

February 23, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: National Grid Request for Tariff Change to Non-Firm Sales Service
Rate 60**

Dear Ms. Massaro:

Pursuant to Commission Rule 1.28, I have enclosed an original and eight (8) copies of both "Marked" and "Clean" RIPUC NG-Gas 101 Section 5 Schedule G Tariff pages to clarify and bring the referenced tariff pages into conformance with the Commission's January 29, 2009 written Order No. 19563 in National Grid's¹ Docket No. 3943.

At its November 23, 2008 Open Meeting, the Commission voted to approve an expansion of the previous five (5) day period to ten (10) days for National Grid to offer non-firm customers a monthly rate quote.² National Grid submitted its current tariff on November 26, 2008, after the Commission's Open Meeting but before the Commission's written decision. Because the Commission rejected the Company's value-of-service distribution rate, which included a proposal to expand from five to ten days the time within which the Company would provide distribution customers a rate quote, the Company filed a compliance tariff that retained the five (5) day time period for provision of a quote to customers.³ However, after review of the Commission's written discussion and order from January 29, 2009 and discussions with the Division and Commission Staff, the Company has implemented the expanded ten (10) day time period directed in the Commission's written order to the provision of a monthly rate quote to non-firm customers and is hereby filing to properly reflect this time period in the tariff.

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

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 3943 Service List
Steve Scialabba, Division

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

² See Order at 88 and Open Meeting Transcript of November 24, 2008 at 96-97.

³ The Company's expansion of time proposal was for a value-of-service distribution rate quote to non-firm customers, as opposed to a commodity rate quote, and was predicated upon the Commission eliminating non-firm sales service. When the Commission rejected the Company's positions at the Open Meeting, the Compliance tariff retained the previous five day period for provision of a quote.

THE NARRAGANSETT ELECTRIC COMPANY

d/b/a NATIONAL GRID

Rhode Island Public Utilities Commission Tariff

RIPUC NG-GAS No. 101

“MARKED” TARIFF

**Non-Firm Sales (NFS) Service
Rate 60**

NON-FIRM SALES (NFS) SERVICE

RATE 60

1.0 AVAILABILITY:

For any non-residential customer with dual-fuel capability:
(1) whose premises are located adjacent to the Company's gas distribution mains having adequate capacity to supply the customer's prospective gas requirements in addition to the requirements of other customers already receiving service from such distribution mains; (2) who uses gas for boiler load, process load or cogeneration with a minimum combined hourly input of 100 Ccf/hour; and (3) who maintains adequate standby facilities for the use of an alternate fuel which may be substituted for gas when gas is not available under this Tariff.

2.0 RATES:

Non-firm Sales (NFS) service rates shall be set for the upcoming month, no later than 10:30 a.m. ~~ten (10)~~ business days prior to the commencement of that month. The customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of the intention to take NFS service, and must provide a reasonable estimate of natural gas expected to be used for the month.

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Customer charges will be determined as follows:

1. For those customers who can potentially consume more than 100,000 Therms per month:
 - \$625 per month, per customer
2. For those customers who can potentially consume more than 25,000 Therms, but less than 100,000 Therms per month:
 - \$405 per month, per customer
3. For those customers whose potential monthly consumption is less than 25,000 Therms per month:
 - \$185 per month, per customer

The Distribution Charge applicable to a non-firm sales service customer shall be based on the customer's annual usage in accordance with the following:

Deleted: November 26, 2008

Deleted: December 1, 2008

Issued: February 23, 2009

Effective: ▼

NON-FIRM SALES (NFS) SERVICE

RATE 60

≤ 35,000 therms	\$0.1923 per therm
35,001 to 150,000 therms and:	
Off-peak usage ≤ 31%	\$0.2015 per therm
Off-peak usage > 31%	\$0.1372 per therm
> 150,000 therms and:	
Off-peak usage ≤ 31%	\$0.0766 per therm
Off-peak usage > 31%	\$0.0616 per therm

The reference to 31% is to the percentage of gas usage from May through October compared to annual usage from September through August. In the case of a new customer, or a customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the customer. The classification will be reviewed annually after the August billing period and any change based on the most recent 12-months actual usage will be reflected with the September bill.

Commodity Charge shall be based on 110% of the sum of the NYMEX closing price on the ~~eleventh~~ business day prior to the start of the month and a publicly available forward basis for gas supply delivered to the Northeastern US. The forward basis will be the Transco Zone 6 Basis Swap (based on the Platts IFERC basis swap obtained from the NYMEX), or a publicly traded forward basis for supply delivered to the Company's city gate (should one become available) or such other publicly available traded basis for supply delivered to the Northeastern U.S. should the Transco Zone 6 Basis Swap become unavailable.

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3.0 MINIMUM CHARGE: Under no circumstances shall the NFS commodity charge be less than the cost of the incremental supply available to the Company for the month, adjusted for the Company's Fuel Allowance.

4.0 NOTIFICATION OF INTERRUPTION/

Issued: February 23, 2009

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NON-FIRM SALES (NFS) SERVICE

RATE 60

CURTAILMENT:

Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for it to continue to supply the gas requirements of its firm customers at such time. The Company will attempt to give the customer three (3) working days' notice of such curtailment, except in emergency situations, when at least one hour's notice shall be given.

5.0 FAILURE TO CURTAIL:

For any period that a customer fails to curtail the use of gas as requested by the Company, the charge for gas consumption will be equal to the NFS service customer charge plus Gas Usage at a penalty of 5 times the Daily Index. Such use of gas under these circumstances shall be considered an "unauthorized use" of gas.

In the event where the Company, in its sole discretion, grants the customer an exemption from the curtailment, the use of gas under these circumstances shall be referred to as an "authorized use of gas." Authorized use of gas during a curtailment will be for a limited time period. The charge for gas consumed under these conditions will be the NFS service customer charge plus the highest cost gas required to meet demand during the applicable curtailment period, plus the current firm sales service rate excluding the firm customer charges. Payments for this use, whether authorized or unauthorized, shall not preclude the Company from turning off the customer's supply of gas in the event of the failure to interrupt, or curtail, the use thereof when requested to do so.

6.0 METER TEST:

Users will receive the results of periodic calibration tests performed by the Company on the meters installed on their premises. Meters will be deemed unacceptable if these tests show an error greater than +/-1%. Meters will also be deemed unacceptable, no matter what their error, if the results of three successive tests are consistently high or low. Meters will measure gas flow rates corrected to 60° F gas.

7.0 TELEMETERING:

Telemetering equipment is required for those customers who wish to avail themselves of this service.

Issued: February 23, 2009

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NON-FIRM SALES (NFS) SERVICE
RATE 60

8.0 NON-FIRM TRANSPORTATION
SERVICE OPTION:

The Company will also offer, during the winter months, limited NFS and non-firm transportation (NFT) service for customers on a "best efforts" basis. If a customer buying gas under this rate schedule opts to directly arrange for the acquisition of wellhead gas supplies, and the transportation of those wellhead gas supplies to the Company's gate stations, then the Company will transport, subject to available capacity, such directly acquired gas to the customer's facilities. Rates and conditions for such transportation service are included in the Company's Non-Firm Transportation (NFT) Service in Section 6, Schedule A of RIPUC NG 101.

9.0 RHODE ISLAND GROSS
EARNINGS TAX:

The application of the above rates are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

10.0 GAS ENERGY
EFFICIENCY:

The application of the above rate is subject to Gas Energy Efficiency provisions in Section 1, Schedule C.

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d/b/a NATIONAL GRID

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Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically submitted, hand delivered and mailed to the individuals listed below.



Joanne M. Scanlon
National Grid

February 23, 2009
Date

**National Grid (NGrid) – Request for Change in Gas Distribution Rates
Docket No. 3943 - Service List as of 9/2/08**

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