

February 22, 2010

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4011 - Standard Offer Reconciliation Report

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's¹ Standard Offer Reconciliation Report ("Report"). The enclosed Report provides the final balance of the reconciliation through December 31, 2009 based on actual revenues and expenses showing an under collection of approximately \$8.6M.

The Company has been filing this report periodically at the Commission's request in order to keep the Commission and the Division apprised of the ongoing status of the reconciliation account given the impact of fluctuating fuel prices on the balance of the account. Because the method by which the Company procures and prices Standard Offer Service has changed effective January 1, 2010, the Company expects that the Standard Offer expenses will no longer exhibit the volatility that resulted from the operation of the fuel index mechanism contained in some of the Standard Offer contracts that terminated December 2009. Therefore, a monthly tracking report will likely no longer be necessary, and the Company proposes that this be the final monthly report. Alternatively, if the Commission would like to receive the Standard Offer reconciliation more frequently than once a year as part of the Company's annual retail reconciliation filing or to continue the reports on a monthly basis, the Company would be happy to discuss the appropriate timing and format of interim informational filings.

Thank you for your attention to this filing. If you have any questions regarding this Report, please do not hesitate to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 4011 Service List
Steve Scialabba, RI Division

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

Standard Offer Reconciliation
for the period October 2008 through December 2009

Section 1. Actual Balance @ September 30, 2009

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-08	\$22,300,171	\$29,189,036	\$33,180,611	\$46,520,758	\$79,701,369	(\$50,512,333)	\$9,418	(\$28,221,581)	(\$3,003,877)
(1) Nov-08	(\$28,221,581)	\$45,850,371	\$31,718,885	\$24,680,727	\$56,399,612	(\$10,549,241)	\$4,739	(\$38,775,561)	(\$5,293,124)
(1) Dec-08	(\$38,775,561)	\$60,877,157	\$34,633,822	\$25,176,931	\$59,810,754	\$1,066,403	\$4,553	(\$37,713,710)	(\$999,523)
(1) Jan-09	(\$37,713,710)	\$66,753,067	\$36,550,985	\$24,459,967	\$61,010,952	\$5,742,115	\$4,785	(\$31,976,380)	(\$6,956,175)
(1) Feb-09	(\$31,976,380)	\$45,491,281	\$29,602,983	\$19,206,197	\$48,809,179	(\$3,317,898)	\$4,970	(\$35,299,248)	(\$11,698,060)
(1) Mar-09	(\$35,299,248)	\$42,911,251	\$31,360,313	\$17,615,362	\$48,975,675	(\$6,064,424)	\$4,270	(\$41,367,941)	(\$19,860,475)
(1) Apr-09	(\$41,367,941)	\$39,104,483	\$27,956,205	\$13,972,271	\$41,928,476	(\$2,823,993)	\$4,203	(\$44,196,137)	(\$23,924,255)
(1) May-09	(\$44,196,137)	\$36,857,968	\$28,563,636	\$12,018,973	\$40,582,609	(\$3,724,641)	\$20,036	(\$47,940,814)	(\$27,859,205)
(1) Jun-09	(\$47,940,814)	\$36,512,017	\$30,692,367	\$8,053,016	\$38,745,383	(\$2,233,366)	\$18,964	(\$50,193,145)	(\$27,621,554)
(1) Jul-09	(\$50,193,145)	\$41,039,255	\$34,701,271	\$8,208,771	\$42,910,042	(\$1,870,787)	\$23,853	(\$52,087,784)	(\$26,805,937)
(1) Aug-09	(\$52,087,784)	\$45,966,996	\$40,343,144	\$6,994,694	\$47,337,837	(\$1,370,841)	\$15,590	(\$53,474,216)	(\$27,390,024)
(1) Sep-09	(\$53,474,216)	\$47,425,804	\$28,243,037	\$4,484,318	\$32,727,355	\$14,698,449	\$17,426	(\$38,793,193)	(\$16,954,315)
(1) Oct-09	(\$38,793,193)	\$21,838,878				\$21,838,878		(\$16,954,315)	
Totals	\$22,300,171	\$559,817,564	\$387,547,259	\$211,391,984	\$598,939,243	(\$39,121,679)	\$132,807	(\$16,954,315)	
Interest (3)								\$108,632	
Ending Balance with Interest								(\$16,845,683)	

- (1) Actual revenues and expenses
(2) Estimated revenues and expenses
(3) Interest expense calculation : $(\$22,300,171 + -\$16,954,314) / 2 * ((4.63\% * 5/12) + (3.66\% * 7/12))$

NOTE: October 2009 reflects September usage billed in October

Section 2. Projected Balance @ December 31, 2009

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-09	(\$16,845,683)	\$13,839,733	\$28,162,184	\$4,160,936	\$32,323,121	(\$18,483,387)	\$18,830	(\$35,347,901)	(\$16,457,640)
(1) Nov-09	(\$35,347,901)	\$34,345,928	\$27,331,624	\$4,666,211	\$31,997,836	\$2,348,092	\$33,740	(\$33,033,548)	(\$11,798,127)
(1) Dec-09	(\$33,033,548)	\$38,609,856	\$33,622,863	\$5,844,484	\$39,467,348	(\$857,491)	\$46,155	(\$33,937,194)	(\$8,562,536)
(1) Jan-10	(\$33,937,194)	\$25,374,659				\$25,374,659		(\$8,562,536)	
Totals	(\$16,845,683)	\$112,170,176	\$89,116,672	\$14,671,632	\$103,788,304	\$8,381,872	\$98,725	(\$8,562,536)	

NOTE: January 2010 reflects December usage billed in January

Column Notes:

- Column (a) Column (h) from previous row; beginning balance - Sep '08 ending balance from RIPUC Docket No. 4011 on Schedule JAL-4 (Beginning balance reduced by \$186,951 representing 2008 Last Resort residential under recovery)
Column (b) per Company revenue reports
Column (c) from invoices
Column (d) from invoices
Column (e) Column (c) + Column (d)
Column (f) Column (b) - Column (e)
Column (g) NE-GIS expense; May 2009 through December 2009 include Standard Offer portion of Renewable Generation credits;
Column (h) Column (a) + Column (f) - Column (g)
Column (i) Column (h) + 55% of next month's Column (b)

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate was electronically mailed, sent via U. S. Mail and/or hand-delivered to the individuals listed below.



Joanne M. Scanlon

February 22, 2010

Date

**National Grid – Annual Reconciliation Retail Tariff Filing
Docket No. 4011
Service List Updated 7/15/2009**

Name/Address	E-mail Distribution	Phone/FAX
Thomas R. Teehan, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Thomas.teehan@us.ngrid.com	401-784-7667
	Joanne.scanlon@us.ngrid.com	401-784-4321
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	lwold@riag.ri.gov	401-222-2424
	Steve.scialabba@ripuc.state.ri.us	401-222-3016
	Mtobin@riag.ri.gov	
	David.stearns@ripuc.state.ri.us	
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02889	Lmassaro@puc.state.ri.us	401-780-2017
	Cwilson@puc.state.ri.us	401-941-1691
	Nucci@puc.state.ri.us	
	Anault@puc.state.ri.us	