

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NATIONAL GRID'S APPLICATION TO CHANGE : DOCKET NO. 4065
ELECTRIC BASE DISTRIBUTION RATES :

NOTICE OF PUBLIC HEARINGS

Pursuant to the provisions of Sections 39-1-1 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission (the "Commission") will conduct public hearings on National Grid's (the "Company") proposed rate application on the following dates and locations:

| | |
|--------------------------------|--|
| September 8, 2009 @ 6:00 P.M. | Pawtucket City Hall - Council Chambers 137 Roosevelt Street Pawtucket, Rhode Island |
| September 9, 2009 @ 6:00 P.M. | Westerly Town Hall - Council Chambers 45 Broad Street Westerly, Rhode Island |
| September 10, 2009 @ 6:00 P.M. | Woonsocket City Hall - Harris Hall 169 Main Street Woonsocket, Rhode Island |
| September 15, 2009 @ 6:00 P.M. | Middletown Town Hall - Council Chambers 350 East Main Road Middletown, Rhode Island |
| September 16, 2009 @ 6:00 P.M. | Providence Public Safety Complex - Auditorium 325 Washington Street Providence, Rhode Island |
| September 17, 2009 @ 6:00 P.M. | Public Utilities Commission 89 Jefferson Boulevard Warwick, Rhode Island |

The evidentiary hearings will follow at 9:30 A.M., November 2, 2009 at the Commission's office.

In this docket, the Commission will examine the propriety of an application by National Grid seeking approval to change its electric distribution rates to collect additional distribution revenues by \$75.3 million which represents an increase of 33% in total revenues. The Company cites that the reason for the increase is: the need to ramp-up capital investment to maintain and replace aging infrastructure to achieve improvement in safety, reliability and services; and increases in the cost of operating and maintaining the system as a result of inflation and rising costs of goods and services.

Additionally, the Company has presented a series of ratemaking proposals to recover costs on a collective basis that are designed to achieve a level of cost recovery and rate stability for the Company and its customers; these include:

- A recovery mechanism for cost for employee pension and post-retirement benefits other than pension.

- A recovery mechanism to support the replacement and upgrading of infrastructure through an inspection and maintenance program.
- A revenue decoupling mechanism which would reconcile and adjust rates in response to customer usage as a result of energy efficiency and conservation policy initiatives.
- A recovery mechanism to reconcile the amount of commodity-related uncollectible accounts expense and commodity associated administrative costs related to Standard Offer Service.
- Adjustment of base distribution rates for significant changes in delivery-related uncollectible accounts that occur because of factors beyond the Company's control.
- A pilot economic development program designed to assist new and expanding businesses.

National Grid's merger with KeySpan Corporation results in realized and projected merger savings that the Company proposes sharing with ratepayers. To reflect the customer-share of savings, the Company's filing reduces the cost of service by approximately \$3.25 million annually.

The impact of the proposal on a typical residential customer using 500 kWh per month would be an increase of approximately 11.2 percent or \$8.95 per month. Commercial and industrial customers would experience annual bill impacts ranging from a decrease of approximately 7 percent to an increase of approximately 10 percent. The Commission may approve different rates that may be higher or lower than those proposed by the Company.

The filing is available for examination at the Commission's office and at the office of National Grid, 280 Melrose Street, Providence, Rhode Island. The filing can also be accessed under the Commission's Docket Menu at www.ripuc.org, Docket No. 4065.

Reference is made to Chapters 39-1, 39-3 and 42-35 of the RI General Laws; specifically Sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-16, 39-1-18, 39-1-20, 42-35-8 and 42-35-10.

These buildings are accessible to the handicapped. Individuals requesting interpreter services for the hearing impaired must notify the Commission Clerk's office at 780-2107 seventy-two hours in advance of hearing date.

Luly E. Massaro
Commission Clerk
August 27, 2009