Uplift Adjustment HVM Revenue (f)	Base HVM Discount (g)
Oct-05	\$560,443	103,277,535	(\$5,604)	\$0	(\$496)	(\$248)	(\$4,861)
Nov-05	\$525,798	93,698,403	(\$5,258)	\$0	(\$450)	(\$225)	(\$4,583)
Dec-05	\$575,761	109,773,263	(\$5,758)	\$0	(\$527)	(\$263)	(\$4,967)
Jan-06	\$564,845	93,263,024	(\$5,648)	(\$319)	(\$251)	(\$224)	(\$4,855)
Feb-06	\$612,442	86,342,628	(\$6,124)	(\$673)	\$0	(\$207)	(\$5,244)
Mar-06	\$742,742	106,277,894	(\$7,427)	(\$829)	\$0	(\$255)	(\$6,343)
Apr-06	\$655,055	92,968,001	(\$6,551)	(\$725)	\$0	(\$223)	(\$5,602)
May-06	\$629,714	85,870,738	(\$6,297)	(\$670)	\$0	(\$206)	(\$5,421)
Jun-06	\$646,078	97,476,179	(\$6,461)	(\$760)	\$0	(\$234)	(\$5,467)
Jul-06	\$728,033	102,386,912	(\$7,280)	(\$799)	\$0	(\$246)	(\$6,236)
Aug-06	\$705,106	99,170,919	(\$7,051)	(\$774)	\$0	(\$238)	(\$6,040)
Sep-06	\$798,611	113,171,622	(\$7,986)	(\$883)	\$0	(\$272)	(\$6,832)
Oct-06	\$731,501	100,324,290	(\$7,315)	(\$783)	\$0	(\$241)	(\$6,292)
	\$8,476,128	1,284,001,408	(\$84,761)	(\$7,214)	(\$1,723)	(\$3,082)	(\$72,742)

(1) Indicates estimated revenues for consumption on and after October 1, 2005

(2) Indicates estimated revenues for September 2006 usage billed in October 2006

Notes:

- (a) CIS System Data
- (b) CIS System Data
- (c) Column (a) x -1%
- (d) from Page 7
- (e) from Page 10
- (f) from Page 13
- (g) Column (c) - Column (d) - Column (e) - Column (f)

Transmission Expense

	NEPOOL PTF <u>Expenses</u>	NEP Non-PTF <u>Expenses</u>	Other NEPOOL <u>Charges</u>	ISO Tariff <u>Expenses</u>	Total Transmission <u>Expense</u>
October-05	\$2,057,654	\$1,352,843	\$225,005	\$200,875	\$3,836,377
November-05	\$2,008,213	\$1,550,957	\$279,572	\$179,114	\$4,017,856
December-05	\$2,253,521	\$2,230,803	\$170,169	\$223,211	\$4,877,704
January-06	\$2,186,666	\$1,471,801	\$273,984	\$223,857	\$4,156,308
February-06	\$2,221,834	\$1,235,347	\$243,692	\$216,577	\$3,917,450
March-06	\$2,146,028	\$1,208,779	\$308,180	\$962,801	\$4,625,788
April-06	\$1,864,159	\$1,357,158	\$470,298	\$172,834	\$3,864,449
May-06	\$2,212,144	\$2,238,024	\$160,292	\$180,361	\$4,790,821
June-06	\$3,636,787	\$2,018,876	\$72,098	\$192,515	\$5,920,276
July-06	\$4,372,978	\$641,033	\$102,997	\$243,550	\$5,360,558
August-06	\$4,610,367	\$1,287,360	\$391	\$777,283	\$6,675,401 estimated
September-06	<u>\$3,468,508</u>	<u>\$1,265,080</u>	<u>\$0</u>	<u>\$242,369</u>	<u>\$4,975,957 estimated</u>
Total	\$33,038,859	\$17,858,061	\$2,306,678	\$3,815,346	\$57,018,944

Source: Monthly NEP, NEPOOL and ISO Bills

Transmission Under Recovery Reconciliation
 Incurred October 2004 - September 2005

Approved under collection: \$6,977,358
 Interest through Dec 2005: \$74,483
 Under Recovery Beginning Balance: \$7,051,841

	<u>Month</u>	<u>Beginning Under Recovery Balance</u> (a)	<u>Transmission Adjustment Revenue</u> (b)	<u>Ending Under Recovery Balance</u> (c)	
(1)	Jan-2006	\$7,051,841	\$234,960	\$6,816,881	
	Feb-2006	\$6,816,881	\$467,239	\$6,349,642	
	Mar-2006	\$6,349,642	\$521,287	\$5,828,355	
	Apr-2006	\$5,828,355	\$453,936	\$5,374,419	
	May-2006	\$5,374,419	\$424,870	\$4,949,549	
	Jun-2006	\$4,949,549	\$473,845	\$4,475,704	
	Jul-2006	\$4,475,704	\$561,558	\$3,914,146	
	Aug-2006	\$3,914,146	\$619,146	\$3,294,999	
	Sep-2006	\$3,294,999	\$534,529	\$2,760,471	
	Oct-2006	\$2,760,471	\$464,409	\$2,296,062	
	Nov-2006	\$2,296,062	\$0	\$2,296,062	
	Dec-2006	\$2,296,062	\$0	\$2,296,062	
(2)	Jan-2007	\$2,296,062	\$0	\$2,296,062	
	Ending Balance				\$2,296,062
	Interest for the period January 2006 through December 2006				\$200,357
	Ending Balance with Interest				\$2,496,419

(1) Percentage kWhs consumed on or after January 1, 2006 = 43.90%
 (2) Percentage kWhs consumed prior to January 1, 2007 =

(a) Prior Month Column (c); beginning balance from Docket No. 3706, Exhibit JAL-5, page 14 of 14
 (b) from Page 6
 (c) Column (a) - Column (b)

January 2006 Transmission Cost Adjustment Recovery

		kWh Sales (a)	Jan-2006 Transmission Adjustment Factor (b)	Total Jan-2006 Transmission Adjustment Revenue (c)	Less HMV Discount (d)	Net 2006 Transmission Adjustment Revenue (e)
(1)	Jan-06	301,640,474	\$0.00078	\$235,280	\$319	\$234,960
	Feb-06	599,887,946	\$0.00078	\$467,913	\$673	\$467,239
	Mar-06	669,379,234	\$0.00078	\$522,116	\$829	\$521,287
	Apr-06	582,898,646	\$0.00078	\$454,661	\$725	\$453,936
	May-06	545,564,316	\$0.00078	\$425,540	\$670	\$424,870
	Jun-06	608,468,614	\$0.00078	\$474,606	\$760	\$473,845
	Jul-06	720,969,886	\$0.00078	\$562,357	\$799	\$561,558
	Aug-06	794,769,239	\$0.00078	\$619,920	\$774	\$619,146
	Sep-06	686,424,841	\$0.00078	\$535,411	\$883	\$534,529
	Oct-06	596,398,898	\$0.00078	\$465,191	\$783	\$464,409
	Nov-06		\$0.00078	\$0	\$0	\$0
	Dec-06		\$0.00078	\$0	\$0	\$0
(2)	Jan-07		<u>\$0.00078</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Total	6,106,402,094		\$4,762,994	\$7,214	\$4,755,779

(1) Percentage kWhs consumed on or after January 1, 2006 = 43.90%

(2) Percentage kWhs consumed prior to January 1, 2007 =

- (a) kWhs per Monthly SMB702 Report, Monthly Standard Offer, Open Access, Last Resort Service Revenue Reports
(b) RIPUC Docket No. 3706, Exhibit JAL-5, page 14 of 14
(c) Column (a) x Column (b)
(d) from Page 7
(e) Column (c) - Column (d)

High Voltage Metering Discount Relating to January 2006 Transmission Adjustment Factor Recovery
 kWh's Subject to Discount

		<u>kWh</u>	<u>1% Discount</u>	<u>Jan-2006 Transmission Adjustment Factor</u>	<u>HVM Discount</u>
		(a)	(b)	(c)	(d)
(1)	Jan-06	40,942,468	409,425	\$0.00078	\$319
	Feb-06	86,342,628	863,426	\$0.00078	\$673
	Mar-06	106,277,894	1,062,779	\$0.00078	\$829
	Apr-06	92,968,001	929,680	\$0.00078	\$725
	May-06	85,870,738	858,707	\$0.00078	\$670
	Jun-06	97,476,179	974,762	\$0.00078	\$760
	Jul-06	102,386,912	1,023,869	\$0.00078	\$799
	Aug-06	99,170,919	991,709	\$0.00078	\$774
	Sep-06	113,171,622	1,131,716	\$0.00078	\$883
	Oct-06	100,324,290	1,003,243	\$0.00078	\$783
	Nov-06	0	0	\$0.00078	\$0
	Dec-06	0	0	\$0.00078	\$0
(2)	Jan-07	0	<u>0</u>	<u>\$0.00078</u>	<u>\$0</u>
	Total	924,931,651	9,249,317		\$7,214

(1) Percentage kWhs consumed on or after January 1, 2006 = 43.90%
 (2) Percentage kWhs consumed prior to January 1, 2007 =

- (a) from CIS
- (b) Column (a) x 1%
- (c) Approved Transmission Adjustment Factor for Jan 2006
- (d) Column (b) x Column (c)

Transmission Under Recovery Reconciliation
Incurred October 2003 - September 2004

Approved under collection: \$3,758,084

Interest through Dec 2004: \$37,675

Under Recovery Beginning Balance: \$3,795,759

<u>Month</u>	<u>Beginning Under Recovery Balance</u> (a)	<u>Transmission Adjustment Revenue</u> (b)	<u>Ending Under Recovery Balance</u> (c)
Jan-05	\$3,795,759	\$149,440	\$3,646,319 (1)
Feb-05	\$3,646,319	\$309,642	\$3,336,677
Mar-05	\$3,336,677	\$315,929	\$3,020,748
Apr-05	\$3,020,748	\$287,442	\$2,733,306
May-05	\$2,733,306	\$268,928	\$2,464,379
Jun-05	\$2,464,379	\$293,933	\$2,170,446
Jul-05	\$2,170,446	\$345,466	\$1,824,980
Aug-05	\$1,824,980	\$375,880	\$1,449,100
Sep-05	\$1,449,100	\$371,548	\$1,077,552
Oct-05	\$1,077,552	\$311,782	\$765,771
Nov-05	\$765,771	\$286,315	\$479,456
Dec-05	\$479,456	\$337,368	\$142,088
Jan-06	\$142,088	\$184,477	(\$42,389) (2)
Ending Balance			(\$42,389)
Interest through December 2005			\$79,321
Total Ending Balance w/ Interest			\$36,932

(1) Percentage of kWhs consumed on and after Jan 1, 2005 = 46.29%

(2) Percentage of kWhs billed in Jan 2006 and consumed prior to Jan 1, 2006 = 56.01%

(a) Prior Month Column (c); beginning balance per R.I.P.U.C. Docket No. 3648, Schedule JAL-5, page 11

(b) from Page 9

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

January 2005 Transmission Cost Adjustment Recovery

		<u>kWh Sales</u> (a)	<u>Jan-05 Transmission Adjustment Factor</u> (b)	<u>Total Jan-05 Transmission Adjustment Revenue</u> (c)	<u>Less HMV Discount</u> (d)	<u>Net Jan-05 Transmission Adjustment Revenue</u> (e)
(1)	Jan-05	311,854,735	\$0.00048	\$149,690	\$251	\$149,440
	Feb-05	646,032,306	\$0.00048	\$310,096	\$453	\$309,643
	Mar-05	659,213,682	\$0.00048	\$316,423	\$493	\$315,930
	Apr-05	599,792,608	\$0.00048	\$287,900	\$459	\$287,441
	May-05	561,184,203	\$0.00048	\$269,368	\$441	\$268,927
	Jun-05	613,326,982	\$0.00048	\$294,397	\$464	\$293,933
	Jul-05	720,810,371	\$0.00048	\$345,989	\$523	\$345,466
	Aug-05	784,167,871	\$0.00048	\$376,401	\$521	\$375,880
	Sep-05	775,157,934	\$0.00048	\$372,076	\$528	\$371,548
	Oct-05	650,577,703	\$0.00048	\$312,277	\$496	\$311,781
	Nov-05	597,425,895	\$0.00048	\$286,764	\$450	\$286,314
	Dec-05	703,947,800	\$0.00048	\$337,895	\$527	\$337,368
(2)	Jan-06	<u>384,849,270</u>	\$0.00048	<u>\$184,728</u>	<u>\$251</u>	<u>\$184,477</u>
	Total	8,008,341,360		\$3,844,004	\$5,856	\$3,838,148

(1) Percentage of kWhs consumed on and after Jan 1, 2005 = 46.29%

(2) Percentage of kWhs billed in Jan 2006 and consumed prior to Jan 1, 2006 = 56.01%

- (a) kWhs per Monthly SMB702 Report, Monthly Standard Offer, Open Access, Last Resort Service Revenue Reports
(b) Approved Transmission Adjustment Factor for January 2005
(c) Column (a) x Column (b)
(d) from Page 10
(e) Column (c) - Column (d)

High Voltage Metering Discount Relating to January 2005 Transmission Adjustment Factor Recovery
kWh's Subject to Discount

		<u>kWh</u>	<u>1% Discount</u>	Jan-05 Transmission Adjustment Factor	HVM Discount
		(a)	(b)	(c)	(d)
(1)	Jan-05	52,240,723	522,407	\$0.00048	\$251
	Feb-05	94,474,830	944,748	\$0.00048	\$453
	Mar-05	102,794,160	1,027,942	\$0.00048	\$493
	Apr-05	95,523,390	955,234	\$0.00048	\$459
	May-05	91,853,710	918,537	\$0.00048	\$441
	Jun-05	96,689,690	966,897	\$0.00048	\$464
	Jul-05	109,024,610	1,090,246	\$0.00048	\$523
	Aug-05	108,439,455	1,084,395	\$0.00048	\$521
	Sep-05	110,017,525	1,100,175	\$0.00048	\$528
	Oct-05	103,277,535	1,032,775	\$0.00048	\$496
	Nov-05	93,698,403	936,984	\$0.00048	\$450
	Dec-05	109,773,263	1,097,733	\$0.00048	\$527
(2)	Jan-06	52,236,620	522,366	\$0.00048	<u>\$251</u>
	Total	1,220,043,914	12,200,439		\$5,856

(1) Percentage of kWhs consumed on and after Jan 1, 2005 = 46.29%

(2) Percentage of kWhs billed in Jan 2006 and consumed prior to Jan 1, 2006 = 56.01%

- (a) from CIS
(b) Column (a) x 1%
(c) Approved Transmission Adjustment Factor for 2005
(d) Column (b) x Column (c)

Recovery of Deferred Uplift Charges
Incurred January 1999 through May 2004

<u>Month</u>	<u>Beginning Under Recovery Balance</u> (a)	<u>Transmission Adjustment Revenue</u> (b)	<u>Ending Under Recovery Balance</u> (c)	<u>Interest Balance</u> (d)	<u>Monthly Interest Rate</u> (e)	<u>Monthly Interest</u> (f)	<u>Ending Balance w/ Interest</u> (g)
Jan-05	\$5,649,982	\$74,720	\$5,575,263 (1)	\$5,612,622	0.334%	\$18,756	\$5,594,018
Feb-05	\$5,594,018	\$154,821	\$5,439,197	\$5,516,608	0.334%	\$18,435	\$5,457,632
Mar-05	\$5,457,632	\$157,965	\$5,299,667	\$5,378,649	0.356%	\$19,139	\$5,318,806
Apr-05	\$5,318,806	\$143,721	\$5,175,085	\$5,246,946	0.356%	\$18,670	\$5,193,756
May-05	\$5,193,756	\$134,464	\$5,059,292	\$5,126,524	0.356%	\$18,242	\$5,077,534
Jun-05	\$5,077,534	\$146,966	\$4,930,567	\$5,004,051	0.356%	\$17,806	\$4,948,373
Jul-05	\$4,948,373	\$172,733	\$4,775,641	\$4,862,007	0.356%	\$17,301	\$4,792,941
Aug-05	\$4,792,941	\$187,940	\$4,605,001	\$4,698,971	0.356%	\$16,721	\$4,621,722
Sep-05	\$4,621,722	\$185,774	\$4,435,948	\$4,528,835	0.356%	\$16,115	\$4,452,063
Oct-05	\$4,452,063	\$155,891	\$4,296,172	\$4,374,118	0.356%	\$15,565	\$4,311,737
Nov-05	\$4,311,737	\$143,157	\$4,168,579	\$4,240,158	0.356%	\$15,088	\$4,183,667
Dec-05	\$4,183,667	\$168,684	\$4,014,983	\$4,099,325	0.356%	\$14,587	\$4,029,570
Jan-06	\$4,029,570	\$164,682	\$3,864,888	\$3,947,229	0.356%	\$14,046	\$3,878,933
Feb-06	\$3,878,933	\$143,766	\$3,735,168	\$3,807,051	0.356%	\$13,547	\$3,748,714
Mar-06	\$3,748,714	\$160,396	\$3,588,318	\$3,668,516	0.358%	\$13,115	\$3,601,433
Apr-06	\$3,601,433	\$139,673	\$3,461,761	\$3,531,597	0.358%	\$12,625	\$3,474,386
May-06	\$3,474,386	\$130,729	\$3,343,657	\$3,409,022	0.358%	\$12,187	\$3,355,844
Jun-06	\$3,355,844	\$145,799	\$3,210,046	\$3,282,945	0.358%	\$11,737	\$3,221,782
Jul-06	\$3,221,782	\$172,787	\$3,048,995	\$3,135,389	0.358%	\$11,209	\$3,060,204
Aug-06	\$3,060,204	\$190,507	\$2,869,698	\$2,964,951	0.358%	\$10,600	\$2,880,297
Sep-06	\$2,880,297	\$164,470	\$2,715,827	\$2,798,062	0.358%	\$10,003	\$2,725,830
Oct-06	\$2,725,830	\$142,895	\$2,582,935	\$2,654,382	0.358%	\$9,489	\$2,592,424
Nov-06	\$2,592,424	\$0	\$2,592,424	\$2,592,424	0.358%	\$9,268	\$2,601,692
Dec-06	\$2,601,692	\$0	\$2,601,692	\$2,601,692	0.358%	\$9,301	\$2,610,993
Jan-07	\$2,610,993	\$0	\$2,610,993	\$2,610,993	0.358%	\$9,334	\$2,620,328

(1) Percentage of kWhs consumed on and after Jan 1, 2005 = 46.29%

- (a) Prior Month Column (c); beginning balance per R.I.P.U.C. Docket No. 3648, Schedule JAL-5, page 11
(b) from Page 12
(c) Column (a) - Column (b)
(d) (Column (a) + Column (c)) ÷ 2
(e) Customer deposits rate ÷ 12
(f) Column (d) * Column (e)
(g) Column (c) + Column (f)

Uplift Transmission Cost Adjustment Recovery

		<u>kWh</u> <u>Sales</u> (a)	<u>Uplift</u> <u>Transmission</u> <u>Adjustment</u> <u>Factor</u> (b)	<u>Total</u> <u>Uplift</u> <u>Transmission</u> <u>Adjustment</u> <u>Revenue</u> (c)	<u>Less</u> <u>HMV</u> <u>Discount</u> (d)	<u>Net</u> <u>Uplift</u> <u>Transmission</u> <u>Adjustment</u> <u>Revenue</u> (e)
(1)	Jan-05	311,854,735	\$0.00024	\$74,845	(\$125)	\$74,720
	Feb-05	646,032,306	\$0.00024	\$155,048	(\$227)	\$154,821
	Mar-05	659,213,682	\$0.00024	\$158,211	(\$247)	\$157,965
	Apr-05	599,792,608	\$0.00024	\$143,950	(\$229)	\$143,721
	May-05	561,184,203	\$0.00024	\$134,684	(\$220)	\$134,464
	Jun-05	613,326,982	\$0.00024	\$147,198	(\$232)	\$146,966
	Jul-05	720,810,371	\$0.00024	\$172,994	(\$262)	\$172,733
	Aug-05	784,167,871	\$0.00024	\$188,200	(\$260)	\$187,940
	Sep-05	775,157,934	\$0.00024	\$186,038	(\$264)	\$185,774
	Oct-05	650,577,703	\$0.00024	\$156,139	(\$248)	\$155,891
	Nov-05	597,425,895	\$0.00024	\$143,382	(\$225)	\$143,157
	Dec-05	703,947,800	\$0.00024	\$168,947	(\$263)	\$168,684
	Jan-06	687,108,142	\$0.00024	\$164,906	(\$224)	\$164,682
	Feb-06	599,887,946	\$0.00024	\$143,973	(\$207)	\$143,766
	Mar-06	669,379,234	\$0.00024	\$160,651	(\$255)	\$160,396
	Apr-06	582,898,646	\$0.00024	\$139,896	(\$223)	\$139,673
	May-06	545,564,316	\$0.00024	\$130,935	(\$206)	\$130,729
	Jun-06	608,468,614	\$0.00024	\$146,032	(\$234)	\$145,799
	Jul-06	720,969,886	\$0.00024	\$173,033	(\$246)	\$172,787
	Aug-06	794,769,239	\$0.00024	\$190,745	(\$238)	\$190,507
	Sep-06	686,424,841	\$0.00024	\$164,742	(\$272)	\$164,470
	Oct-06	596,398,898	\$0.00024	\$143,136	(\$241)	\$142,895
	Nov-06	0	\$0.00024	\$0	\$0	\$0
	Dec-06	0	\$0.00024	\$0	\$0	\$0
	Jan-07	0	\$0.00024	\$0	\$0	\$0

(1) Percentage of kWhs consumed on and after Jan 1, 2005 = 46.29%

- (a) kWhs per Monthly SMB702 Report, Monthly Standard Offer, Open Access, Last Resort Service Revenue Reports
(b) Approved Uplift Factor for January 2005
(c) Column (a) x Column (b)
(d) from Page 13
(e) Column (c) - Column (d)

High Voltage Metering Discount Relating to Uplift Transmission Adjustment Factor Recover
kWh's Subject to Discount

	<u>kWh</u> (a)	<u>1% Discount</u> (b)	<u>Uplift Transmission Adjustment Factor</u> (c)	<u>HVM Discount</u> (d)
Jan-05	52,240,723	522,407	\$0.00024	(\$125)
Feb-05	94,474,830	944,748	\$0.00024	(\$227)
Mar-05	102,794,160	1,027,942	\$0.00024	(\$247)
Apr-05	95,523,390	955,234	\$0.00024	(\$229)
May-05	91,853,710	918,537	\$0.00024	(\$220)
Jun-05	96,689,690	966,897	\$0.00024	(\$232)
Jul-05	109,024,610	1,090,246	\$0.00024	(\$262)
Aug-05	108,439,455	1,084,395	\$0.00024	(\$260)
Sep-05	110,017,525	1,100,175	\$0.00024	(\$264)
Oct-05	103,277,535	1,032,775	\$0.00024	(\$248)
Nov-05	93,698,403	936,984	\$0.00024	(\$225)
Dec-05	109,773,263	1,097,733	\$0.00024	(\$263)
Jan-06	93,263,024	932,630	\$0.00024	(\$224)
Feb-06	86,342,628	863,426	\$0.00024	(\$207)
Mar-06	106,277,894	1,062,779	\$0.00024	(\$255)
Apr-06	92,968,001	929,680	\$0.00024	(\$223)
May-06	85,870,738	858,707	\$0.00024	(\$206)
Jun-06	97,476,179	974,762	\$0.00024	(\$234)
Jul-06	102,386,912	1,023,869	\$0.00024	(\$246)
Aug-06	99,170,919	991,709	\$0.00024	(\$238)
Sep-06	113,171,622	1,131,716	\$0.00024	(\$272)
Oct-06	100,324,290	1,003,243	\$0.00024	(\$241)
Nov-06	0	0	\$0.00024	\$0
Dec-06	0	0	\$0.00024	\$0
Jan-07	0	0	\$0.00024	<u>\$0</u>
(1) Percentage of kWhs consumed on and after Jan 1,		46.29%		
Total	1,261,070,318	12,610,703		(\$3,027)

- (a) from CIS
(b) Column (a) x 1%
(c) Approved Factor for January 2005 through December 2007
(d) Column (b) x Column (c)

Calculation of Interest and Recovery Factor for the period October 2005 through September 2006

Under recovery from Page 1:	\$7,255,385
less: Customer Credit Balance from Schedule JAL-12	-\$492,330
Net Under Recovery to be Collected in 2007	\$6,763,055

Month	Beginning Balance (1)	Surcharge/ (Refund) (2)	Ending Balance (3)	Interest Rate (4)	Interest (5)
Nov-2006	\$6,763,055	\$0	\$6,763,055	0.358%	\$24,178
Dec-2006	\$6,787,233	\$0	\$6,787,233	0.358%	\$24,264
Jan-2007	\$6,811,497	\$567,625	\$6,243,873	0.358%	\$23,336
Feb-2007	\$6,267,209	\$569,746	\$5,697,463	0.358%	\$21,387
Mar-2007	\$5,718,850	\$571,885	\$5,146,965	0.358%	\$19,423
Apr-2007	\$5,166,387	\$574,043	\$4,592,344	0.358%	\$17,444
May-2007	\$4,609,788	\$576,224	\$4,033,565	0.358%	\$15,450
Jun-2007	\$4,049,015	\$578,431	\$3,470,584	0.358%	\$13,441
Jul-2007	\$3,484,025	\$580,671	\$2,903,354	0.358%	\$11,417
Aug-2007	\$2,914,772	\$582,954	\$2,331,817	0.358%	\$9,378
Sep-2007	\$2,341,196	\$585,299	\$1,755,897	0.358%	\$7,324
Oct-2007	\$1,763,220	\$587,740	\$1,175,480	0.358%	\$5,253
Nov-2007	\$1,180,733	\$590,367	\$590,367	0.358%	\$3,166
Dec-2007	\$593,532	\$593,532	\$0	0.358%	\$1,061
					\$148,080
			Total Surcharge/(Refund) to Customers with Interest	\$6,911,135	
			Total Forecasted kWh Sales for 12 months ending Dec 2007	<u>8,049,806,920</u>	
			Reconciliation Transmission Adjustment Factor per kWh	\$0.00085	

Notes:

- 1 Column (3) + Column (5) of previous month
- 2 For Jan 2007, (Column (1)) ÷ 12. For Feb 2007, (Column (1))÷11, etc.
- 3 Column (1) - Column (2)
- 4 Current Rate for Customer Deposits
- 5 ((Column (1) + Column (3))÷2)* Column (4)

Schedule JAL-10

Last Resort Service Reconciliation

Last Resort Service 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-05	\$0	\$358,510	\$1,208,536	(\$850,026)		(\$850,026)
Nov-05	(\$850,026)	\$1,288,507	\$2,274,051	(\$985,544)		(\$1,835,570)
Dec-05	(\$1,835,570)	\$3,143,016	\$3,360,516	(\$217,499)		(\$2,053,069)
Jan-06	(\$2,053,069)	\$3,855,135	\$4,227,325	(\$372,191)		(\$2,425,260)
Feb-06	(\$2,425,260)	\$4,134,060	\$3,258,632	\$875,428		(\$1,549,832)
Mar-06	(\$1,549,832)	\$3,165,197	\$2,470,067	\$695,131		(\$854,702)
Apr-06	(\$854,702)	\$1,679,410	\$1,355,185	\$324,225		(\$530,477)
May-06	(\$530,477)	\$1,249,453	\$1,483,165	(\$233,712)		(\$764,189)
Jun-06	(\$764,189)	\$1,255,054	\$1,088,802	\$166,252		(\$597,937)
Jul-06	(\$597,937)	\$1,413,312	\$1,639,583	(\$226,271)		(\$824,208)
Aug-06	(\$824,208)	\$1,660,750	\$1,592,450	\$68,300		(\$755,908)
Sep-06	(\$755,908)	\$1,468,051	\$1,147,073	\$320,977		(\$434,931)
** Oct-06	(\$434,931)	\$771,110	\$0	\$771,110		\$336,180
Totals	\$0	\$25,441,564	\$25,105,385	\$336,180	\$0	\$336,180
Interest						\$7,177
Ending Balance with Interest						\$343,357

* Indicates revenue for consumption on and after October 1, 2005 (34.57%)

** Indicates revenue for consumption in September 2006 but billed in October 2006 (61.01%)

Column (a) Column (g) from previous row; beginning balance per RIPUC Docket No. 3706.

Column (b) Pages 2 and 3

Column (c) Last Resort bills

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

Column (e)

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

Last Resort Service 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-05	\$0	\$13,568	\$35,452	(\$21,883)		(\$21,883)
Nov-05	(\$21,883)	\$46,681	(\$46,148)	\$92,829		\$70,946
Dec-05	\$70,946	\$57,937	\$49,635	\$8,302		\$79,247
Jan-06	\$79,247	\$66,863	\$58,322	\$8,541		\$87,789
Feb-06	\$87,789	\$61,867	\$48,063	\$13,804		\$101,592
Mar-06	\$101,592	\$69,945	\$49,419	\$20,525		\$122,118
Apr-06	\$122,118	\$50,465	\$39,539	\$10,926		\$133,043
May-06	\$133,043	\$43,089	\$41,960	\$1,129		\$134,172
Jun-06	\$134,172	\$53,645	\$55,805	(\$2,160)		\$132,012
Jul-06	\$132,012	\$57,515	\$83,058	(\$25,543)		\$106,470
Aug-06	\$106,470	\$65,385	\$68,035	(\$2,650)		\$103,819
Sep-06	\$103,819	\$46,665	\$40,979	\$5,686		\$109,506
** Oct-06	\$109,506	\$27,008	\$0	\$27,008		\$136,514
Totals	\$0	\$660,633	\$524,119	\$136,514	\$0	\$136,514
Interest						\$2,841
Ending Balance with Interest						\$139,355

* Indicates revenue for consumption on and after October 1, 2005 (34.57%)

** Indicates revenue for consumption in September 2006 but billed in October 2006 (61.01%)

Column (a) Column (g) from previous row; beginning balance per RIPUC Docket No. 3706.

Column (b) Monthly revenue reports

Column (c) Last Resort bills

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

Column (e)

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

Last Resort Service 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-05	\$0	\$344,941	\$1,173,084	(\$828,143)		(\$828,143)
Nov-05	(\$828,143)	\$1,241,826	\$2,320,199	(\$1,078,373)		(\$1,906,516)
Dec-05	(\$1,906,516)	\$3,085,079	\$3,310,880	(\$225,801)		(\$2,132,317)
Jan-06	(\$2,132,317)	\$3,788,271	\$4,169,003	(\$380,732)		(\$2,513,049)
Feb-06	(\$2,513,049)	\$4,072,193	\$3,210,569	\$861,624		(\$1,651,424)
Mar-06	(\$1,651,424)	\$3,095,253	\$2,420,648	\$674,605		(\$976,819)
Apr-06	(\$976,819)	\$1,628,945	\$1,315,646	\$313,299		(\$663,520)
May-06	(\$663,520)	\$1,206,364	\$1,441,205	(\$234,841)		(\$898,361)
Jun-06	(\$898,361)	\$1,201,409	\$1,032,997	\$168,412		(\$729,949)
Jul-06	(\$729,949)	\$1,355,797	\$1,556,525	(\$200,728)		(\$930,677)
Aug-06	(\$930,677)	\$1,595,365	\$1,524,415	\$70,950		(\$859,727)
Sep-06	(\$859,727)	\$1,421,386	\$1,106,095	\$315,291		(\$544,436)
** Oct-06	(\$544,436)	\$744,102	\$0	\$744,102		\$199,665
Totals	\$0	\$24,780,931	\$24,581,266	\$199,665	\$0	\$199,665
Interest						\$4,155
Ending Balance with Interest						\$203,820

* Indicates revenue for consumption on and after October 1, 2005 (34.57%)

** Indicates revenue for consumption in September 2006 but billed in October 2006 (61.01%)

Column (a) Column (g) from previous row; beginning balance per RIPUC Docket No. 3706.

Column (b) Monthly revenue reports

Column (c) Last Resort bills

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

Column (e)

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

Summary of Last Resort Service Revenues

	Residential Last Resort Revenues (a)	C&I Last Resort Revenues (b)	C&I HVM Discount (c)	C&I Net Revenues (d)	Total Last Resort Revenues (e)
Oct-05	\$39,249	\$1,001,801	(3,996)	997,805	\$1,037,055
Nov-05	\$46,681	\$1,246,352	(4,526)	1,241,826	\$1,288,507
Dec-05	\$57,937	\$3,098,637	(13,557)	3,085,079	\$3,143,016
Jan-06	\$66,863	\$3,803,468	(15,196)	3,788,271	\$3,855,135
Feb-06	\$61,867	\$4,093,300	(21,107)	4,072,193	\$4,134,060
Mar-06	\$69,945	\$3,109,290	(14,037)	3,095,253	\$3,165,197
Apr-06	\$50,465	\$1,633,580	(4,635)	1,628,945	\$1,679,410
May-06	\$43,089	\$1,208,120	(1,756)	1,206,364	\$1,249,453
Jun-06	\$53,645	\$1,202,161	(753)	1,201,409	\$1,255,054
Jul-06	\$57,515	\$1,357,166	(1,369)	1,355,797	\$1,413,312
Aug-06	\$65,385	\$1,597,049	(1,684)	1,595,365	\$1,660,750
Sep-06	\$46,665	\$1,422,559	(1,173)	1,421,386	\$1,468,051
Oct-06	<u>\$44,269</u>	<u>\$1,221,200</u>	<u>(1,561)</u>	<u>1,219,639</u>	<u>\$1,263,908</u>
	\$703,575	\$25,994,682	(\$85,350)	\$25,909,332	\$26,612,907

- (a) Company revenue reports
- (b) Company revenue reports
- (c) from CIS

Last Resort Service Revenue - HVM Discount

	Last Resort Revenues - Primary Metered <u>Customers</u> (a)	HVM <u>Discount</u> (b)
Oct-04	\$399,574	\$3,996
Nov-04	\$452,638	\$4,526
Dec-04	\$1,355,744	\$13,557
Jan-05	\$1,519,622	\$15,196
Feb-05	\$2,110,656	\$21,107
Mar-05	\$1,403,725	\$14,037
Apr-05	\$463,459	\$4,635
May-05	\$175,583	\$1,756
Jun-05	\$75,270	\$753
Jul-05	\$136,878	\$1,369
Aug-05	\$168,396	\$1,684
Sep-05	\$117,310	\$1,173
Oct-05	\$156,120	\$1,561
	\$8,534,973	\$85,350

Notes:

- (a) CIS System Data
(b) Column (a) x 1%

Schedule JAL-11

Reconciliation of Customer Credit

**National Grid
Customer Credit Refund per Customer Credit Adjustment Provision Approved in RIPUC Docket No. 3617**

<u>Month</u>	<u>Beginning Balance</u> (a)	<u>Credit</u> (b)	<u>Prov/Eprov Credit</u> (c)	<u>Adjustments</u> (d)	<u>Ending Balance</u> (e)
* Nov-04	(\$22,769,000)	(\$521,968)	(\$105,418)	(\$56,415)	(\$22,085,199)
Dec-04	(\$22,085,199)	(\$1,546,011)	(\$408,713)	\$0	(\$20,130,475)
Jan-05	(\$20,130,475)	(\$1,580,047)	(\$427,880)	\$0	(\$18,122,548)
Feb-05	(\$18,122,548)	(\$1,517,078)	(\$397,972)	\$0	(\$16,207,498)
Mar-05	(\$16,207,498)	(\$1,534,408)	(\$408,178)	\$0	(\$14,264,912)
Apr-05	(\$14,264,912)	(\$1,369,881)	(\$374,101)	\$0	(\$12,520,930)
May-05	(\$12,520,930)	(\$1,263,543)	(\$349,845)	\$4,869,000	(\$15,776,542)
Jun-05	(\$15,776,542)	(\$1,393,648)	(\$377,789)	\$0	(\$14,005,105)
Jul-05	(\$14,005,105)	(\$1,658,790)	(\$438,050)	\$0	(\$11,908,266)
Aug-05	(\$11,908,266)	(\$1,839,305)	(\$471,990)	\$0	(\$9,596,971)
Sep-05	(\$9,596,971)	(\$1,776,475)	(\$489,087)	\$0	(\$7,331,409)
Oct-05	(\$7,331,409)	(\$1,461,843)	(\$420,205)	\$0	(\$5,449,361)
Nov-05	(\$5,449,361)	(\$1,362,156)	(\$376,971)	\$0	(\$3,710,233)
Dec-05	(\$3,710,233)	(\$1,620,355)	(\$445,817)	\$0	(\$1,644,061)
** Jan-06	(\$1,644,061)	(\$899,278)	(\$300,338)	\$47,884	(\$492,330)
Total		(21,344,786)	(5,792,353)		

* Reflects consumption on and after November 1, 2004

** Reflects consumption prior to January 1, 2006

Column Notes:

(a) Column (e) of previous month

(b) Actual amount refunded per Company revenue report

(c) Estimated share of credit based on usage of customers in Providence and East Providence; amount to be used to fund undergrounding of the E-183 transmission line pursuant to the settlement agreement in Docket 3617.

(d) Adjustments:
 Nov 2004: Company share of Navy credit pursuant to agreement in Docket No. 3551
 May 2005: Reconciliation of Customer Credit per May 2, 2005 filing
 Jan 2006: Navy's share of Customer Credit pursuant to provisions of Docket No. 3551 of \$33,602
 Jan 2006: Residual amount of credit due to bill cancellations and rebillings
 Jan 2006: Bonus Depreciation True-up of \$88,739
 Jan 2006: 2005 Service Quality Penalty of \$174,958

(e) Column (a) - Column (b) - Column (c) - Column (d)

Schedule JAL-12
Reconciliation of Low Income Credit
and
Proposed Credit for 2007

National Grid
Low Income Customer Credit per Commission Decision in RIPUC Docket No. 3710

<u>Month</u>	<u>Beginning Balance</u> (a)	<u>Credit</u> (b)	<u>Ending Balance</u> (c)	<u>Interest Balance</u> (d)	<u>Monthly Interest Rate</u> (e)	<u>Monthly Interest</u> (f)	<u>Ending Balance</u> (g)
Nov-05	\$8,000,000	0	\$8,000,000	\$8,000,000	4.010%	\$26,254	\$8,026,254
Dec-05	\$8,026,254	0	\$8,026,254	\$8,026,254	4.010%	\$26,340	\$8,052,595
Jan-06	\$8,052,595	(\$165,871)	\$7,886,723	\$7,969,659	4.010%	\$26,155	\$7,912,878
Feb-06	\$7,912,878	(\$161,408)	\$7,751,470	\$7,832,174	4.010%	\$25,703	\$7,777,173
Mar-06	\$7,777,173	(\$170,386)	\$7,606,788	\$7,691,980	4.290%	\$26,973	\$7,633,760
Apr-06	\$7,633,760	(\$162,506)	\$7,471,254	\$7,552,507	4.290%	\$26,483	\$7,497,737
May-06	\$7,497,737	(\$156,642)	\$7,341,095	\$7,419,416	4.290%	\$26,017	\$7,367,112
Jun-06	\$7,367,112	(\$165,346)	\$7,201,766	\$7,284,439	4.290%	\$25,543	\$7,227,310
Jul-06	\$7,227,310	(\$181,917)	\$7,045,392	\$7,136,351	4.290%	\$25,024	\$7,070,416
Aug-06	\$7,070,416	(\$189,086)	\$6,881,331	\$6,975,873	4.290%	\$24,461	\$6,905,792
Sep-06	\$6,905,792	(\$167,197)	\$6,738,595	\$6,822,193	4.290%	\$23,923	\$6,762,517
Oct-06	\$6,762,517	(\$156,947)	\$6,605,570	\$6,684,044	4.290%	\$23,438	\$6,629,008
Nov-06	\$6,629,008	\$0	\$6,629,008	\$6,629,008	4.290%	\$23,245	\$6,652,253
Dec-06	\$6,652,253	\$0	\$6,652,253	\$6,652,253	4.290%	\$23,327	\$6,675,580
Jan-07	\$6,675,580	\$0	\$6,675,580	\$6,675,580	4.290%	\$23,408	\$6,698,988
Total		(\$1,677,307)					

Column Notes:

- (a) Column (g) of previous month; beginning balance per Commission decision in Docket No. 3710
- (b) from page 2
- (c) Column (a) + Column (b)
- (d) $(\text{Column (a)} + \text{Column (b)}) \div 2$
- (e) rate of interest on customer deposits
- (f) $\text{Column (d)} * (1 + \text{Column (e)}^{(1/12)-1})$
- (g) $\text{Column (c)} + \text{Column (f)}$

National Grid
Low Income Customer Credit per Commission Decision in RIPUC Docket No. 3710

	<u>Block 1 kWh</u>	<u>Block 2 kWh</u>	<u>Block 3 kWh</u>	<u>Total kWh</u>	<u>Per kWh</u> <u>Credit</u>	<u>Total</u> <u>Credit</u>
	(a)	(b)	(c)	(d)	(e)	(f)
Jan-06	13,376,707	6,461,281	2,031,341	21,869,329	\$0.01240	\$165,871.17
Feb-06	13,016,808	4,886,145	1,242,610	19,145,563	\$0.01240	\$161,408.41
Mar-06	13,740,777	5,773,625	1,829,946	21,344,348	\$0.01240	\$170,385.63
Apr-06	13,105,349	4,868,638		17,973,987	\$0.01240	\$162,506.33
May-06	12,632,407	3,529,598		16,162,005	\$0.01240	\$156,641.84
Jun-06	13,334,349	4,464,007		17,798,356	\$0.01240	\$165,345.93
Jul-06	14,670,758	8,583,923		23,254,681	\$0.01240	\$181,917.40
Aug-06	15,248,850	11,492,270		26,741,120	\$0.01240	\$189,085.74
Sep-06	13,483,633	5,943,840		19,427,473	\$0.01240	\$167,197.05
Oct-06	12,657,033	3,712,806		16,369,839	\$0.01240	\$156,947.21
Nov-06				-	\$0.01240	\$0.00
Dec-06				-	\$0.01240	\$0.00
	135,266,671	59,716,133	5,103,897	200,086,701		1,677,307

(a) from CIS

(b) from CIS

(c) from CIS

(d) column (a) + column (b) + column (c)

(e) Per kWh credit approved in Docket 3710 for effective for bills rendered in January 2006

(f) Column (a) x Column (e)

National Grid
Low Income Customer Credit per Commission Decision in RIPUC Docket No. 3710

(1) Proposed Annual Credit	(\$2,000,000)
(2) Forecasted Rate A-60 initial block kWh deliveries for 2007	<u>153,122,005</u>
(3) Proposed per kWh credit	(\$0.01306)

- (1) Per testimony
- (2) Company forecast
- (3) Line (1) ÷ Line (2), truncated after 5 decimal places

National Grid
R.I.P.U.C. Docket No. _____
January 2007 Retail Rate Filing
Witness: Jeanne A. Lloyd

Schedule JAL-13

Tariff Cover Sheets

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>	0.559¢
<u>Transmission Charge per kWh</u>	0.646¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<u>Distribution Charge per kWh</u>	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¢

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, 2007

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

Monthly Charge As Adjusted

Rates for Retail Delivery Service

Non-Bypassable Transition Charge per kWh 0.559¢

Transmission Charge per kWh 0.646¢

Transmission Adjustment Factor per kWh 0.297¢

Distribution Charges per kWh

December through March

First 450 kWh * 0.382¢

Next 750 kWh 3.055¢

kWhs in excess of 1200 kWh 2.548¢

April through November

First 450 kWh * 0.382¢

kWhs in excess of 450 kWh 3.055¢

Conservation and Load Management Adjustment per kWh 0.230¢

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

Standard Offer per kWh per Standard Offer Service tariff

Last Resort per kWh per Last Resort Service tariff

* Includes credit of 1.306¢ per kWh.

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

Effective
 January 1, 2007

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

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>	\$236.43	n/a
<u>Transmission Demand Charge per kW</u>	n/a	\$1.81
<u>Distribution Demand Charge per kW</u>	\$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>		
	\$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	 0.297¢
<u>Distribution Energy Charge per kWh</u>	n/a	0.889¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.559¢
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢
 <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, 2007

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

Monthly Charge As Adjusted

	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$17,118.72	n/a
<u>Distribution Demand Charge per kW</u>	\$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>		
	\$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	\$2.14
<u>Transmission Adjustment Factor per kWh</u>	n/a	0.297¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.559¢
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢
 <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, 2007

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>	0.559¢
<u>Transmission Charge per kWh</u>	0.614¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<u>Distribution Charge per kWh</u>	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¢

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
Residential Storage Heating Rate (E-30)
Retail Delivery Service

Effective
January 1, 2007

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>	0.559¢
<u>Transmission Charge per kWh</u>	0.646¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<u>Distribution Charge per kWh</u>	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¢

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, 2007

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>	0.559¢
<u>Transmission Charge per kWh</u>	0.614¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<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¢

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, 2007

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>	\$2.02
<u>Distribution Charge per kW in excess of 10 kW</u>	\$3.22
<u>Non-Bypassable Transition Charge per kWh</u>	0.559¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<u>Distribution Charge per kWh</u>	0.777¢
<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. 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, 2007

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>	\$1.81
<u>Distribution Charge per kW</u>	\$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>	0.559¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<u>Distribution Charge per kWh</u>	0.889¢
<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
3000 kW Demand Rate (G-62)
Retail Delivery Service

Effective
January 1, 2007

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>	\$2.14
<u>Distribution Charge per kW</u>	\$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>	0.559¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<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
Limited Traffic Signal Service (R-02)
Retail Delivery Service

Effective
January 1, 2007

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

Monthly Charge as Adjusted

Rates for Retail Delivery Service

Unmetered Charge per month

\$1.08 (Eff. January 1, 2007)

\$1.44 (Eff. January 1, 2008)

\$1.83 (Eff. January 1, 2009)

Non-Bypassable Transition Charge per kWh

0.559¢

Transmission Charge per kWh

0.614¢

Transmission Adjustment Factor per kWh

0.297¢

Distribution Charge per kWh

2.520¢ (Eff. January 1, 2007)

3.071¢ (Eff. January 1, 2008)

3.624¢ (Eff. January 1, 2009)

Conservation and Load Management Adjustment per kWh

0.230¢

Rates for Standard Offer Service or Last Resort (Optional)

Standard Offer per kWh

per Standard Offer Service tariff

Last Resort per kWh

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, 2007

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

Sodium Vapor

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

Non-Bypassable Transition Charge per kWh 0.559¢

Transmission Charge per kWh 0.454¢

Transmission Adjustment Factor per kWh 0.297¢

Conservation & Load Management Adjustment per kWh 0.230¢

	<u>Narragansett Zone</u>	<u>Blackstone Zone</u>	<u>Newport Zone</u>
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢

Standard Offer per Standard Offer Service tariff (Optional)

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, 2007

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

Non-Bypassable Transition Charge per kWh	0.559¢
Transmission Charge per kWh	0.454¢
Transmission Adjustment Factor per kWh	0.297¢
Conservation & Load Management Adj. per kWh	0.230¢

	<u>Narragansett</u> <u>Zone</u>	<u>Blackstone</u> <u>Zone</u>	<u>Newport</u> <u>Zone</u>
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢

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, 2007

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>	2.924¢ (Eff. January 1, 2007) 3.150¢ (Eff. January 1, 2008) 3.376¢ (Eff. January 1, 2009)
<u>Minimum Charge per month</u>	\$2.75

Commercial:

<u>Customer Charge per month</u>	\$6.00
<u>Distribution Charge per kWh</u>	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

All Classes:

<u>Non-Bypassable Transition Charge per kWh</u>	0.559¢
<u>Transmission Charge per kWh</u>	0.614¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<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, 2007

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>	\$0.66
<u>Non-Bypassable Transition Charge per kWh</u>	0.559¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<u>Distribution Energy Charge per kWh</u>	0.312¢
<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

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

Effective
January 1, 2007

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: 0.559¢ per kWh or \$3,500
<u>Conservation and Load Management Charge</u>	Higher of 0.230¢ per kWh or \$800

OPTION B

<u>Distribution Delivery Service Charge</u>	\$3,406.18 per month
<u>Non-Bypassable Transition Charge</u>	0.559¢ per kWh
<u>Conservation and Load Management Charge</u>	0.230¢ per kWh

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.

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

Monthly Charge As Adjusted

Rates for Retail Delivery Service

Customer Charge per month \$2.75

Non-Bypassable Transition Charge per kWh 0.559¢

Deleted: 575

Transmission Charge per kWh 0.646¢

Deleted: 436

Transmission Adjustment Factor per kWh 0.297¢

Deleted: 371

Distribution Charge per kWh
 3.378¢ (Eff. Jan 1, 2007)
 3.377¢ (Eff. Jan 1, 2008)
 3.376¢ (Eff. Jan 1, 2009)

Deleted: 3.379¢ (Eff. Jan 1, 2006)

Minimum Charge per month \$2.75

Conservation and Load Management Adjustment per kWh 0.230¢

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

Standard Offer per kWh per Standard Offer Service tariff

Last 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.

Low Income Rate (A-60)
Retail Delivery Service

Effective
January 1, 2007

Deleted: January 1, 2006

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

Monthly Charge As Adjusted

Rates for Retail Delivery Service

Non-Bypassable Transition Charge per kWh 0.559¢

Deleted: 575

Transmission Charge per kWh 0.646¢

Deleted: 338

Transmission Adjustment Factor per kWh 0.297¢

Deleted: 371

Distribution Charges per kWh

December through March

First 450 kWh * 0.382¢

Next 750 kWh 3.055¢

kWhs in excess of 1200 kWh 2.548¢

Deleted: 0.488

April through November

First 450 kWh * 0.382¢

kWhs in excess of 450 kWh 3.055¢

Deleted: 0.488

Conservation and Load Management Adjustment per kWh 0.230¢

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

Standard Offer per kWh per Standard Offer Service tariff

Last Resort per kWh per Last Resort Service tariff

* Includes credit of 1.306¢ per kWh.

Deleted: 1.24

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. 1172

Monthly Charge As Adjusted

	<u>Rates for Back-Up Service</u>	<u>Rates for 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	<u>\$1.81</u>	Deleted: 1.27
<u>Distribution Demand Charge per kW</u>	▼ \$5.13 \$5.12 \$5.11	\$2.01 (Eff. January 1, 2007) \$2.00 (Eff. January 1, 2008) \$1.99 (Eff. January 1, 2009)	Deleted: \$5.15 . . . \$2.02 (Eff. January 1, 2006)
<u>Distribution Demand Charge per kW (Applicable to former Auxiliary Service Customers)</u>			
	▼ \$3.09 \$4.11 \$5.11	\$2.01 (Eff. January 1, 2007) \$2.00 (Eff. January 1, 2008) \$1.99 (Eff. January 1, 2009)	Deleted: \$2.07 . . . \$2.02 (Eff. January 1, 2006)
<u>Transmission Adjustment Factor per kWh</u>	n/a	0.297¢	Deleted: 371
<u>Distribution Energy Charge per kWh</u>	n/a	0.889¢	
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.559¢	Deleted: 575
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢	
<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, 2007

Deleted: January 1, 2006

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

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>	\$17,118.72	n/a	
<u>Distribution Demand Charge per kW</u>	\$2.25	\$2.25 (Eff. January 1, 2007)	Deleted: \$2.26 - \$2.26 (Eff. January 1, 2006)
	\$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>			
	\$1.77	\$2.24 (Eff. January 1, 2008)	Deleted: \$0.89 - \$2.26 (Eff. January 1, 2006)¶
	\$2.22	\$2.22 (Eff. January 1, 2009)	
<u>Transmission Demand Charge per kW</u>	n/a	<u>\$2.14</u>	Deleted: 1.39
<u>Transmission Adjustment Factor per kWh</u>	n/a	0 <u>297¢</u>	Deleted: 371
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0 <u>559¢</u>	Deleted: 575
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢	

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

<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, 2007

Deleted: January 1, 2006

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>	0.559¢
<u>Transmission Charge per kWh</u>	0.614¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<u>Distribution Charge per kWh</u>	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¢

Deleted: 575

Deleted: 536

Deleted: 371

Deleted: 3.652¢ (Eff. January 1, 2006)

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

Customer Charge per month \$2.75

Non-Bypassable Transition Charge per kWh 0.559¢

Deleted: 575

Transmission Charge per kWh 0.646¢

Deleted: 261

Transmission Adjustment Factor per kWh 0.297¢

Deleted: 371

Distribution Charge per kWh
 2.658¢ (Eff. January 1, 2007)
 3.017¢ (Eff. January 1, 2008)
 3.376¢ (Eff. January 1, 2009)

Deleted: 2.300¢ (Eff. January 1, 2006)

Conservation and Load Management Adjustment per kWh 0.230¢

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

Standard Offer per kWh per Standard Offer Service tariff

Last 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.

Storage Cooling Rate (E-40)
Retail Delivery Service

Effective
January 1, 2007

Deleted: January 1, 2006

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>	0.559¢
<u>Transmission Charge per kWh</u>	0.614¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<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¢

Deleted: 575

Deleted: 141

Deleted: 371

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, 2007

Deleted: January 1, 2006

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>	\$ 2.02
<u>Distribution Charge per kW in excess of 10 kW</u>	\$3.22
<u>Non-Bypassable Transition Charge per kWh</u>	0. 559 ¢
<u>Transmission Adjustment Factor per kWh</u>	0. 297 ¢
<u>Distribution Charge per kWh</u>	0.777¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢

Deleted: 1.40

Deleted: 575

Deleted: 371

Deleted: 5

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. 1177

Monthly Charge As Adjusted

Rates for Retail Delivery Service

Customer Charge per month \$236.43

Transmission Charge per kW \$1.81

Deleted: 1.27

Distribution Charge per kW ▼
\$2.01 (Eff. January 1, 2007)
\$2.00 (Eff. January 1, 2008)
\$1.99 (Eff. January 1, 2009)

Deleted: \$2.02 (Eff. January 1, 2006)

Non-Bypassable Transition Charge per kWh 0.559¢

Deleted: 575

Transmission Adjustment Factor per kWh 0.297¢

Deleted: 371

Distribution Charge per kWh 0.889¢

Conservation and Load Management Adjustment per kWh 0.230¢

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

Standard Offer per kWh per Standard Offer Service tariff

Last Resort per kWh 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. 1178

Monthly Charge As Adjusted

Rates for Retail Delivery Services

Customer Charge per month \$17,118.72

Transmission Charge per kW \$2.14

Deleted: 1.39

Distribution Charge per kW
 \$2.25 (Eff. January 1, 2007)
 \$2.24 (Eff. January 1, 2008)
 \$2.22 (Eff. January 1, 2009)

Deleted: \$2.26 (Eff. January 1, 2006)

Non-Bypassable Transition Charge per kWh 0.559¢

Deleted: 575

Transmission Adjustment Factor per kWh 0.297¢

Deleted: 371

Conservation and Load Management Adjustment per kWh 0.230¢

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

Standard Offer per kWh per Standard Offer Service tariff

Last Resort per kWh 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
Limited Traffic Signal Service (R-02)
Retail Delivery Service

Effective
January 1, 2007

Deleted: January 1, 2006

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

Monthly Charge as Adjusted

Rates for Retail Delivery Service

Unmetered Charge per month

▼
\$1.08 (Eff. January 1, 2007)
\$1.44 (Eff. January 1, 2008)
\$1.83 (Eff. January 1, 2009)

Deleted: \$0.72 (Eff. January 1, 2006)*

Non-Bypassable Transition Charge per kWh

0.559¢

Deleted: 575

Transmission Charge per kWh

0.614¢

Deleted: 259

Transmission Adjustment Factor per kWh

0.297¢

Deleted: 2

Deleted: 371

Distribution Charge per kWh

▼
2.520¢ (Eff. January 1, 2007)
3.071¢ (Eff. January 1, 2008)
3.624¢ (Eff. January 1, 2009)

Deleted: 1.969¢ (Eff. January 1, 2006)

Conservation and Load Management Adjustment per kWh

0.230¢

Rates for Standard Offer Service or Last Resort (Optional)

Standard Offer per kWh

per Standard Offer Service tariff

Last Resort per kWh

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.

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

Non-Bypassable Transition Charge per kWh	0.559¢
Transmission Charge per kWh	0.454¢
Transmission Adjustment Factor per kWh	0.297¢
Conservation & Load Management Adjustment per kWh	0.230¢

Deleted: 575
 Deleted: 259
 Deleted: 371

	<u>Narragansett</u> <u>Zone</u>	<u>Blackstone</u> <u>Zone</u>	<u>Newport</u> <u>Zone</u>
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢
Standard Offer	per Standard Offer Service tariff (Optional)		
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, 2007

Deleted: January 1, 2006

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

Non-Bypassable Transition Charge per kWh	0 559 ¢
Transmission Charge per kWh	0 454 ¢
Transmission Adjustment Factor per kWh	0 297 ¢
Conservation & Load Management Adj. per kWh	0.230¢

Deleted: 575

Deleted: 259

Deleted: 371

	<u>Narragansett</u> <u>Zone</u>	<u>Blackstone</u> <u>Zone</u>	<u>Newport</u> <u>Zone</u>
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢
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, 2007

Deleted: January 1, 2006

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>	2.924¢ (Eff. January 1, 2007) 3.150¢ (Eff. January 1, 2008) 3.376¢ (Eff. January 1, 2009)
<u>Minimum Charge per month</u>	\$2.75

Deleted: 2.699¢ (Eff. January 1, 2006)

Commercial:

<u>Customer Charge per month</u>	\$6.00
<u>Distribution Charge per kWh</u>	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

Deleted: 2.797¢ (Eff. January 1, 2006)

All Classes:

<u>Non-Bypassable Transition Charge per kWh</u>	0.559¢
<u>Transmission Charge per kWh</u>	0.614¢
<u>Transmission Adjustment Factor per kWh</u>	0.297¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢

Deleted: 575

Deleted: 361

Deleted: 371

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.

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

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>	\$ 0.66
<u>Non-Bypassable Transition Charge per kWh</u>	0. 559 ¢
<u>Transmission Adjustment Factor per kWh</u>	0. 297 ¢
<u>Distribution Energy Charge per kWh</u>	0.312¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢

Deleted: 1.34
 Deleted: 575
 Deleted: 371

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.

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

Effective
January 1, 2007

Deleted: January 1, 2006

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: 0.559¢ per kWh or \$3,500
<u>Conservation and Load Management Charge</u>	Higher of 0.230¢ per kWh or \$800

Deleted: 575

OPTION B

<u>Distribution Delivery Service Charge</u>	\$3,406.18 per month
<u>Non-Bypassable Transition Charge</u>	0.559¢ per kWh
<u>Conservation and Load Management Charge</u>	0.230¢ per kWh

Deleted: 575

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.

Schedule JAL-14

Proposed Standard Offer Service Tariff

Clean and Marked to Show Changes Versions

**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	8.3¢
------------------------	------

RATE CHANGES

The rates set forth in this tariff are effective for usage on and after January 1, 2007 until changes. Any changes will be filed with the Commission and are subject to Commission review and approval.

Effective: January 1, 2007

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 [8.3¢](#)

Deleted: 9.4

RATE CHANGES

The rates set forth in this tariff are effective for usage on and after [January 1, 2007](#) until changes. Any changes will be filed with the Commission and are subject to Commission review and approval.

Deleted: September 1, 2006

Effective: [January 1, 2007](#)

Deleted: September 1, 2006

Schedule JAL-15
Typical Bill Analysis

File: R:\2006 neco\Year End Filing\{typbills.XLS}Input Section

Date: 15-Nov-06

Time: 03:40 PM

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)		Percentage of Custs
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
120	\$20.85	\$11.75	\$9.10	\$19.63	\$10.38	\$9.25	-\$1.22	-5.9%	9.0%
240	\$38.84	\$23.50	\$15.34	\$36.39	\$20.75	\$15.64	-\$2.45	-6.3%	15.7%
500	\$77.82	\$48.96	\$28.86	\$72.71	\$43.23	\$29.48	-\$5.11	-6.6%	38.2%
700	\$107.80	\$68.54	\$39.26	\$100.65	\$60.52	\$40.13	-\$7.15	-6.6%	20.2%
950	\$145.27	\$93.02	\$52.25	\$135.57	\$82.14	\$53.43	-\$9.70	-6.7%	14.6%
1,000	\$152.77	\$97.92	\$54.85	\$142.55	\$86.46	\$56.09	-\$10.22	-6.7%	2.3%

Present Rates: A-16

Customer Charge		\$2.75
Transmission Energy Charge (1)	kWh x	\$0.00807
Distribution Energy Charge	kWh x	\$0.03379
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: A-16

Customer Charge		\$2.75
Transmission Energy Charge (2)	kWh x	\$0.00943
Distribution Energy Charge	kWh x	\$0.03378
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.

Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

File: R:\2006 neco\Year End Filing\{typbills.XLS}Input Section

Date: 15-Nov-06
Time: 03:40 PM

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)	
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
100	\$11.83	\$9.79	\$2.04	\$10.85	\$8.65	\$2.20	-\$0.98	-8.3%
200	\$23.67	\$19.58	\$4.09	\$21.69	\$17.29	\$4.40	-\$1.98	-8.4%
300	\$35.51	\$29.38	\$6.13	\$32.55	\$25.94	\$6.61	-\$2.96	-8.3%
500	\$60.54	\$48.96	\$11.58	\$55.63	\$43.23	\$12.40	-\$4.91	-8.1%
750	\$96.92	\$73.44	\$23.48	\$89.71	\$64.84	\$24.87	-\$7.21	-7.4%
1250	\$169.41	\$122.40	\$47.01	\$157.61	\$108.07	\$49.54	-\$11.80	-7.0%

Present Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00709
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.00448
Second Block Energy Charge (next 750 kWh)	kWh x	\$0.03055
Tail Block Energy Charge	kWh x	\$0.02548
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00943
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.00382
Second Block Energy Charge (next 750 kWh)	kWh x	\$0.03055
Tail Block Energy Charge	kWh x	\$0.02548
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.

Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

File: R:\2006 neco\Year End Filing\{typbills.XLS}Input Section

Date: 15-Nov-06

Time: 03:40 PM

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			Increase/(Decrease)	
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
100	\$11.42	\$9.79	\$1.63	\$10.58	\$8.65	\$1.93	-\$0.84	-7.4%
200	\$22.84	\$19.58	\$3.26	\$21.14	\$17.29	\$3.85	-\$1.70	-7.4%
300	\$34.27	\$29.38	\$4.89	\$31.72	\$25.94	\$5.78	-\$2.55	-7.4%
500	\$58.47	\$48.96	\$9.51	\$54.26	\$43.23	\$11.03	-\$4.21	-7.2%
750	\$93.82	\$73.44	\$20.38	\$87.65	\$64.84	\$22.81	-\$6.17	-6.6%
1250	\$166.31	\$122.40	\$43.91	\$155.54	\$108.07	\$47.47	-\$10.77	-6.5%

Present Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00709
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.00448
Second Block Energy Charge (next 750 kWh)	kWh x	\$0.03055
Tail Block Energy Charge	kWh x	\$0.02548
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Water Heating Credit (1st 750 kWhs)	kWh x	-\$0.00396

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.09400

Proposed Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00943
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.00382
Second Block Energy Charge (next 750 kWh)	kWh x	\$0.03055
Tail Block Energy Charge	kWh x	\$0.02548
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Water Heating Credit (1st 750 kWhs)	kWh x	-\$0.00264

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.

Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

File: R:\2006 neco\Year End Filing\typbills.XLS\Input Section

Date: 15-Nov-06
Time: 03:40 PM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - Non-Winter (April through November)
Without Control Credit for Water Heater

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)	
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
100	\$11.83	\$9.79	\$2.04	\$10.85	\$8.65	\$2.20	-\$0.98	-8.3%
200	\$23.67	\$19.58	\$4.09	\$21.69	\$17.29	\$4.40	-\$1.98	-8.4%
300	\$35.51	\$29.38	\$6.13	\$32.55	\$25.94	\$6.61	-\$2.96	-8.3%
500	\$60.54	\$48.96	\$11.58	\$55.63	\$43.23	\$12.40	-\$4.91	-8.1%
750	\$96.92	\$73.44	\$23.48	\$89.71	\$64.84	\$24.87	-\$7.21	-7.4%
1250	\$169.67	\$122.40	\$47.27	\$157.87	\$108.07	\$49.80	-\$11.80	-7.0%

Present Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00709
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.00448
Tail Block Energy Charge	kWh x	\$0.03055
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4.0%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00943
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.00382
Tail Block Energy Charge	kWh x	\$0.03055
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4.0%
Standard Offer Charge	kWh x	\$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.

Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

File: R:\2006 neco\Year End Filing\{typbills.XLS}Input Section

Date: 15-Nov-06

Time: 03:40 PM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - Non-Winter (April through November)
With Control Credit for Water Heater

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)	
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
100	\$11.42	\$9.79	\$1.63	\$10.58	\$8.65	\$1.93	-\$0.84	-7.4%
200	\$22.84	\$19.58	\$3.26	\$21.14	\$17.29	\$3.85	-\$1.70	-7.4%
300	\$34.27	\$29.38	\$4.89	\$31.72	\$25.94	\$5.78	-\$2.55	-7.4%
500	\$58.47	\$48.96	\$9.51	\$54.26	\$43.23	\$11.03	-\$4.21	-7.2%
750	\$93.82	\$73.44	\$20.38	\$87.65	\$64.84	\$22.81	-\$6.17	-6.6%
1250	\$166.58	\$122.40	\$44.18	\$155.81	\$108.07	\$47.74	-\$10.77	-6.5%

Present Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00709
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.00448
Tail Block Energy Charge	kWh x	\$0.03055
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Water Heating Credit (1st 750 kWhs)	kWh x	-\$0.00396
Gross Earnings Tax		4.0%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00943
Initial Block Energy Charge (1st 450 kWh)	kWh x	\$0.00382
Tail Block Energy Charge	kWh x	\$0.03055
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Water Heating Credit (1st 750 kWhs)	kWh x	-\$0.00264
Gross Earnings Tax		4.0%
Standard Offer Charge	kWh x	\$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.

Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

File: R:\2006 neco\Year End Filing\{typbills.XLS}Input Section

Date: 15-Nov-06

Time: 03:40 PM

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)		Percentage of Custs
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
250	\$44.70	\$24.48	\$20.22	\$41.77	\$21.61	\$20.16	-\$2.93	-6.6%	35.2%
500	\$83.15	\$48.96	\$34.19	\$77.31	\$43.23	\$34.08	-\$5.84	-7.0%	17.0%
1,000	\$160.05	\$97.92	\$62.13	\$148.37	\$86.46	\$61.91	-\$11.68	-7.3%	19.0%
1,500	\$236.94	\$146.88	\$90.06	\$219.42	\$129.69	\$89.73	-\$17.52	-7.4%	9.8%
2,000	\$313.83	\$195.83	\$118.00	\$290.48	\$172.92	\$117.56	-\$23.35	-7.4%	19.1%

Present Rates: C-06

Customer Charge		\$6.00
Transmission Energy Charge (1)	kWh x	\$0.00907
Distribution Energy Charge	kWh x	\$0.03652
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: C-06

Customer Charge		\$6.00
Transmission Energy Charge (2)	kWh x	\$0.00911
Distribution Energy Charge	kWh x	\$0.03643
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.

Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

File: R:\2006 neco\Year End Filing\{typbills.XLS}Input Section

Date: 15-Nov-06

Time: 03:40 PM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on R-02 (Phase-out to C-06) Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percentage of Custs
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
250	\$34.09	\$24.48	\$9.61	\$33.72	\$21.61	\$12.11	-\$0.37	-1.1%	15.6%
500	\$67.44	\$48.96	\$18.48	\$66.33	\$43.23	\$23.10	-\$1.11	-1.6%	23.1%
1,000	\$134.13	\$97.92	\$36.21	\$131.54	\$86.46	\$45.08	-\$2.59	-1.9%	49.2%
1,500	\$200.82	\$146.88	\$53.94	\$196.75	\$129.69	\$67.06	-\$4.07	-2.0%	10.3%
2,000	\$267.50	\$195.83	\$71.67	\$261.96	\$172.92	\$89.04	-\$5.54	-2.1%	1.8%

Present Rates: R-02 (Phase-out to C-06)

Unmetered Charge		\$0.72
Transmission Energy Charge (1)	kWh x	\$0.00630
Distribution Energy Charge	kWh x	\$0.01969
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: R-02 (Phase-out to C-06)

Unmetered Charge		\$1.08
Transmission Energy Charge (2)	kWh x	\$0.00911
Distribution Energy Charge	kWh x	\$0.02520
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.

Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

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Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on E-30 (Phase-out to A-16) Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percentage of Custs
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
1,000	\$139.71	\$97.92	\$41.79	\$135.05	\$86.46	\$48.59	-\$4.66	-3.3%	15.4%
2,500	\$344.97	\$244.79	\$100.18	\$333.34	\$216.15	\$117.19	-\$11.63	-3.4%	15.4%
5,000	\$687.08	\$489.58	\$197.50	\$663.80	\$432.29	\$231.51	-\$23.28	-3.4%	38.5%
10,000	\$1,371.31	\$979.17	\$392.14	\$1,324.74	\$864.58	\$460.16	-\$46.57	-3.4%	0.0%
25,000	\$3,423.96	\$2,447.92	\$976.04	\$3,307.55	\$2,161.46	\$1,146.09	-\$116.41	-3.4%	7.7%
50,000	\$6,845.05	\$4,895.83	\$1,949.22	\$6,612.24	\$4,322.92	\$2,289.32	-\$232.81	-3.4%	23.1%

Present Rates: E-30 (Phase-out to A-16)

Customer Charge		\$2.75
Transmission Energy Charge (1)	kWh x	\$0.00632
Distribution Energy Charge	kWh x	\$0.02300
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.09400

Proposed Rates: E-30 (Phase-out to A-16)

Customer Charge		\$2.75
Transmission Energy Charge (2)	kWh x	\$0.00943
Distribution Energy Charge	kWh x	\$0.02658
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.

Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	4,000	\$628.89	\$391.67	\$237.22	\$585.76	\$345.83	\$239.93	-\$43.13	-6.9%
50	10,000	\$1,482.83	\$979.17	\$503.66	\$1,384.69	\$864.58	\$520.11	-\$98.14	-6.6%
100	20,000	\$2,906.05	\$1,958.33	\$947.72	\$2,716.26	\$1,729.17	\$987.09	-\$189.79	-6.5%
150	30,000	\$4,329.28	\$2,937.50	\$1,391.78	\$4,047.82	\$2,593.75	\$1,454.07	-\$281.46	-6.5%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$2.02
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	6,000	\$865.41	\$587.50	\$277.91	\$797.49	\$518.75	\$278.74	-\$67.92	-7.8%
50	15,000	\$2,074.13	\$1,468.75	\$605.38	\$1,914.03	\$1,296.88	\$617.15	-\$160.10	-7.7%
100	30,000	\$4,088.66	\$2,937.50	\$1,151.16	\$3,774.91	\$2,593.75	\$1,181.16	-\$313.75	-7.7%
150	45,000	\$6,103.19	\$4,406.25	\$1,696.94	\$5,635.80	\$3,890.63	\$1,745.17	-\$467.39	-7.7%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$2.02
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	8,000	\$1,101.92	\$783.33	\$318.59	\$1,009.22	\$691.67	\$317.55	-\$92.70	-8.4%
50	20,000	\$2,665.42	\$1,958.33	\$707.09	\$2,443.35	\$1,729.17	\$714.18	-\$222.07	-8.3%
100	40,000	\$5,271.26	\$3,916.67	\$1,354.59	\$4,833.55	\$3,458.33	\$1,375.22	-\$437.71	-8.3%
150	60,000	\$7,877.09	\$5,875.00	\$2,002.09	\$7,223.76	\$5,187.50	\$2,036.26	-\$653.33	-8.3%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$2.02
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	10,000	\$1,338.45	\$979.17	\$359.28	\$1,220.94	\$864.58	\$356.36	-\$117.51	-8.8%
50	25,000	\$3,256.73	\$2,447.92	\$808.81	\$2,972.67	\$2,161.46	\$811.21	-\$284.06	-8.7%
100	50,000	\$6,453.86	\$4,895.83	\$1,558.03	\$5,892.20	\$4,322.92	\$1,569.28	-\$561.66	-8.7%
150	75,000	\$9,651.00	\$7,343.75	\$2,307.25	\$8,811.73	\$6,484.38	\$2,327.35	-\$839.27	-8.7%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$2.02
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	12,000	\$1,574.97	\$1,175.00	\$399.97	\$1,432.68	\$1,037.50	\$395.18	-\$142.29	-9.0%
50	30,000	\$3,848.03	\$2,937.50	\$910.53	\$3,501.99	\$2,593.75	\$908.24	-\$346.04	-9.0%
100	60,000	\$7,636.47	\$5,875.00	\$1,761.47	\$6,950.84	\$5,187.50	\$1,763.34	-\$685.63	-9.0%
150	90,000	\$11,424.91	\$8,812.50	\$2,612.41	\$10,399.70	\$7,781.25	\$2,618.45	-\$1,025.21	-9.0%

Present Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$2.02
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge-xcs 10 kW	kW x	\$3.22
Distribution Energy Charge	kWh x	\$0.00777
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	40,000	\$5,708.78	\$3,916.67	\$1,792.11	\$5,323.36	\$3,458.33	\$1,865.03	-\$385.42	-6.8%
750	150,000	\$20,730.66	\$14,687.50	\$6,043.16	\$19,285.34	\$12,968.75	\$6,316.59	-\$1,445.32	-7.0%
1,000	200,000	\$27,558.78	\$19,583.33	\$7,975.45	\$25,631.70	\$17,291.67	\$8,340.03	-\$1,927.08	-7.0%
1,500	300,000	\$41,215.03	\$29,375.00	\$11,840.03	\$38,324.41	\$25,937.50	\$12,386.91	-\$2,890.62	-7.0%
2,500	500,000	\$68,527.53	\$48,958.33	\$19,569.20	\$63,709.83	\$43,229.17	\$20,480.66	-\$4,817.70	-7.0%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.02
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.09400

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.81
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.01
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	60,000	\$8,097.32	\$5,875.00	\$2,222.32	\$7,463.99	\$5,187.50	\$2,276.49	-\$633.33	-7.8%
750	225,000	\$29,687.69	\$22,031.25	\$7,656.44	\$27,312.69	\$19,453.13	\$7,859.56	-\$2,375.00	-8.0%
1,000	300,000	\$39,501.49	\$29,375.00	\$10,126.49	\$36,334.82	\$25,937.50	\$10,397.32	-\$3,166.67	-8.0%
1,500	450,000	\$59,129.09	\$44,062.50	\$15,066.59	\$54,379.09	\$38,906.25	\$15,472.84	-\$4,750.00	-8.0%
2,500	750,000	\$98,384.30	\$73,437.50	\$24,946.80	\$90,467.64	\$64,843.75	\$25,623.89	-\$7,916.66	-8.0%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.02
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.09400

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.81
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.01
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	80,000	\$10,485.86	\$7,833.33	\$2,652.53	\$9,604.62	\$6,916.67	\$2,687.95	-\$881.24	-8.4%
750	300,000	\$38,644.72	\$29,375.00	\$9,269.72	\$35,340.03	\$25,937.50	\$9,402.53	-\$3,304.69	-8.6%
1,000	400,000	\$51,444.20	\$39,166.67	\$12,277.53	\$47,037.94	\$34,583.33	\$12,454.61	-\$4,406.26	-8.6%
1,500	600,000	\$77,043.16	\$58,750.00	\$18,293.16	\$70,433.78	\$51,875.00	\$18,558.78	-\$6,609.38	-8.6%
2,500	1,000,000	\$128,241.08	\$97,916.67	\$30,324.41	\$117,225.44	\$86,458.33	\$30,767.11	-\$11,015.64	-8.6%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.02
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.09400

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.81
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.01
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	100,000	\$12,874.41	\$9,791.67	\$3,082.74	\$11,745.24	\$8,645.83	\$3,099.41	-\$1,129.17	-8.8%
750	375,000	\$47,601.75	\$36,718.75	\$10,883.00	\$43,367.38	\$32,421.88	\$10,945.50	-\$4,234.37	-8.9%
1,000	500,000	\$63,386.90	\$48,958.33	\$14,428.57	\$57,741.08	\$43,229.17	\$14,511.91	-\$5,645.82	-8.9%
1,500	750,000	\$94,957.22	\$73,437.50	\$21,519.72	\$86,488.47	\$64,843.75	\$21,644.72	-\$8,468.75	-8.9%
2,500	1,250,000	\$158,097.84	\$122,395.83	\$35,702.01	\$143,983.26	\$108,072.92	\$35,910.34	-\$14,114.58	-8.9%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.02
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.09400

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.81
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.01
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	120,000	\$15,262.95	\$11,750.00	\$3,512.95	\$13,885.86	\$10,375.00	\$3,510.86	-\$1,377.09	-9.0%
750	450,000	\$56,558.78	\$44,062.50	\$12,496.28	\$51,394.72	\$38,906.25	\$12,488.47	-\$5,164.06	-9.1%
1,000	600,000	\$75,329.61	\$58,750.00	\$16,579.61	\$68,444.20	\$51,875.00	\$16,569.20	-\$6,885.41	-9.1%
1,500	900,000	\$112,871.28	\$88,125.00	\$24,746.28	\$102,543.16	\$77,812.50	\$24,730.66	-\$10,328.12	-9.2%
2,500	1,500,000	\$187,954.61	\$146,875.00	\$41,079.61	\$170,741.07	\$129,687.50	\$41,053.57	-\$17,213.54	-9.2%

Present Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.02
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.09400

Proposed Rates: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.81
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.01
Distribution Energy Charge	kWh x	\$0.00889
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	600,000	\$95,338.25	\$58,750.00	\$36,588.25	\$90,213.25	\$51,875.00	\$38,338.25	-\$5,125.00	-5.4%
5,000	1,000,000	\$147,009.09	\$97,916.67	\$49,092.42	\$138,467.41	\$86,458.33	\$52,009.08	-\$8,541.68	-5.8%
7,500	1,500,000	\$211,597.63	\$146,875.00	\$64,722.63	\$198,785.13	\$129,687.50	\$69,097.63	-\$12,812.50	-6.1%
10,000	2,000,000	\$276,186.16	\$195,833.33	\$80,352.83	\$259,102.84	\$172,916.67	\$86,186.17	-\$17,083.32	-6.2%
20,000	4,000,000	\$534,540.34	\$391,666.67	\$142,873.67	\$500,373.66	\$345,833.33	\$154,540.33	-\$34,166.68	-6.4%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.26
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$2.14
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.25
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.08300

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Date: 15-Nov-06
Time: 03:40 PM

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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	900,000	\$128,388.25	\$88,125.00	\$40,263.25	\$119,544.50	\$77,812.50	\$41,732.00	-\$8,843.75	-6.9%
5,000	1,500,000	\$202,092.42	\$146,875.00	\$55,217.42	\$187,352.83	\$129,687.50	\$57,665.33	-\$14,739.59	-7.3%
7,500	2,250,000	\$294,222.63	\$220,312.50	\$73,910.13	\$272,113.25	\$194,531.25	\$77,582.00	-\$22,109.38	-7.5%
10,000	3,000,000	\$386,352.83	\$293,750.00	\$92,602.83	\$356,873.67	\$259,375.00	\$97,498.67	-\$29,479.16	-7.6%
20,000	6,000,000	\$754,873.67	\$587,500.00	\$167,373.67	\$695,915.33	\$518,750.00	\$177,165.33	-\$58,958.34	-7.8%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.26
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$2.14
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.25
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.08300

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Date: 15-Nov-06
Time: 03:40 PM

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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	1,200,000	\$161,438.25	\$117,500.00	\$43,938.25	\$148,875.75	\$103,750.00	\$45,125.75	-\$12,562.50	-7.8%
5,000	2,000,000	\$257,175.75	\$195,833.33	\$61,342.42	\$236,238.25	\$172,916.67	\$63,321.58	-\$20,937.50	-8.1%
7,500	3,000,000	\$376,847.63	\$293,750.00	\$83,097.63	\$345,441.38	\$259,375.00	\$86,066.38	-\$31,406.25	-8.3%
10,000	4,000,000	\$496,519.50	\$391,666.67	\$104,852.83	\$454,644.50	\$345,833.33	\$108,811.17	-\$41,875.00	-8.4%
20,000	8,000,000	\$975,207.00	\$783,333.33	\$191,873.67	\$891,457.00	\$691,666.67	\$199,790.33	-\$83,750.00	-8.6%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.26
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$2.14
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.25
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.08300

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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	1,500,000	\$194,488.25	\$146,875.00	\$47,613.25	\$178,207.00	\$129,687.50	\$48,519.50	-\$16,281.25	-8.4%
5,000	2,500,000	\$312,259.09	\$244,791.67	\$67,467.42	\$285,123.66	\$216,145.83	\$68,977.83	-\$27,135.43	-8.7%
7,500	3,750,000	\$459,472.63	\$367,187.50	\$92,285.13	\$418,769.50	\$324,218.75	\$94,550.75	-\$40,703.13	-8.9%
10,000	5,000,000	\$606,686.16	\$489,583.33	\$117,102.83	\$552,415.34	\$432,291.67	\$120,123.67	-\$54,270.82	-8.9%
20,000	10,000,000	\$1,195,540.34	\$979,166.67	\$216,373.67	\$1,086,998.66	\$864,583.33	\$222,415.33	-\$108,541.68	-9.1%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.26
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$2.14
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.25
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.08300

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Date: 15-Nov-06
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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	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	1,800,000	\$227,538.25	\$176,250.00	\$51,288.25	\$207,538.25	\$155,625.00	\$51,913.25	-\$20,000.00	-8.8%
5,000	3,000,000	\$367,342.42	\$293,750.00	\$73,592.42	\$334,009.08	\$259,375.00	\$74,634.08	-\$33,333.34	-9.1%
7,500	4,500,000	\$542,097.63	\$440,625.00	\$101,472.63	\$492,097.63	\$389,062.50	\$103,035.13	-\$50,000.00	-9.2%
10,000	6,000,000	\$716,852.83	\$587,500.00	\$129,352.83	\$650,186.17	\$518,750.00	\$131,436.17	-\$66,666.66	-9.3%
20,000	12,000,000	\$1,415,873.67	\$1,175,000.00	\$240,873.67	\$1,282,540.33	\$1,037,500.00	\$245,040.33	-\$133,333.34	-9.4%

Present Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00371
Distribution Demand Charge	kW x	\$2.26
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$2.14
Transmission Adjustment Factor	kWh x	\$0.00297
Distribution Demand Charge	kW x	\$2.25
Distribution Energy Charge	kWh x	\$0.00000
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.08300

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Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on T-06 (Phase-out to A-16) Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percentage of Custs
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
500	\$73.89	\$48.96	\$24.93	\$70.18	\$43.23	\$26.95	-\$3.71	-5.0%	3.0%
1,000	\$144.91	\$97.92	\$46.99	\$137.49	\$86.46	\$51.03	-\$7.42	-5.1%	24.7%
2,000	\$286.94	\$195.83	\$91.11	\$272.12	\$172.92	\$99.20	-\$14.82	-5.2%	13.9%
5,000	\$713.07	\$489.58	\$223.49	\$675.99	\$432.29	\$243.70	-\$37.08	-5.2%	14.9%
10,000	\$1,423.28	\$979.17	\$444.11	\$1,349.11	\$864.58	\$484.53	-\$74.17	-5.2%	7.2%
20,000	\$2,843.69	\$1,958.33	\$885.36	\$2,695.37	\$1,729.17	\$966.20	-\$148.32	-5.2%	8.8%

Present Rates: T-06 (Phase-out to A-16)

Customer Charge		\$2.75
Transmission Energy Charge (1)	kWh x	\$0.00732
Distribution Energy Charge	kWh x	\$0.02699
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: T-06 (Phase-out to A-16)

Customer Charge		\$2.75
Transmission Energy Charge (2)	kWh x	\$0.00911
Distribution Energy Charge	kWh x	\$0.02924
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.
Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

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Date: 15-Nov-06
Time: 03:40 PM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on T-06 (Phase-out to C-06) Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percentage of Custs
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
500	\$77.78	\$48.96	\$28.82	\$74.33	\$43.23	\$31.10	-\$3.45	-4.4%	2.7%
1,000	\$149.32	\$97.92	\$51.40	\$142.42	\$86.46	\$55.96	-\$6.90	-4.6%	8.0%
2,000	\$292.37	\$195.83	\$96.54	\$278.59	\$172.92	\$105.67	-\$13.78	-4.7%	17.3%
5,000	\$721.56	\$489.58	\$231.98	\$687.08	\$432.29	\$254.79	-\$34.48	-4.8%	18.7%
10,000	\$1,436.88	\$979.17	\$457.71	\$1,367.91	\$864.58	\$503.33	-\$68.97	-4.8%	17.3%
20,000	\$2,867.50	\$1,958.33	\$909.17	\$2,729.59	\$1,729.17	\$1,000.42	-\$137.91	-4.8%	36.0%

Present Rates: T-06 (Phase-out to C-06)

Customer Charge		\$6.00
Transmission Energy Charge (1)	kWh x	\$0.00732
Distribution Energy Charge	kWh x	\$0.02797
Transition Energy Charge	kWh x	\$0.00575
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.09400

Proposed Rates: T-06 (Phase-out to C-06)

Customer Charge		\$6.00
Transmission Energy Charge (2)	kWh x	\$0.00911
Distribution Energy Charge	kWh x	\$0.03072
Transition Energy Charge	kWh x	\$0.00559
C&LM Adjustment	kWh x	\$0.00230

Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.08300

Note (1): Includes Transmission Adjustment Factor of \$.00371/kWh.

Note (2): Includes Proposed Transmission Adjustment Factor of \$.00297/kWh.

Testimony of
Michael J. Hager

DIRECT TESTIMONY
OF
MICHAEL J. HAGER

1 **I. Introduction**

2 Q. Please state your name and business address.

3 A. My name is Michael J. Hager and my business address is 55 Bearfoot Road,
4 Northborough, Massachusetts 01532.

5

6 Q. Please state your position.

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

21
22
23 **II. Purpose of Testimony**

1 Q. What is the purpose of your testimony?

2 A. The purpose of my testimony is to provide an estimate of the costs the Company expects
3 to incur under its Standard Offer supply contracts for the period January 2007 through
4 December 2007.

5

6 **III. Description of Standard Offer Supply Costs**

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

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

14

15 Q. Please describe the costs that the Company incurs under the Standard Offer supply
16 contracts.

17 A. The Standard Offer supply contracts include two basic price components – a base price
18 and, for some contracts, a fuel index adjustment provision.

19

20 Q. What is the base price in effect for calendar years 2006 and 2007?

21 A. The base price for calendar year 2006 is 5.9¢/kWh. The base price for calendar year
22 2007 is 6.3¢/kWh.

23

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

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

15

16 **IV. Fuel Index Estimate for the Period January 2007 through December 2007**

17 Q. Has the Company conducted an estimate of expected costs under the fuel index
18 adjustment provisions for the period January 2007 through December 2007?

19 A. Yes. The Company has estimated its expected costs under the fuel index adjustment
20 provisions using average natural gas and crude oil prices as reported in *The Wall Street*
21 *Journal* on October 25, 2006, October 26, 2006 and October 27, 2006.

22

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

1 A. Schedule MJH-2 provides the natural gas and oil values used in the analysis.

2

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

4 A. Schedule MJH-3 provides the resulting fuel index adjustment payments from the
5 analysis. The analysis shows that the Company would pay an arithmetic average fuel
6 index adjustment payment for the period January 2007 through December 2007 of
7 2.586¢/kWh for the Narragansett Zone load which corresponds to an arithmetic average
8 of 1.913¢/kWh applicable to both zones. The fuel index adjustment is not applicable for
9 the EUA Zone load in this period.

10

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

12 A. The Company's market cost proxy for comparable service is the cost it incurs to procure
13 its Last Resort Service requirements in Rhode Island or the cost its affiliates incur to
14 procure their Default Service requirements in Massachusetts. In September 2006, the
15 Company procured Last Resort Service for the period November 2006 through April
16 2007 at an arithmetic average rate of 10.563¢/kWh for its residential customers and
17 10.839¢/kWh for its commercial and industrial customers.

18

19 Also in September 2006, the Company's affiliate in Massachusetts procured its Default
20 Service requirements for the period November 2006 through April 2007 at an arithmetic
21 average rate of 11.525¢/kWh for residential customers, 11.387¢/kWh for small
22 commercial customers. For large commercial and industrial customers, the Company
23 procured Default Service requirements for the period November 2006 through January

1 2007 at an arithmetic average rate of 11.130¢/kWh for the SEMA zone, 11.308¢/kWh for
2 the NEMA zone and 10.791¢/kWh for the WCMA zone.

3
4 Q. Can you provide the details of the current fuel index adjustment provision calculations?

5 A. Yes. Detailed calculations are provided in Schedule MJH-4.

6
7 Q. In your review of the fuel indices and awareness of fuel markets, have you seen anything
8 to indicate that natural gas and oil prices are likely to abate from current levels?

9 A. No. Natural gas prices for calendar year 2007 declined 21% on average from August
10 2006 – September 2006 and increased 8% on average from September 2006 – October
11 2006. General publications and power market publications do not provide any indication
12 that prices will subside significantly from their current levels in the near future. In
13 general, it is believed that the domestic natural gas industry is entering the 2006-2007
14 winter heating season with record inventories of underground storage, improving
15 domestic production and stable imports of Canadian gas and LNG, relative to previous
16 years. Seasonal weather (as it almost always is) will be the determining factor regarding
17 demand for natural gas, the short-term supply balance and resulting market prices.

18
19 **V. Upcoming Impacts to Standard Offer Costs**

20 Q. Are there other costs that will be incurred to provide Standard Offer supply beginning
21 January 1, 2007?

22 A. Yes. Beginning on January 1, 2007, Rhode Island's Renewable Energy Standard ("RES")
23 begins. The requirements of the RES are contained in the Rules and Regulations

1 Governing the Implementation of a Renewable Energy Standard, which was issued by the
2 Commission pursuant to the requirements of R.I.G.L. § 39-26-1 et seq. (“RES Rules”).
3

4 Q. What obligations do the RES Rules place on Standard Offer Service beginning on
5 January 1, 2007?

6 A. Beginning on January 1, 2007, the RES Rules require that the amount of retail electricity
7 sales associated with Standard Offer Service, as well as Last Resort Service, meet a
8 minimum requirement for renewable resources. For compliance year 2007, 3% of the
9 retail sales of these two supply types must come from renewable resources of which 1%
10 must be from new renewable resources and 2% can be from either new or existing
11 renewable resources.

12
13 The RES Rules also require the Company to file an annual plan for procurement of
14 NEPOOL GIS Certificates for compliance with the regulations.
15

16 Q. Has the Company filed its 2007 RES Procurement Plan with the Commission?

17 A. Yes. The Company filed its 2007 RES Procurement Plan on November 3, 2006.
18

19 Q. Has the Company estimated the additional cost of complying with the RES Rules?

20 A. Yes. The Company has developed an estimate of the cost of complying with the RES
21 Rules assuming the 1% new requirements is priced at the Alternative Compliance
22 Payment rate (estimated to be \$57.14 per MWh in 2007) and the remaining 2%

1 requirement can be purchased at a market price of \$0.50 per MWh. The estimated cost is
2 \$0.00062/kWh.

3

4 Q. Has the Company included this cost in the estimates provided above?

5 A. No. The Company included these costs in its filing in Docket No. 3765. Approval of the
6 cost adder is pending in that docket and is not requested as a part of this filing and the
7 costs are not included in the costs stated previously in my testimony.

8

9 **VI. Conclusion**

10 Q. Does this conclude your testimony?

11 A. Yes, it does.

Schedules of
Michael J. Hager

Standard Offer Fuel Index Adjustment Provision
For Narragansett Zone Contracts

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 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 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 (\$.35/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 4.4548 /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 Analysis
October 25, 2006, October 26, 2006 and October 27, 2006
(\$/mmBtu)**

Month	Gas Index	Oil Index
Jan-07	8.492	6.44
Feb-07	8.530	6.56
Mar-07	8.357	6.65
Apr-07	7.767	6.72
May-07	7.726	6.74
Jun-07	7.807	6.83
Jul-07	7.896	6.85
Aug-07	7.955	6.89
Sep-07	8.000	6.89
Oct-07	8.083	6.91
Nov-07	8.526	6.91
Dec-07	9.004	7.02

**Summary of Additional Payments Estimated to be
Made Pursuant to the Fuel Index Adjustment Provisions
Based on October 25-27, 2006 Fuel Costs
(Cents/kWh)**

Month	Narragansett Zone	EUA Zone
Jan-07	2.508	n/a
Feb-07	2.464	n/a
Mar-07	2.475	n/a
Apr-07	2.437	n/a
May-07	2.403	n/a
Jun-07	2.454	n/a
Jul-07	2.506	n/a
Aug-07	2.511	n/a
Sep-07	2.598	n/a
Oct-07	2.793	n/a
Nov-07	2.898	n/a
Dec-07	2.982	n/a

Prices published in WSJ on: 25-Oct-06 26-Oct-06 27-Oct-06

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				
Jan-06	Dec-05	\$12.283	\$11.022	\$11.431	\$11.579	\$8.989	n/a	Jan-06
Feb-06	Jan-06	\$8.460	\$8.229	\$8.400	\$8.363	\$9.156	n/a	Feb-06
Mar-06	Feb-06	\$7.283	\$7.458	\$7.112	\$7.284	\$9.243	n/a	Mar-06
Apr-06	Mar-06	\$7.067	\$7.214	\$7.233	\$7.171	\$9.246	n/a	Apr-06
May-06	Apr-06	\$7.558	\$7.254	\$7.198	\$7.337	\$9.274	n/a	May-06
Jun-06	May-06	\$5.964	\$5.975	\$5.925	\$5.955	\$9.248	n/a	Jun-06
Jul-06	Jun-06	\$5.969	\$6.107	\$5.887	\$5.988	\$9.151	n/a	Jul-06
Aug-06	Jul-06	\$6.409	\$6.887	\$7.042	\$6.779	\$9.095	n/a	Aug-06
Sep-06	Aug-06	\$7.157	\$6.472	\$6.816	\$6.815	\$8.818	n/a	Sep-06
Oct-06	Sep-06	\$4.475	\$5.805	\$4.201	\$4.827	\$8.137	n/a	Oct-06
Nov-06	Oct-06	\$7.693	\$7.497	\$7.153	\$7.448	\$7.585	n/a	Nov-06
Dec-06	Nov-06	\$8.328	\$8.067	\$7.827	\$8.074	\$7.302	n/a	Dec-06
Jan-07	Dec-06	\$8.701	\$8.497	\$8.277	\$8.492	\$7.044	n/a	Jan-07
Feb-07	Jan-07	\$8.731	\$8.532	\$8.327	\$8.530	\$7.058	n/a	Feb-07
Mar-07	Feb-07	\$8.546	\$8.352	\$8.172	\$8.357	\$7.148	n/a	Mar-07
Apr-07	Mar-07	\$7.946	\$7.772	\$7.582	\$7.767	\$7.197	n/a	Apr-07
May-07	Apr-07	\$7.911	\$7.729	\$7.539	\$7.726	\$7.230	n/a	May-07
Jun-07	May-07	\$7.992	\$7.810	\$7.618	\$7.807	\$7.384	n/a	Jun-07
Jul-07	Jun-07	\$8.083	\$7.900	\$7.706	\$7.896	\$7.543	n/a	Jul-07
Aug-07	Jul-07	\$8.143	\$7.960	\$7.763	\$7.955	\$7.641	n/a	Aug-07
Sep-07	Aug-07	\$8.188	\$8.005	\$7.808	\$8.000	\$7.740	n/a	Sep-07
Oct-07	Sep-07	\$8.268	\$8.087	\$7.893	\$8.083	\$8.011	n/a	Oct-07
Nov-07	Oct-07	\$8.728	\$8.532	\$8.318	\$8.526	\$8.101	n/a	Nov-07
Dec-07	Nov-07	\$9.248	\$9.002	\$8.763	\$9.004	\$8.179	n/a	Dec-07

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 - Oct-06)
- Settlement price as reported in the Wall Street Journal on 10-25-06 (Nov-06 - Dec-07)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Oct-06)
- Settlement price as reported in the Wall Street Journal on 10-26-06 (Nov-06 - Dec-07)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Oct-06)
- Settlement price as reported in the Wall Street Journal on 10-27-06 (Nov-06 - Dec-07)
- 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.

DETERMINATION OF MARKET OIL PRICE

(Col. A)	(Col. B)	(Col. HH)	(Col. II)	(Col. JJ)	(Col. KK)	(Col. LL)	(Col. MM)	(Col. NN)	Prices published in WSJ on:				
SOS Delivery Month	Trading Month	Sum of Values	# of Values	Conversion Factor	Oil Index (\$/mmBtu)	NGrid's Market Oil Price	EUA's Market Oil Price		Average	25-Oct-06	26-Oct-06	27-Oct-06	
Jan-05	Jan-05	594.00	20	6.3	4.71	4.43738	n/a		45.6400	45.64	45.64	45.64	<=Jan closing from WSJ on 12/20/04
Feb-05	Feb-05	584.70	19	6.3	4.88	4.49990	n/a		46.9100	46.91	46.91	46.91	<=Feb closing from WSJ on 01/20/05
Mar-05	Mar-05	779.75	22	6.3	5.63	4.64430	n/a		51.1500	51.15	51.15	51.15	<=Mar closing from WSJ on 02/22/05
Apr-05	Apr-05	811.40	21	6.3	6.13	4.81806	n/a		56.6200	56.62	56.62	56.62	<=Apr closing from WSJ on 03/21/05
May-05	May-05	792.25	21	6.3	5.99	4.91814	n/a		52.4400	52.44	52.44	52.44	<=May closing from WSJ on 04/20/05
Jun-05	Jun-05	900.25	22	6.3	6.50	5.06936	n/a		46.8000	46.80	46.80	46.80	<=Jun closing from WSJ on 05/20/05
Jul-05	Jul-05	844.35	20	6.3	6.70	5.26003	n/a		59.3700	59.37	59.37	59.37	<=Jul closing from WSJ on 06/22/05
Aug-05	Aug-05	1048.35	23	6.3	7.23	5.49487	n/a		57.4600	57.46	57.46	57.46	<=Aug closing from WSJ on 07/20/05
Sep-05	Sep-05	1064.75	21	6.3	8.05	5.79894	n/a		65.4500	65.45	65.45	65.45	<=Sep closing from WSJ on 08/22/05
Oct-05	Oct-05	1048.35	21	6.3	7.92	6.02252	n/a		66.2300	66.23	66.23	66.23	<=Oct closing from WSJ on 09/20/05
Nov-05	Nov-05	919.00	20	6.3	7.29	6.25192	n/a		61.3000	61.30	61.30	61.30	<=Nov closing from WSJ on 10/20/05
Dec-05	Dec-05	1020.00	21	6.3	7.71	6.56276	n/a		56.1400	56.14	56.14	56.14	<=Dec closing from WSJ on 11/18/05
Jan-06	Jan-06	948.15	20	6.3	7.53	6.79699	n/a		57.9800	57.98	57.98	57.98	<=Jan closing from WSJ on 12/20/05
Feb-06	Feb-06	911.50	19	6.3	7.61	7.02450	n/a		68.3500	68.35	68.35	68.35	<=Feb closing from WSJ on 01/20/06
Mar-06	Mar-06	1086.62	23	6.3	7.50	7.18060	n/a		61.1000	61.10	61.10	61.10	<=Mar closing from WSJ on 02/21/06
Apr-06	Apr-06	967.73	19	6.3	8.08	7.34323	n/a		60.5700	60.57	60.57	60.57	<=Apr closing from WSJ on 03/21/06
May-06	May-06	1081.50	22	6.3	7.80	7.49446	n/a		71.9500	71.95	71.95	71.95	<=May closing from WSJ on 04/20/06
Jun-06	Jun-06	1060.25	22	6.3	7.65	7.59066	n/a		69.2300	69.23	69.23	69.23	<=June closing from WSJ on 05/22/06
Jul-06	Jul-06	923.40	19	6.3	7.71	7.67509	n/a		70.3300	70.33	70.33	70.33	<=July closing from WSJ on 06/20/06
Aug-06	Aug-06	1155.05	23	6.3	7.97	7.73645	n/a		73.0800	73.08	73.08	73.08	<=Aug closing from WSJ on 07/20/06
Sep-06	Sep-06	796.22	20	6.3	6.32	7.59239	n/a		72.6300	72.63	72.63	72.63	<=Sep closing from WSJ on 08/22/06
Oct-06	Oct-06	863.40	22	6.3	6.23	7.45117	n/a		60.4600	60.46	60.46	60.46	<=Oct closing from WSJ on 09/20/06
Nov-06	Nov-06	56.82			5.85	7.33123	n/a		56.8200	56.82	56.82	56.82	<=Nov closing from WSJ on 10/20/06
Dec-06	Dec-06	60.84			6.27	7.21111	n/a		60.8367	61.40	60.36	60.75	
Jan-07	Jan-07	62.53			6.44	7.12092	n/a		62.5300	63.07	61.99	62.53	
Feb-07	Feb-07	63.68			6.56	7.03311	n/a		63.6800	64.20	63.12	63.72	
Mar-07	Mar-07	64.53			6.65	6.96225	n/a		64.5300	65.03	63.95	64.61	
Apr-07	Apr-07	65.22			6.72	6.84855	n/a		65.2233	65.72	64.64	65.31	
May-07	May-07	65.42			6.74	6.75998	n/a		65.4167	66.30	64.64	65.31	
Jun-07	Jun-07	66.30			6.83	6.69179	n/a		66.3033	66.79	65.71	66.41	
Jul-07	Jul-07	66.45			6.85	6.61949	n/a		66.4500	66.79	65.71	66.85	
Aug-07	Aug-07	66.84			6.89	6.52913	n/a		66.8433	67.59	65.71	67.23	
Sep-07	Sep-07	66.84			6.89	6.57646	n/a		66.8433	67.59	65.71	67.23	
Oct-07	Oct-07	67.04			6.91	6.63299	n/a		67.0433	67.59	65.71	67.83	
Nov-07	Nov-07	67.04			6.91	6.72077	n/a		67.0433	67.59	65.71	67.83	
Dec-07	Dec-07	68.13			7.02	6.78342	n/a		68.1333	68.61	67.51	68.28	

Notes:

- Col. A - month in which SOS was delivered at wholesale.
- Col. B - month in which oil prices were quoted and delivered.
- Col. C - Col. GG - daily prices as quoted by Platt's MarketScan. (not shown)
- Col. HH - sum of values in Col. C through Col. GG. (Jan-99 - Oct-06)
 - Nov-06 Final Crude oil contract price as reported in the Wall Street Journal on 20-Oct-06
 - average of Crude oil contract prices as reported in the Wall Street Journal on 10-25-06, 10-26-06 & 10-27-06
- Col. II - number of non-zero values in Col. C through Col. GG.
- Col. JJ - a fixed factor of 6.3 mmBtu per bbl.
- Col. KK - Col. HH divided by (Col. II x Col. JJ) (Jan-99 - Oct-06)
 - Current month value Col. HH * Oct-06 value in Col KK/ 60.46 (Nov-06 - Dec-07)
 - Where 60.46 represents the Oct-06 closing value from the WSJ 20-Sep-06
- Col. LL - Average of the most recent twelve months of values in Col. KK (including current SOS delivery month)
- Col. MM - Average of the most recent six months of values in Col. KK (ending month prior to SOS delivery month)

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-05	\$6.10331	\$4.43738	\$10.5407	\$8.48	1.22595	n/a	n/a	n/a	n/a	n/a	1.243	n/a	0.920
Feb-05	\$6.15500	\$4.49990	\$10.6549	\$8.48	1.23848	n/a	n/a	n/a	n/a	n/a	1.312	n/a	0.971
Mar-05	\$6.24844	\$4.64430	\$10.8927	\$8.48	1.26456	n/a	n/a	n/a	n/a	n/a	1.455	n/a	1.077
Apr-05	\$6.39533	\$4.81806	\$11.2134	\$8.48	1.29971	n/a	n/a	n/a	n/a	n/a	1.648	n/a	1.220
May-05	\$6.49111	\$4.91814	\$11.4092	\$8.48	1.32119	n/a	n/a	n/a	n/a	n/a	1.767	n/a	1.307
Jun-05	\$6.45550	\$5.06936	\$11.5249	\$8.48	1.33387	n/a	n/a	n/a	n/a	n/a	1.836	n/a	1.359
Jul-05	\$6.52481	\$5.26003	\$11.7848	\$8.48	1.36237	n/a	n/a	n/a	n/a	n/a	1.993	n/a	1.475
Aug-05	\$6.64597	\$5.49487	\$12.1408	\$8.48	1.40141	n/a	n/a	n/a	n/a	n/a	2.208	n/a	1.634
Sep-05	\$7.05819	\$5.79894	\$12.8571	\$8.48	1.47995	n/a	n/a	n/a	n/a	n/a	2.640	n/a	1.953
Oct-05	\$7.68669	\$6.02252	\$13.7092	\$8.48	1.57338	n/a	n/a	n/a	n/a	n/a	3.154	n/a	2.334
Nov-05	\$8.19481	\$6.25192	\$14.4467	\$8.48	1.65425	n/a	n/a	n/a	n/a	n/a	3.598	n/a	2.663
Dec-05	\$8.55267	\$6.56276	\$15.1154	\$8.48	1.72757	n/a	n/a	n/a	n/a	n/a	4.002	n/a	2.961
Jan-06	\$8.98864	\$6.79699	\$15.7856	\$9.22	1.66589	n/a	n/a	n/a	n/a	n/a	3.929	n/a	2.907
Feb-06	\$9.15558	\$7.02450	\$16.1801	\$9.22	1.70589	n/a	n/a	n/a	n/a	n/a	4.165	n/a	3.082
Mar-06	\$9.24267	\$7.18060	\$16.4233	\$9.22	1.73055	n/a	n/a	n/a	n/a	n/a	4.310	n/a	3.190
Apr-06	\$9.24628	\$7.34323	\$16.5895	\$9.22	1.74742	n/a	n/a	n/a	n/a	n/a	4.410	n/a	3.263
May-06	\$9.27375	\$7.49446	\$16.7682	\$9.22	1.76554	n/a	n/a	n/a	n/a	n/a	4.517	n/a	3.342
Jun-06	\$9.24811	\$7.59066	\$16.8388	\$9.22	1.77270	n/a	n/a	n/a	n/a	n/a	4.559	n/a	3.374
Jul-06	\$9.15058	\$7.67509	\$16.8257	\$9.22	1.77137	n/a	n/a	n/a	n/a	n/a	4.551	n/a	3.368
Aug-06	\$9.09453	\$7.73645	\$16.8310	\$9.22	1.77190	n/a	n/a	n/a	n/a	n/a	4.554	n/a	3.370
Sep-06	\$8.81775	\$7.59239	\$16.4101	\$9.22	1.72922	n/a	n/a	n/a	n/a	n/a	4.302	n/a	3.184
Oct-06	\$8.13658	\$7.45117	\$15.5878	\$9.22	1.64582	n/a	n/a	n/a	n/a	n/a	3.810	n/a	2.820
Nov-06	\$7.58472	\$7.33123	\$14.9160	\$9.22	1.57768	n/a	n/a	n/a	n/a	n/a	3.408	n/a	2.522
Dec-06	\$7.30161	\$7.21111	\$14.5127	\$9.22	1.53679	n/a	n/a	n/a	n/a	n/a	3.167	n/a	2.344
Jan-07	\$7.04436	\$7.12092	\$14.1653	\$9.95	1.39804	n/a	n/a	n/a	n/a	n/a	2.508	n/a	1.856
Feb-07	\$7.05828	\$7.03311	\$14.0914	\$9.95	1.39107	n/a	n/a	n/a	n/a	n/a	2.464	n/a	1.823
Mar-07	\$7.14764	\$6.96225	\$14.1099	\$9.95	1.39281	n/a	n/a	n/a	n/a	n/a	2.475	n/a	1.831
Apr-07	\$7.19725	\$6.84855	\$14.0458	\$9.95	1.38676	n/a	n/a	n/a	n/a	n/a	2.437	n/a	1.803
May-07	\$7.22972	\$6.75998	\$13.9897	\$9.95	1.38146	n/a	n/a	n/a	n/a	n/a	2.403	n/a	1.778
Jun-07	\$7.38406	\$6.69179	\$14.0758	\$9.95	1.38960	n/a	n/a	n/a	n/a	n/a	2.454	n/a	1.816
Jul-07	\$7.54311	\$6.61949	\$14.1626	\$9.95	1.39779	n/a	n/a	n/a	n/a	n/a	2.506	n/a	1.854
Aug-07	\$7.64111	\$6.52913	\$14.1702	\$9.95	1.39851	n/a	n/a	n/a	n/a	n/a	2.511	n/a	1.858
Sep-07	\$7.73989	\$6.57646	\$14.3164	\$9.95	1.41231	n/a	n/a	n/a	n/a	n/a	2.598	n/a	1.922
Oct-07	\$8.01119	\$6.63299	\$14.6442	\$9.95	1.44327	n/a	n/a	n/a	n/a	n/a	2.793	n/a	2.067
Nov-07	\$8.10106	\$6.72077	\$14.8218	\$9.95	1.46004	n/a	n/a	n/a	n/a	n/a	2.898	n/a	2.145
Dec-07	\$8.17858	\$6.78342	\$14.9620	\$9.95	1.47328	n/a	n/a	n/a	n/a	n/a	2.982	n/a	2.206

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 - @if(Col. D > Col. E, (Col. B + \$0.60 + Col. C + \$0.04) / (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. I - Determination of Market Oil Price)
- Col. I - Col. G + Col. H
- Col. J - Applicable value from the Standard Offer Supply Contracts.
- Col. K - @if(Col. I > Col. J, (Col. G + \$0.60 + Col. H + \$0.04) / (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.
- Col. N - (0.74 * Col. L) + (0.26 * Col. M)

Forecast of fuel prices based on NYMEX futures as reported in the Wall Street Journal on 10-25-06, 10-26-06 & 10-27-06

Testimony of
Mary P. Haines

DIRECT TESTIMONY
OF
MARY P. HAINES

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1 **I. Introduction and Qualifications**

2 Q. Please state your name and business address.

3 A. My name is Mary P. Haines. My business address is 300 Erie Boulevard West,
4 Syracuse, New York 13202.

5
6 Q. By whom are you employed and in what capacity?

7 A. I am employed by National Grid USA Service Company, Inc. (“Company”) as
8 Senior Analyst, Transmission Rates in the Transmission Finance group. My
9 responsibilities include participation in the administration and development of
10 transmission tariffs and transmission rates for National Grid, which includes New
11 England Power (“NEP”) in New England. I provide support for NEP’s
12 transmission rate filings at the Federal Energy Regulatory Commission (“FERC”)
13 and monitor ISO New England (“ISO-NE”) Transmission Tariffs. In addition, I
14 am involved with many transmission pricing policy and regulatory matters.

15

16 Q. Please describe your educational and professional background.

17 A. I graduated from LeMoyne College in Syracuse, New York in May 2006 with a
18 Master of Business Administration. Also, I graduated from State University
19 College of Buffalo, New York in 1985 with a Bachelor of Science from the
20 School of Business. I have held a number of staff positions within the Company,
21 including in the Electric Pricing, Gas Rates and Fuel Supply areas. I have
22 submitted testimony to and have testified before the New York State Public
23 Service Commission in Case No. 00-M-0504, Unbundling Proceeding.

1 **II. Purpose of Testimony**

2 Q. What is the purpose of your testimony?

3 A. My testimony addresses the estimated 2007 transmission expenses and ISO-NE
4 expenses for The Narragansett Electric Company d/b/a National Grid
5 (“Narragansett”). First, I will summarize the various transmission services
6 provided to Narragansett and how Narragansett pays for such services. Second, I
7 will provide testimony supporting the forecast of transmission expenses that
8 Narragansett is expected to incur in 2007. As described more fully in the second
9 part of my testimony, the Company expects to see an increase of \$ 8.8 million in
10 prospective transmission expenses, caused primarily from additional transmission
11 plant investment forecast for 2007 for all of New England.

12

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

14 Q. Please explain the history of Narragansett’s transmission service under rate
15 schedules approved by the FERC.

16 A. Effective January 1, 1998, Narragansett received transmission services, on behalf
17 of its entire customer base, under two tariffs: NEPOOL’s FERC Electric Tariff
18 No. 1 (“NEPOOL Tariff”) and NEP’s FERC Electric Tariff No. 9 (“NEP T-9
19 Tariff”). Additionally, effective January 1, 1999, Narragansett took service under
20 ISO-NE’s FERC Electric Tariff No. 1 (“ISO-NE Tariff”).

21

22 Effective February 1, 2005, FERC issued an order authorizing ISO-NE to begin
23 operating as a Regional Transmission Operator (“RTO”) (“ISO as the RTO”) and

1 at that time, ISO-NE replaced NEPOOL as the transmission provider in New
2 England. The new ISO-NE Transmission, Markets and Services Tariff
3 (“ISO/RTO Tariff”) replaced the three separate tariffs referred to above by
4 aggregating them into a single, omnibus tariff. As a result, NEP and ISO as the
5 RTO now charge Narragansett under this superseding omnibus tariff.

6

7 The terms, conditions and rate schedules from these three separate tariffs have
8 been transferred to the ISO/RTO Tariff as follows:

- 9 • Schedule 21 and Schedule 21-NEP of the ISO/RTO Tariff captures the
10 former NEP T-9 Tariff,
- 11 • Section II (up through and including Schedule 19) of the ISO/RTO Tariff
12 captures the former NEPOOL Tariff, and
- 13 • Section IV.A of the ISO/RTO Tariff captures the former ISO-NE Tariff.

14 The prospective charges to Narragansett, therefore, are separately identified as
15 NEP local charges, ISO-NE regional charges (formerly NEPOOL), and ISO/RTO
16 administrative charges.

17

18 Q. Please describe further the types of transmission service that are billed to
19 Narragansett under the ISO/RTO Tariff.

20 A. New England’s transmission rates utilize a highway/local pricing structure. That
21 is, Narragansett receives regional transmission service over “highway”
22 transmission facilities under Section II of the ISO/RTO Tariff, and receives local
23 transmission service over local transmission facilities under Schedule 21 of the

1 ISO/RTO Tariff. Additionally, transmission scheduling and market
2 administration services are provided by ISO-NE under Section IV.A of the
3 ISO/RTO Tariff.

4

5 **A. Explanation of ISO/RTO Tariff Services, Rates & Charges**

6 Q. Please explain the services provided to Narragansett under the ISO/RTO Tariff.

7 A. Section II of the ISO/RTO Tariff provides access over New England's 69kV or
8 greater looped transmission facilities, more commonly known as Pool
9 Transmission Facilities ("PTF") or bulk transmission facilities. These facilities
10 serve as New England's electric transmission "highway", and the service
11 provided over these facilities is referred to as Regional Network Service ("RNS").
12 In addition, the ISO/RTO Tariff provides for Black Start, Reactive Power, and
13 Scheduling, System Control and Dispatch Services, as described more fully later
14 in this testimony.

15

16 Q. How are the costs for RNS recovered?

17 A. The ISO-NE RNS Rate ("RNS Rate") recovers the RNS costs, and is determined
18 annually based on an aggregation of the transmission revenue requirements of
19 each of the transmission owners in New England, calculated in accordance with a
20 FERC-approved formula. Pursuant to a NEPOOL Settlement dated April 7, 1999,
21 which was incorporated into the ISO/RTO Tariff, the RNS Rate continues to be in
22 a period of transition as the transmission rates move from zonal rates to a single,
23 "postage stamp" rate in New England. The transition will be complete in 2008

1 (“NEPOOL Transition”). The NEPOOL Transition provides for a unique rate
2 derivation in that each transmission owner’s RNS rate is determined by looking
3 separately at the costs associated with vintage PTF assets: (1) in-service at
4 December 1996 (“Pre-97 Property”), and (2) placed in-service after January 1,
5 1997 (“Post-96 Property”).
6

7 Q. Please explain the rate derivation for Pre-97 Property under the ISO/RTO Tariff.

8 A. As mentioned above, the intent of the NEPOOL Transition is to move zonal
9 transmission rates that previously had been in place in New England to a single,
10 postage-stamp rate for the region. As part of that transition process, until the end
11 of the transition period (2008), each transmission owner’s zonal Pre-97 RNS Rate
12 is adjusted based on the differential of the individual transmission owner’s Pre-97
13 PTF Rate to the average Pre-97 Pool PTF Rate, based on a bandwidth which
14 limits the variation of a transmission owner’s per kilowatt cost from the average
15 per kilowatt cost for all transmission owners. The bandwidth will shrink each
16 year, moving the Pre-97 PTF Rate closer to the average until 2008 when the
17 NEPOOL transition is complete and all PTF costs are recovered on a regionalized
18 average basis.
19

20 In 2007, a bandwidth of 50% below the average and 105% above the average has
21 been established, where each transmission owner’s Pre-97 PTF Rate is held
22 within that established bandwidth. To the extent a transmission owner’s actual
23 rate is less than 50% below the average or exceeds 105% of the average, the

1 remaining transmission owners' rates are adjusted to collect/refund the revenue
2 requirements falling outside the bandwidth. In that way, all transmission owners'
3 rates reflect a movement towards an average, postage-stamp rate.

4

5 Q. Please explain the rate derivation for the Post-96 Property under the ISO/RTO
6 Tariff.

7 A. The Post-96 Property rates apply a single, average New England-wide
8 transmission rate based upon the average Post-96 revenue requirements for all
9 New England transmission owners. In addition, the Post-96 rate includes a
10 Forecasted Transmission Revenue Requirement calculated in accordance with
11 Appendix C to Attachment F, Implementation Rule under the ISO/RTO Tariff.

12

13 Q. Are there any expected changes to the RNS Rate during 2007?

14 A. Yes. Although NEP's Pre-97 PTF Rate for 2006 is not expected to exceed the
15 bandwidth and thus no significant change to NEP's Pre-97 PTF Rate is forecast,
16 the ISO-NE Post-96 PTF Rate will reflect plant additions, as well as adjustments
17 to the rates based on the methodologies described above.

18

19 Q. Please describe the ISO-NE Black Start, Reactive Power, and Scheduling, System
20 Control and Dispatch Services that are included in the ISO/RTO Tariff.

21 A. ISO-NE Black Start Service, also known as System Restoration and Planning
22 Service from Generators, is necessary to ensure the continued reliable operation
23 of the New England transmission system. This service allows for the designation

1 of generators with the capability of supplying load and ability to start without an
2 outside electrical supply to re-energize the transmission system following a
3 system-wide blackout.

4
5 Reactive Power Service, also known as Reactive Supply and Voltage Control
6 from Generation Sources Service, is necessary to maintain transmission voltages
7 on the ISO-NE transmission system within acceptable limits and requires that
8 generation facilities be operated to produce or absorb reactive power. This
9 service must be provided for each transaction on the ISO-NE transmission system.

10 The amount of reactive power support that must be supplied for transactions is
11 based on the support necessary to maintain transmission voltages within limits
12 generally accepted and is consistently sustained in the region.

13
14 Lastly, Scheduling, System Control and Dispatch Service (“Scheduling &
15 Dispatch Service”) consists of the services required to schedule the movement of
16 power through, out of, within, or into the ISO-NE Control Area over the PTF and
17 to maintain System Control. Scheduling & Dispatch Service also provides for the
18 recovery of certain charges that reflect expenses incurred in the operation of
19 satellite dispatch centers.

20

1 Q. How are the ISO-NE charges for Black Start and Reactive Power assessed to
2 Narragansett?

3 A. ISO-NE 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 ISO-NE's total load.

6

7 Q. How are the charges for Scheduling & Dispatch Services assessed to
8 Narragansett?

9 A. Charges for Scheduling & Dispatch Service are based on the expenses incurred by
10 the ISO and by the individual transmission owners in the operation of local
11 control dispatch centers or otherwise to provide Scheduling & Dispatch Service.
12 The expenses incurred by the ISO in providing these services are recovered under
13 Section IV, Schedule 1 of the Transmission, Markets and Services Tariff. These
14 costs are allocated to Narragansett each month based on the FERC fixed rate for
15 the month times Narragansett's monthly Network Load.

16 The costs incurred by the individual transmission owners in providing Scheduling
17 & Dispatch Service over PTF facilities, including the costs of operating local
18 control centers, is recovered under Section II, Schedule 1 of the Open Access
19 Transmission Tariff ("OATT"). These costs are allocated to Narragansett each
20 month based on a formula rate that is determined each year based on the prior
21 year's costs incurred times Narragansett's monthly Network Load.

22

1 The costs of Scheduling & Dispatch Service for transmission service over
2 transmission facilities other than PTF are charged under Schedule 21 of the
3 OATT. Thus, there are three types of Scheduling & Dispatch costs that are
4 similar, but are charged to Narragansett through three different tariff mechanisms.

5

6 Q. Are there any other applicable ISO charges which you have not mentioned
7 previously in this testimony?

8 A. Yes. The ISO/RTO Tariff also charges for costs associated with its Load
9 Response Program.

10

11 Q. Please describe the ISO-NE Load Response Program.

12 A. The Load Response Program is used to facilitate load response during periods of
13 peak electricity demand by providing appropriate incentives. Load Response
14 Program incentives are available to any Market Participant or Non-Market
15 Participant which enrolls itself and/or one or more retail customers to provide a
16 reduction in their electricity consumption in the New England Control Area
17 during peak demand periods. Incentives are payments for reducing your load
18 during peak demand periods. However, if the participant fails to reduce
19 consumption when scheduled, such entity could end up owing money to the
20 ISO-NE.

21

22 Q. How are these Load Response Program costs allocated?

1 A. Any monthly charges or credits are allocated to the Network Load on a system-
2 wide basis.

3 Q. What administrative services are provided to Narragansett under Section IV.A of
4 the ISO/RTO Tariff?

5 A. The ISO-NE provides three types of administrative services under Section IV.A
6 of its ISO/RTO Tariff. These services include one component of the
7 administration of Scheduling & Dispatch, as described earlier, Energy
8 Administration Service (“EAS”) and Reliability Administration Service (“RAS”).
9 As mentioned previously, Scheduling & Dispatch Service is the service required
10 to schedule at the ISO level the movement of power through, out of, within, or
11 into the ISO Control Area over the PTF. For transmission service under the
12 ISO/RTO Tariff, scheduling service is an ancillary service that can only be
13 provided by the ISO. Thus, the ISO’s charges for Scheduling & Dispatch Service
14 are based on the expenses incurred by the ISO in providing this service. EAS and
15 RAS are the services provided by the ISO to administer the Energy Market and
16 Reliability Market, respectively. In addition, Section IV.A of the ISO/RTO
17 Tariff, Schedule 4, provides for the collection of FERC Annual Charges. I have
18 included an estimated value for the FERC Annual Charges in this filing.

19

20 Q. How are the ISO/RTO Tariff charges assessed?

21 The ISO assesses the charges in Section IV.A, excluding Schedule 4, based upon
22 stated rates pursuant to the ISO/RTO Tariff. These stated rates are adjusted
23 annually when the ISO files a revised budget and cost allocation proposal to

1 become effective January 1st each year. Narragansett is charged the stated rate for
2 these services as part of the ISO's monthly billing process, based on its network
3 load for Schedule 1 charges and electrical load for Schedules 2 and 3 charges.
4 Schedule 4 charges are based upon FERC's total assessment to the New England
5 Control Area, and further assessed to NEP based on its proportion of total MWhs
6 of transmission to the total of the New England Control Areas' total MWhs.
7 NEP, in turn, allocates a portion of its total charges to Narragansett based on
8 Narragansett's MWhs to NEP's total MWhs.

9
10 **B. Explanation of Schedule 21-NEP Tariff Services & Charges**

11 Q. What services are provided to Narragansett under Schedule 21-NEP of the
12 ISO/RTO Tariff?

13 A. Schedule 21-NEP provides service over NEP's local, non-highway transmission
14 facilities, considered non-PTF facilities ("Non-PTF"). The service provided over
15 the Non-PTF is referred to as Local Network Service ("LNS"). NEP also
16 provides metering, transformation and certain ancillary services to Narragansett to
17 the extent such services are required by Narragansett and not otherwise provided
18 under the ISO/RTO Tariff.

19
20 Q. Please explain the metering and transformation services provided by NEP.

21 A. NEP separately surcharges the appropriate customers for these services. NEP
22 provides metering service when a customer uses NEP-owned meter equipment to
23 measure the delivery of transmission service. NEP provides transformation

1 service when a customer uses NEP-owned transformation facilities to step down
2 voltages from 69 kV or greater to a distribution voltage.

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

4 Q. Did you forecast Narragansett's transmission and ISO expenses for 2007?

5 A. Yes. Based on my knowledge of the ISO billing processes, I estimate the total
6 transmission and ISO expenses (including certain ancillary services) for 2007 to
7 be approximately \$61.6 million, as shown in Schedule MPH-1, Summary Page 1.
8 This equates to an increase of \$8.8 million over expenses embedded in
9 Narragansett's retail rates in 2006.

10

11 Q. How have the ISO Charges shown on line 3 of Schedule MPH-1 been forecasted?

12 A. As indicated in Schedule MPH-3, I have applied estimates of the RNS rates and
13 adjusted them to reflect (1) the NEPOOL Transition described earlier in my
14 testimony and (2) an estimated rate increase to the Post-96 PTF Rate to reflect the
15 forecast of capital expenditures for New England, as provided by the New
16 England transmission owners, that would be included in the annual formula rate
17 effective June 1st each year. The estimated 2007 RNS transmission charges to
18 Narragansett are then calculated by taking this forecasted RNS rate, divided by
19 12, multiplied by Narragansett's monthly network load. The resulting calculation
20 is shown in column 2 of Schedule MPH-2, page 1 of 2.

21

22 Q. Have you included the impact of the FERC Opinion and Order on Initial
23 Decision, dated October 31, 2006, in Docket Nos. ER04-157-004 and

1 ER04-714-001 into this forecast (the “ROE Order”)?

2 A. Yes. The forecast of ISO Charges shown on line 3 of Schedule MPH-1 applies a
3 12.4% return on equity for the forecast rate on rate base, consistent with FERC’s
4 ROE Order. The forecast RNS Rate also includes the 100 basis points FERC
5 allowed in the ROE Order to the \$318.1 million forecast plant additions as
6 contained in the New England Regional System Plan. These are reflected in the
7 rates derived in Schedule MPH-3.

8

9 Q. Schedule MPH-1 also includes estimated ISO charges for Scheduling and
10 Dispatch, Load Response, Black Start, and Reactive Power. How were these
11 costs forecasted, as shown?

12 A. I will explain each below, out of sequence. The Black Start costs shown on line
13 6 of Schedule MPH-1 were derived in two steps. First, as shown in Section II of
14 Schedule MPH-4, I estimated the cost for Black Start Service by taking the July
15 2006 Black Start level of 153,186 kW for 12 months as shown in the ISO August
16 2006 Black Start Settlement Reports. I then multiplied that level by the
17 January 1, 2007 rate of \$4.50/kW-Yr. to derive an estimated \$8.3 million of Black
18 Start costs for the entire New England region, as shown on line 5 of Schedule 4.
19 This region-wide estimate is divided by the ISO’s 2005 Network Load to
20 calculate an estimated annual rate, as shown on line 7. I then calculated a
21 monthly rate (annual rate divided by 12), as shown on line 8. To obtain the
22 estimate of Black Start costs that would be charged to Narragansett, I multiplied
23 the monthly rate by Narragansett’s monthly network load, as shown for each

1 month in column 6 of MPH-2, page 1. Using this methodology, I estimate
2 \$525,765 allocated to Narragansett for 2007.
3

4 Q. What are you estimating for Reactive Power costs allocated to Narragansett for
5 2007?

6 A. As shown on line 7 of MPH-1, I am estimating that Narragansett will incur
7 approximately \$5.2 million in Reactive Power costs in 2007. This estimate is
8 based on our expectation that the rate for Reactive Power will increase over the
9 rate applied in 2005 and 2006. However, the impact of the rate increase is off-set
10 by a reduction in costs resulting from the installation of new reactive power
11 equipment in the Boston area. Specifically, in 2005, the New England region
12 experienced significant reactive power costs due to the failure of a shunt reactor
13 located in Boston. To provide reactive power after the failure of the shunt
14 reactor, the Mystic 5-8 generators were called upon to run outside of their
15 schedule to operate and remedy the leading reactive power issue, thus driving
16 reactive costs up on the system for a year. New shunt reactors have now been
17 installed. Thus, while the rate itself is higher, we believe there should be fewer
18 reactive power charges assessed in 2007 in the New England region by the ISO-
19 NE. I estimate the net effect to be a reduction of \$2.2 million in reactive power
20 charges allocated to Narragansett in 2007.
21

22 Q. How have you performed the estimate for Reactive Power costs for Narragansett?

1 A. Typically, the estimated Reactive Power cost for the New England region is
2 calculated by using the actual costs for the period August 2005 through July 2006,
3 as shown in section 1 of Schedule MPH-4. The annual rate is determined by
4 dividing the total Reactive Power costs charged in the region for that 12 month
5 historic period by the ISO's 2005 Network Load. The monthly rate (annual rate
6 divided by 12) is then multiplied by Narragansett's monthly network load to
7 determine the estimated charges for Reactive Power Service. However, the
8 NEPOOL Participants Committee approved at its October 13, 2006 meeting
9 changes to Schedule 2 (Reactive Power) to provide for VAR Compensation
10 charges. The changes would (i) increase the VAR rate from \$1.05/kVAR-yr to
11 \$2.32/kVAR-yr. Therefore, I have applied this percent increase of 2.2095 to the
12 historic actual rate to determine the forecast rate of \$3.8576. This calculation is
13 shown in lines 1 through 4 of Schedule MPH-4. Line 4 shows the resulting
14 monthly estimated rate.

15
16 Q. How did you forecast the Scheduling and Dispatch costs shown on line 4 of
17 MPH-1?

18 A. My estimate is shown in column 3 of MPH-2, page 1. I derived this by simply
19 using the currently effective rate of \$1.0824, divided by 12, and further multiplied
20 by Narragansett's network load for the period August 2005 through July 2006.

21
22 Q. Have you included any RMR contract charges to Narragansett for 2007?

1 A. No. Narragansett has not incurred any RMR contract charges as there have been
2 no RMR contracts for the Rhode Island reliability region over the past year.
3 Therefore, I have not forecasted any RMR contract costs for 2007.

4

5 Q. Have you included any Load Response Program charges to Narragansett for
6 2007?

7 A. Yes. My estimate for Load Response Program costs is shown on line 5 of
8 Schedule MPH-1. For this estimate, I simply adopted the historical cost incurred
9 by Narragansett for each month over the past year of \$1.3M. Therefore, this same
10 amount of charges has been included in the Load Response Program cost estimate
11 for 2007. The monthly cost estimate is shown in column 5 of Schedule MPH-2.

12

13 Q. What is the sub-total amount of costs for PTF, Scheduling and Dispatch, Load
14 Response, Black Start, and Reactive Power, shown on lines 3 through 7?

15 A. The sub-total is shown on the undesignated line below line 7. This sub-totals to
16 \$44,127,313.

17

18 Q. Can you please explain the forecast of charges shown in lines 8 through 10 of
19 Schedule MPH-1.

20 A. Yes. I described these costs earlier in my testimony. These are costs that flow
21 through Schedule 1 of the ISO Open Access Transmission Tariff ('OATT').

22 These charges are shown in Schedule MPH-2 on page 2. The estimate is based
23 on the ISO revenue requirement filed each year with FERC. The ISO filed its

1 proposed 2007 revenue requirement with FERC on October 31, 2006. To
2 estimate Narragansett's 2007 ISO charges, the ISO's actual costs for the period
3 August 2005 through July 2006 are adjusted by an inflationary factor shown on
4 line 16 of MPH-2, page 2. This inflationary factor is intended to recognize the
5 increase or decrease in the ISO's revenue requirement and the associated
6 components of that revenue requirement from the budget as filed for the previous
7 year. The total estimated amount of ISO/RTO Tariff charges for the region are
8 estimated to be \$120 million. Of this amount, we estimate Narragansett's
9 allocation to be \$1.4 million for 2007, as shown on line 17 of Schedule MPH-2,
10 page 2. These estimates taken from page 2 of MPH-2 are then reflected in lines 8
11 through 10 of Schedule MPH-1. The sub-total of \$1,440,980 is shown on the
12 undesignated line below line 10.

13

14 Q. What is the sub-total of transmission expenses attributable to charges from the
15 ISO-NE?

16 A. The sub-total of ISO-NE charges is \$45,568,293, which is the sum of lines 3
17 through 10 on Schedule MPH-1.

18

19 Q. Have you estimated the charges to Narragansett under Schedule 21 of the
20 ISO/RTO Tariff?

21 A. Yes. Lines 1 and 2 of Schedule MPH-1 show the amount of forecasted charges
22 from New England Power Company pursuant to the Local Network Service
23 ("LNS") tariff. The total amount of expenses is \$16,024,749 which represents a

1 net increase in the total revenue requirement of New England Power Company
2 allocated to Narragansett of approximately \$1.3 million for 2007. This net
3 increase in the revenue requirement is caused, in part, by two primary factors.
4 First, the forecast includes approximately \$4.4 million of capital additions for
5 2007. Schedule 6 shows the calculation of the total NEP revenue requirement
6 applicable to all customers in New England. NEP allocates Non-PTF expenses
7 to Narragansett's customers on a load ratio share basis, as shown in Schedule
8 MPH-5. Metering, transformation and ancillary service charges are based on
9 current rates and are assessed to Narragansett based on a per meter and peak load
10 basis, respectively.

11

12 Q. What is the other factor?

13 A. The other factor relates to an accounting adjustment that was made to the Reserve
14 for Deferred Income Tax balance and its associated FAS 109 Regulatory Asset on
15 NEP's books. Specifically, FAS 109 requires NEP to record a deferred tax
16 liability on the differences between tax plant basis and book plant basis. NEP has
17 fully normalized these differences in the past by comparing the overall plant
18 balances on its accounts. NEP has recently modified its analysis based on a
19 comparison of the book plant basis and tax plant basis of individual plant assets.
20 This more precise analysis has led to a positive adjustment to the FAS 109
21 Regulatory Asset balance, which is being amortized over a 10-year period,
22 pursuant to the New England RTO Tariff, Schedule 21. This was booked in
23 March of 2006, but will not start flowing through the Schedule 21 rate to

1 Narragansett until some time during the second quarter of 2007. The annual
2 amortization allocated to Narragansett is \$898,450. However, in 2007 nine
3 twelfths of the 2006 amortization also will flow through Schedule 21 to
4 Narragansett. Thus, my forecast includes an estimate of \$1,572,288 for this tax
5 adjustment for 2007.

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

7 Q. What is the effect on Narragansett's 2007 transmission expenses?

8 A. As mentioned earlier in my testimony, the estimated 2007 Narragansett
9 transmission and ISO expenses of \$61.6 million represents a net increase of \$8.8
10 million from the 2006 forecast of transmission expenses for Narragansett. This
11 net increase is primarily due to additional transmission plant investment forecast
12 for 2007 for all of New England of \$8.5 million, less an offsetting reduction in
13 total ISO charges for reactive power of \$2.2 million, plus the Load Response
14 Program costs of \$1.3 million. As mentioned earlier, all but approximately \$1.3
15 million results from increases coming from ISO-NE charges.

16

17 Q. What factors are driving the increase in the ISO-NE charges for 2007?

18 A. The estimated \$8.5 million increase to the 2007 forecast of ISO PTF transmission
19 expenses is primarily due to a significant number of capital additions to the
20 regional transmission system. Schedule MPH-7 is a list of major transmission
21 projects identified by ISO New England, with an estimate of the capital costs,
22 taken from Table 10-3 contained in the Regional System Plan 2006 approved by
23 the ISO New England Board of Directors, Section 8. The complete version of the

1 Regional System Plan that discusses each of the projects can be found at
2 http://www.iso-ne.com/trans/rsp/2006/rsp06_final_public_version_102606.pdf.

3 In addition to the revenue requirements for the projects, there is another factor
4 that is affecting the timing of recovery of those revenue requirements, arising out
5 of FERC approval of a settlement in Docket Nos. ER06-17-000 and
6 EL05-56-000. Specifically, beginning June 1, 2006, the revenue requirements of
7 projected capital additions will be included in the RNS formula rate. With the
8 large number of capital additions expected in the near future, this will accelerate
9 the recovery of these costs through RNS rates.

10

11 Q. Does this mean costs are flowing through the RNS rate that were not previously
12 being recovered in RNS rates?

13 A. No. Historically, when capital additions for regional projects were made, the
14 costs ultimately would flow through RNS rates. However, the projected revenue
15 requirements were recovered in the local "LNS" rates of the specific transmission
16 provider until the projects went into service. Subsequently, after the project
17 went into service, the revenue requirement would be transferred to the RNS rate at
18 the next RNS update, and a credit would be made to the LNS rate to compensate
19 the local customers who carried the cost of the regional project before it went into
20 service. This created a substantial "lag" in regional cost recovery that would be
21 temporarily subsidized by local customers. The Connecticut DPU, apparently
22 anticipating the substantial number of regional transmission projects that would
23 be built in that state, filed a complaint at FERC to change the RNS formula rate to

1 eliminate the lag. Ultimately, a settlement was reached and the FERC approved
2 modifications to the RNS rate that allowed forecasted additions to be included
3 currently in the RNS rate, thus eliminating the lag that many believed was unfair
4 to local customers. As such, beginning in June of 2006, the RNS rates will
5 reflect the forecasted additions. While this has a significant impact this coming
6 year due to the large number of capital additions which will be reflected sooner in
7 the RNS rate, over time it is expected to levelize the rate impact on RNS rates.

8

9 Q. What major projects are identified in the forecast that are the main cost drivers of
10 the increase in ISO-NE expenses?

11 A. Two of the major transmission projects in New England with an in service date of
12 2007 are: (1) the Northwest Reliability Interconnect Project: \$120.9M; and (2)
13 NWVT Reliability Project: \$145.5M. The first project is a new 144 mile, 345 kV
14 transmission line and supporting equipment to connect the Point Lepreaux
15 substation in New Brunswick, Canada to the Orrington substation in northern
16 Maine. This line, 84 miles of which are in Maine, is designed to increase transfer
17 capability from New Brunswick to New England by 300 MW. The second
18 project addresses the reliability needs in the northwestern area of Vermont. The
19 project consists of a new 36-mile 345 kV line, a new 28-mile 115 kV line,
20 additional phase angle regulating transformers (PARS), two dynamic voltage
21 control devices, and static compensation.

22

1 Q. Does this conclude your testimony?

2 A. Yes.

National Grid: Narragansett Electric Company
Summary of Transmission Expenses
Estimated For the Year 2007

NEP Charges			
1	Non-PTF	\$13,260,726	
2	Other NEP Charges	<u>2,764,023</u>	
	Sub-Total NEP Charges		\$16,024,749
ISO Charges			
3	PTF	\$35,693,455	
4	Scheduling & Dispatch	1,454,235	
5	Load Response	1,268,800	
6	Black Start	525,765	
7	Reactive Power	<u>5,185,058</u>	
	Sub-Total ISO Charges		\$44,127,313
8	Schedule 1 - Scheduling & Dispatch	\$1,304,781	
9	Schedule 2 - Energy Administration	76,355	
10	Schedule 3 - Reliability Administration	<u>59,844</u>	
	Sub-Total ISO-NE Charges		<u>\$1,440,980</u>
11	Total Expenses Flowing Through Current Rates		<u><u>\$61,593,043</u></u>

Line 1 = MPH-5: Column (2), Line 13

Line 2 = MPH-5: Sum of Column (3) thru (7), Line 13 plus Column (8), Line 14

Line 3 = MPH-2, page 1: Column (2), Line 13

Line 4 = MPH-2, page 1: Column (3), Line 13

Line 5 = MPH-2, page 1: Column (5), Line 13

Line 6 = MPH-2, page 1: Column (6), Line 13

Line 7 = MPH-2, page 1: Column (7), Line 13

Line 8 = MPH-2, page 2: Column (1), Line 17

Line 9 = MPH-2, page 2: Column (2), Line 17

Line 10 = MPH-2, page 2: Column (3), Line 17

Line 11 = Sum of Line 1 thru Line 10

National Grid: Narragansett Electric Company
 Summary of ISO Charges
 Estimated For the Year 2007

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Monthly PTF kW Load	PTF Demand Charge	Scheduling & Dispatch	Reliability Must Run	Load Response	Black Start	Reactive Power	Total ISO
1 Jan-2006	1,230,207	\$2,413,841	\$110,928	\$0	\$72,100	\$40,105	\$395,512	\$3,032,486
2 February	1,230,207	2,413,841	\$110,928	0	69,800	40,105	395,512	3,030,186
3 March	1,213,245	2,410,693	\$109,398	0	794,000	39,552	390,058	3,743,701
4 April	1,053,892	2,094,061	\$95,029	0	33,900	34,357	338,826	2,596,173
5 May	1,250,623	2,484,962	\$112,769	0	19,600	40,770	402,075	3,060,176
6 June	1,518,912	3,573,133	\$136,960	0	12,600	49,517	488,330	4,260,540
7 July	1,826,384	4,296,439	\$164,685	0	36,900	59,540	587,182	5,144,746
8 Aug-2005	1,767,564	4,158,069	\$159,381	0	72,100	57,623	568,272	5,015,445
9 September	1,443,730	3,396,272	\$130,181	0	27,900	47,066	464,159	4,065,578
10 October	1,169,897	2,752,100	\$105,490	0	34,200	38,139	376,122	3,306,051
11 November	1,141,787	2,685,973	\$102,955	0	45,000	37,222	367,085	3,238,235
12 December	1,281,259	3,014,071	\$115,531	0	50,700	41,769	411,925	3,633,996
13 12-Mo Total	16,127,707	\$35,693,455	\$1,454,235	\$0	\$1,268,800	\$525,765	\$5,185,058	\$44,127,313

Line 1-12: Column (1) = NEPOOL Monthly Statement January - July 2006 and August 2005 - December 2005

Line 1-2: Column (2) = MPH-3, Line 3 * Column (1) / 12

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

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

Line 1-12: Column (3) = Current Rate * Column (1) / 12 Rate = 1.08204 /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) = ISO Monthly Statements

Line 1-12: Column (6) = MPH-4, Line 8 * Column (1)

Line 1-12: Column (7) = MPH-4, Line 4 * Column (1)

Line 1-12: Column (8) = Sum of Columns (2) thru (7)

Line 13 = Sum of Line 1 thru Line 12

National Grid: Narragansett Electric Company
Summary of ISO-NE Administrative Expenses
Estimated For the Year 2007

	(1)	(2)	(3)	(4)
	Sch. 1	Sch. 2	Sch. 3	Total
	Scheduling & Dispatch	Energy Administration	Reliability Administration	ISO-NE Admin Charges
1 January	\$93,900	\$15,600	\$9,400	\$118,900
2 February	97,300	1,500	-1,100	97,700
3 March	99,000	1,400	0	100,400
4 April	94,500	13,400	14,200	122,100
5 May	81,800	1,500	-200	83,100
6 June	96,700	12,300	8,000	117,000
7 July	117,000	9,900	1,200	128,100
8 August	140,100	1,500	200	141,800
9 September	129,200	12,200	1,900	143,300
10 October	104,900	1,300	0	106,200
11 November	85,300	12,700	9,100	107,100
12 December	82,600	1,300	0	83,900
13 Sub-Total	\$1,222,300	\$84,600	\$42,700	
14 2006 Budget	\$20,944,826	\$65,043,204	\$27,897,235	\$113,885,265
15 2007 Budget	\$22,358,184	\$58,704,232	\$39,098,035	\$120,160,451
16 % Change	6.75%	-9.75%	40.15%	5.51%
17 Estimate	\$1,304,781	\$76,355	\$59,844	\$1,440,980

Line 1-12: Column (1) thru (3) = Monthly ISO Bills for period January 2006 - July 2006 and August 2005 - December 2005

Line 13 = Sum of Line 1 thru Line 12

Line 14 = ISO-NE Proposed Operating Budget (Year 2006)

Line 15 = ISO-NE Proposed Total Operating Budget (Year 2007) based on 10/31/06 FERC filing

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)

16-Nov-06

New England Power Company
PTF Rate Calculation
Non-PTF Revenue Requirement
Estimated For the Year 2007

Development of PTF Rate:

1	Currently Effective NEP PTF Rate	Pre -97	\$11.96 /KW-YR
2	Currently Effective ISO PTF Rate	Post-96	11.58 /KW-YR
3	Total Regional Network Service Rate through February 28, 2007		\$23.55 /KW-YR
<u>ESTIMATED Rate Effective March 1, 2006 through May 31, 2007:</u>			
4	Estimate Change in Rate - NEP PTF Rate	Pre -97	\$12.26 /KW-YR
5	Currently Effective ISO PTF Rate	Post-96	11.58 /KW-YR
6	Total Regional Network Service Rate March 1, 2007 through May 31, 2007		\$23.84 /KW-YR
<u>ESTIMATED Increase in ISO Rate Effective June 1, 2007</u>			
7	Total ESTIMATED ISO Post-96 Plant Additions		\$318,096,000
8	* Post 96 Rev. Req. to Plant Ratio		22.9%
9	/ 2005 ISO Network Load		21,151,730
10	Additional Estimated ISO Post-96 Rate		\$3.45 /KW-YR
11	Pre-97 Rate		\$12.26 /KW-YR
12	Estimated Post-96 Rate		15.97 /KW-YR
13	Total Regional Network Service Rate in effect June 1, 2007 through February 28, 2008		\$28.23 /KW-YR

Line 1 & 2 = PTO Informational Filing dated 7/31/06

Line 3 = Line 1 + Line 2

Line 4 = Recalculation of RNS Rate using the change in bandwidth per Schedule 9 ISO/RTO Tariff

Line 5 = PTO Informational Filing dated 7/31/06

Line 6 = Line 4 + Line 5

Line 7 = Total ISO 2007 Capital Additions Estimates as provided by Transmission Owners in 7/31/06 Informational Filing

Line 8 = Average ISO Post-96 Rev. Requirement to Plant Ratio - 2005

Line 9 = PTO Informational Filing dated 7/31/06

Line 10 = Line 7 * Line 8 / Line 9

Line 11 = Line 4

Line 12 = PTO Informational Filing dated 7/31/06

Line 13 = Line 11 + Line 12

National Grid: Narragansett Electric Company
Summary of Reactive Power & Black Start Costs
Estimated For the Year 2007

Section I: Development of Reactive Power Estimate

1	Estimated Total ISO Reactive Power Costs	\$36,928,562
2	2005 ISO Network Load (KW)	21,151,730
3	Estimated Rate / KW-Yr	\$3.8576
4	Estimated Rate / KW-Mo	<input type="text" value="0.3215"/>

Section II: Development of Black Start Costs

5	Estimated Total ISO Black Start Costs	\$8,272,062
6	2005 ISO Network Load (KW)	21,151,730
7	Estimated Rate / KW-Yr	\$0.3911
8	Estimated Rate / KW-Mo	<input type="text" value="\$0.0326"/>

Line 1 = ISO Schedule 2 Settlement Reports for period January 2006 - July 2006 and August 2005 thru December 2005

Line 2 = 12 CP Network Loads from Informational Filing dated 07/31/06

Line 3 = NEPOOL PC Meeting Summary - October 13, 2006

Line 4 = Line 3 / 12

Line 5 = August 2006 Black Start Settlement Reports * Current Rate of \$4.50 * 12 [ISO/RTO OATT, p. 826]

Line 6 = Line 2

Line 7 = Line 5 / Line 6

Line 8 = Line 7 / 12

16-Nov-06

National Grid: Narragansett Electric Company
Summary of New England Power - Schedule No. 21 Charges
Estimated For the Year 2007

	(1) Non- PTF Load Ratio % Share	(2) Non-PTF Demand Charge	(3) Scheduling & Dispatch	(4) Transformer Surcharge	(5) Meter Surcharge	(6) ADIT Adjustment	(7) Chester SVC & AC	(8) Total NEP Costs	
1	Jan-2006	24.82%	\$1,068,469	\$123,389	\$2,037	\$1,062	\$126,685	\$1,321,642	
2	February	24.82%	1,068,469	97,489	\$2,037	\$1,062	\$126,685	\$1,295,741	
3	March	25.53%	1,099,034	140,011	\$2,037	\$1,062	\$130,309	\$1,372,453	
4	April	25.03%	1,077,509	90,004	\$2,037	\$1,062	\$127,757	\$1,298,368	
5	May	27.37%	1,178,243	94,126	\$2,037	\$1,062	\$139,701	\$1,415,169	
6	June	25.15%	1,082,675	103,278	\$2,037	\$1,062	\$128,370	\$1,317,422	
7	July	26.76%	1,151,984	47,186	\$2,037	\$1,062	\$136,588	\$1,338,856	
8	Aug-2005	27.22%	1,171,786	21,738	\$2,037	\$1,062	\$138,935	\$1,349,947	
9	September	26.26%	1,130,459	66,936	\$2,037	\$1,062	\$134,035	\$1,350,505	
10	October	25.86%	1,113,240	95,039	\$2,037	\$1,062	\$131,994	\$1,357,315	
11	November	24.71%	1,063,734	81,898	\$2,037	\$1,062	\$126,124	\$1,289,023	
12	December	24.51%	1,055,124	121,970	\$2,037	\$1,062	\$125,103	\$1,318,273	
13	12- Mo Total		\$13,260,726	\$1,083,065	\$24,442	\$12,739	\$1,572,288	\$71,456	\$16,024,715
14	FERC Assessment							\$	34.00

Lines 1-12: Column (1) & (3) = Monthly Network Bills for period January 2006 - July 2006 and August 2005 - December 2005

Lines 1-12: Column (4) & (5) = Current rate as of June 2006

Lines 1-12: Column (2) = Column (1) * Schedule MPH-6, Line 16 / 12

Lines 1-12: Column (6) = ADIT Adjustment of \$3.5M amortized over 10 years * Column (1) plus nine months of 2006 true up

Lines 1-12: Column (7) = Chester SVC support expense, beginning January 2006, included in Schedule 21 revenue requirement

Lines 1-12: Column (8) = Sum of Column (2) thru (7)

Line 13 = Sum of Line 1 thru Line 12

Line 14 = FERC Assessment

16-Nov-06

New England Power Company
PTF Rate Calculation
Non-PTF Revenue Requirement
Estimated For the Year 2007

Section II:

14	NEP's Schedule 21 Non-PTF Revenue Requirement (12 mos. Ended 7/31/06)	\$47,261,650
15	Adjustment for Forecasted 2007 Capital Additions	\$4,396,814
16	Estimated 2007 Non-PTF Revenue Requirement	<u>\$51,658,464</u>
<u>Adjustment for Year End 2006 Capital Additions</u>		
17	Estimated 2007 Non-PTF Transmission Capital Expenditures for Lines	\$9,934,800
18	Est. 2007 Non-PTF Transmission Capital Expenditures for Substations	\$25,064,700
19	Estimated Percentage Transferred to Plant in 2007 for Substations	70%
20	Estimated NEP 2007 Transmission Plant Additions	\$27,480,090
21	Non-PTF Transmission Plant Carrying Charge	16%
22	Adjustment for Forecasted 2007 Capital Additions	\$4,396,814

Section III:

<u>Transmission Plant Carrying Charge</u>		
23	NEP's Schedule 21 Revenue Requirement	47,261,650
24	Total Revenue Credit (12 Mos. Ended 7/31/06)	153,719,242
25	Total Transmission Integrated Facilities Credit (12 Mos. Ended 7/31/06)	(35,451,966)
26	Sub-Total	<u>165,528,926</u>
27	Total Transmission Plant (as of 7/31/06)	1,005,058,156
28	Non-PTF Transmission Plant Carrying Charge	16%

Line 14 = NEP Schedule 21 Billing
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 Schedule 21 Billings
Line 26 = Sum of Lines 23 thru 25
Line 27 = NEP Schedule 21 Billing
Line 28 = Line 26 / Line 27

Table 10-3
Estimated Capital Costs for Major Transmission Projects in New England

Year In Service	Projects ^(a)	Expected	Low	High
2005	Miscellaneous ^(b)	\$143,193,788	\$128,874,409	\$157,513,167
2006	NSTAR 345 kV Reliability Project Phase I	\$225,800,000	\$203,040,000	\$248,160,000
	SWCT Reliability Project Phase 1	\$357,000,000 ^(c)	\$321,300,000	\$392,700,000
	Miscellaneous ^(b)	\$263,439,000	\$235,688,600	\$282,088,900
2007	NSTAR 345 kV Reliability Project Phase II ^(d)	-	-	-
	Northeast Reliability Interconnect Project	\$109,900,000	\$98,910,000	\$120,890,000
	NWVT Reliability Project ^(e)	\$132,300,000	\$119,070,000	\$145,530,000
	Miscellaneous ^(b)	\$75,896,000	\$55,076,000	\$119,181,350
2008	Miscellaneous ^(b)	\$418,559,000	\$302,994,250	\$818,294,750
2009	SWCT Reliability Project Phase 2	\$1,302,000,000	\$976,500,000	\$1,827,500,000
	Miscellaneous ^(b)	\$148,516,000	\$107,637,000	\$215,730,500
2010	Miscellaneous ^(b)	\$83,000,000	\$59,500,000	\$141,000,000
2011	Miscellaneous ^(b)	\$18,100,000	\$13,575,000	\$27,150,000
2012	No information currently available	-	-	-
2013	No information currently available	-	-	-
2014	No information currently available	-	-	-
2015	Miscellaneous ^(b)	\$64,000,000	\$47,000,000	\$102,000,000
Total		\$3,339,503,788	\$2,899,183,259	\$4,205,738,667

- (a) The table does not include 78 projects for which costs have not yet been estimated and seven projects for which the in-service year has not yet been finalized. The estimated total capital costs for these projects range from \$89 million (low) to \$136 million (expected) to \$284 million (high).
- (b) "Miscellaneous" projects include all other projects for which capital costs and timing have been estimated and specified in the July 2006 *Transmission Project Listing*.
- (c) The \$357 million capital cost includes \$119 million for LNS costs assumed as part of the SWCT Reliability Project Phase 1.
- (d) The estimated capital cost reported for Phase II NSTAR 345 kV Reliability Project is included in Phase I project costs.
- (e) In 2005, \$3 million went into service. It was assumed that \$74.8 million would be in service in 2006 for a total project cost of \$210.1 million.