

April 30, 2010

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4065-National Grid's Request for Change in Electric Distribution Rates
Second Amended Compliance Filing**

Dear Ms. Massaro:

On behalf of National Grid,¹ I am enclosing an original and nine copies of a Second Amended Compliance Filing in the above-referenced docket. The rates set forth in the attachments will be applicable to electric deliveries occurring on and after June 1, 2010, subject to the recovery mechanism established by the Commission in Order Nos. 19711 and 19722 issued in this docket on July 16, 2009 and July 28, 2009, respectively.²

On February 9, 2010 in Docket 4065, the Commission approved using the actual long-term debt rate resulting from the \$550 million debt issuance approved by the Division in Docket D-09- 49 in determining the Company's revenue requirement, and in the event that the debt issuance was not completed in time to be reflected in new rates, the Commission approved the use of an interim rate of 5.6%. Should this occur, the Commission directed that the Company make an amended compliance filing within 30 days from the date on which the Company determined the actual effective long-term debt rate. That amended compliance filing is to contain a recalculated revenue requirement based on the actual effective long-term debt rate, consistent with the Commission's rulings in Docket 4065. It is also to contain an estimated reconciliation of the revenue actually billed to customers under the rates implemented on March 1, 2010. That reconciliation is to be incorporated into the "Implementation Adjustment Balance" established in Docket 4065 to account for the delayed implementation of the Company's rates.

The Second Amended Compliance Filing contains the recalculated revenue requirement reflecting the actual effective long-term debt rate resulting from the March 22, 2010 issuance of long term debt as well as an allocated cost of service and rate design, with accompanying delivery service tariffs. The filing consists of a two-volume set, which are submitted as Attachment 1, Books 1 and 2. Attachment 1, Book 1 contains the revised schedules and supporting documentation incorporating the rulings made by the Commission in the above-referenced docket during the February 9, 2010 Open Meeting and reflected in its February 26, 2010 compliance filing ("Amended Compliance Filing") as well as the actual effective long-term debt rate associated with the \$550 million of new long term debt. As described above Schedule NG-HSG-13 (C) – 2nd Amended calculates a uniform per kWh credit adjustment factor that will be added to the Lost Revenue factor currently in effect to reflect the difference between the estimated revenue that would

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

² In Order Nos. 19711 and 19722, the Commission approved a recovery mechanism for the incremental amount of revenue the Company would have billed customers had rates been approved and in effect as of January 1, 2010. This recovery mechanism will be applied to customer bills in relation to electric deliveries occurring on and after March 1, 2010, as approved by the Commission at the Open Meeting.

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have been billed under the rates proposed in this filing and the revenue that was actually billed to customers under March 1, 2010 rates. Attachment 1, Book 2 contains the proposed tariffs including a set that are marked to show the proposed changes to the tariffs currently in effect. Please note that in preparing this compliance filing, the Company has identified a correction needed to the transmission charge per kWh shown on Electric Propulsion Rate X-01, R.I.P.U.C. 2032-B. This correction is noted on the marked-to-show changes version of the tariffs.

Schedule NG-HSG-9 – 2nd Amended contains a typical bill analysis showing the impact of all of the rate changes approved in Docket 4065, including the changes approved in the Company's Amended Compliance Filing and those included in this Second Amended Compliance Filing. Schedule NG-HSG-9 (A) – 2nd Amended shows the effect of only the approved rate changes in Docket 4065 as compared to rates in effect on December 31, 2009. Schedule NG-HSG-9 (B) – 2nd Amended shows the combined rate effects from rate decisions in Dockets 4065, 4041 and 4140.

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

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Docket 4065 Service List
Leo Wold, Esq.
Steve Scialabba, Division