

February 16, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: February 2012 Retail Rate Filing, Docket No. 4314

Dear Ms. Massaro:

Enclosed please find ten (10) copies of the February 2012 Retail Rate Filing of National Grid.¹ This filing consists of rate adjustments arising out of the reconciliation of the Company's Standard Offer Service, transmission expenses pursuant to its Transmission Service Cost Adjustment Provision, and the calculation of its transition charge pursuant to its Non-Bypassable Transition Charge Adjustment Provision. The proposed rate adjustments are effective for usage on and after April 1, 2012. The Company's filing contains the direct testimony and schedules of Jeanne A. Lloyd and James L. Loschiavo in support of the proposed rate changes.

In summary, the filing proposes:

- (1) Standard Offer Service ("SOS") Adjustment Factors for each SOS class of service designed to refund the estimated net under recovery of SOS expense for the period ending December 31, 2011;
- (2) Standard Offer Service Administrative Cost Factors for each SOS class of service designed to collect the projected SOS administrative expense for the period April 1, 2012 through March 31, 2013 plus the under recovery of SOS administrative expense for the period ending December 31, 2011;
- (3) a transition charge during 2012 of 0.063¢ per kWh. The charge represents (i) the weighted average base transition credit of 0.081¢ per kWh, and (ii) a transition charge adjustment credit factor of 0.018¢ per kWh, designed to refund the transition charge over recovery for the period January 2011 through December 2011;
- (4) changes to the base Transmission Service Charges based upon the 2012

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

estimate of transmission expenses to be billed to the Company and a Transmission Service Adjustment Factor credit of 0.026¢ per kWh designed to refund the over collection of transmission expense during the reconciliation period ending December 2011;

- (5) Transmission Uncollectible Factors designed to collect the projected transmission uncollectible expense allowance for the period April 1, 2012 through March 31, 2013, and
- (6) termination of a distribution surcharge of \$0.00001 designed to collect the distribution portion of net metering credits paid to customers during 2008, 2009 and 2010.

The net effect of the rate changes presented by this filing on the total monthly bill of a typical residential customer using 500 kWh per month is an increase of \$2.35, from \$73.96 to \$76.31 or approximately 3.2%.

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

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Steve Scialabba, Division
Leo Wold, Esq.