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January 18, 2008

VIA OVERNIGHT MAIL & ELECTRONIC MAIL

Luly E. Massaro, Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

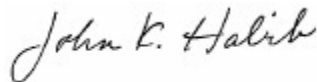
RE: National Grid Tariff Advice Filing to Amend RIPUC No. 1078-A,
Docket No. 3904- Responses to Division Data Requests

Dear Ms. Massaro:

On behalf of National Grid,¹ please find attached the Company's responses to the Division of Public Utilities and Carriers' First Set of Data Requests in the above referenced docket.

Thank you for your attention to this matter. If you have any questions regarding this filing, please feel free to contact me at (617) 951-1400.

Very truly yours,



John K. Habib

Enclosures

cc: Service List, Docket No. 3904

¹ The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

Division Data Request 1-1

Request:

Referring to the uniform per kwh surcharge that will be applied, as allowed by state law, to compensate National Grid for displaced delivery charges resulting from net metering, please provide an estimate of the annual amount that would be recovered from customers through the surcharge assuming net metering is at the 5 MW level proposed in the tariff.

Response:

Attachment 1 to this request details the calculation of the estimated surcharge that will be applied to all kilowatt-hours (“kWhs”) delivered by the Company to its customers to recover the distribution charges avoided by customers who install generating units and net metering pursuant to Section III.B of proposed R.I.P.U.C. 2006 (“Eligible Customers”). The kilowatt (“kW”) and kWhs generated by Eligible Customers who have installed an aggregate 5 megawatts (“MWs”) of generating capacity depends upon the number of and type of generating units installed.

The estimated units and charges calculated on Attachment 1 are based on the following assumptions:

- 2 MWs of solar powered generation are installed with a capacity factor of 15 percent (1 MW installed by residential customers and 1 MW installed by commercial customers)
- 2 MWs of wind generation are installed with a capacity factor of 25 percent (300 kW installed by residential customers and 1.7 MWs installed by commercial customers)
- 1 MW of bio-mass or other generation are installed with a capacity factor of 80 percent (1 MW installed by commercial customers)
- For purposes of calculating avoided distribution charges, residential customers are assumed to be taking service on Residential Rate A-16 and commercial customers are assumed to be taking service on 200 Demand Rate G-32.

Based on the above assumptions, the estimated distribution kW and kWh charges avoided by Eligible Customers would be approximately \$206,641. The per kWh surcharge assessed to all customers beginning in January 2009 is calculated to be

\$0.00002, resulting in a monthly bill impact to a 500 kWh residential customer using 500 kWh per month of \$0.01 per month.

Please note that this analysis does not take into account that some of the Eligible Customers may be subject to the Company's Back-up Service rates. For these customers, only the excess generation would be included in the charges collected from other customers. Therefore, the \$206,641 estimate would be reduced by any Back-up charges paid by these customers. This analysis also does not account for the customer impact resulting from the lower contribution to transmission and transition revenue from Eligible Customers.

1. Total Commercial Charges	\$140,080.05
2. Total Residential Charges	<u>\$66,560.67</u>
3. Total Estimated Charges to be Collected (Line 1 + Line 2)	\$206,640.72
4. Forecasted kWhs for 2009 (per Company forecast)	8,030,000,000
5. Surcharge for 2009 (Line 3 ÷ Line 4, truncated to five places)	\$0.00002
6. Impact on Monthly Bill for 500 kWh Residential Customer (Line 5 x 500 kWhs)	\$0.01