

May 24, 2005

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 3679 - The Narragansett Electric Company, Filing to Amend
R.I.P.U.C. No. 1124 Terms and Conditions for Nonregulated Power Producers
Responses to Commission Data Requests – Set 1**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of The Narragansett Electric Company's ("Narragansett" or the "Company") responses to the Commission's Data Requests issued on May 18, 2005 in the above-captioned proceeding.

Narragansett has received letters of support filed in this docket by Constellation New Energy, Inc. ("Constellation") and Select Energy, Inc. ("Select"). In its letter of support, Constellation suggests additional edits to the Terms and Conditions for Nonregulated Power Producers and the Draft Agreement and Notice. Narragansett agrees with all of Constellation's suggestions, but for one. Specifically:

Section 2.5 – Release of Customer Information

Narragansett agrees to eliminate the phrase "(as described in the Rhode Island Electronic Business Transactions Standard for Electronic Data Interchange)".

Section 2.6 – Providing Non-Residential Customer Lists

Narragansett agrees to replace the phrase "for procuring energy-related products and services" with the phrase "to market energy-related products and services."

Attachment 3 – Draft Agreement to Restrict Use of Customer Information Lists

Narragansett agrees with changing the first sentence to read as follows: “In order to obtain Customer Information Lists, Supplier agrees not to use this information for any purpose other than to market energy-related products and services.”

Under Numbers 1 – Restricted Use of Customer Information Lists and 2 – Third Party Use Prohibited

Narragansett agrees with Constellation’s suggestion to replace the phrase “electricity-related services” with the phrase “energy-related products and services”

Attachment 4 – Draft Notice to Customers with Opt-Out Provision

Narragansett agrees that the last sentence of the second paragraph should be changed to read as follows: “Competitive Suppliers may use the information included on the List for the marketing of energy-related products and services only.” Narragansett has made this change in its response to Commission Data Request 1-3.

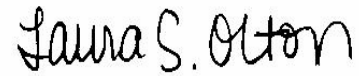
Narragansett, however, does not agree with Constellation’s request to re-insert the deleted phrase “all generation-related services associated with” in Section 1.3. The reason Narragansett proposed this change is that the phrase “generation-related” is not congruous with the manner in which the energy markets allocate costs. For example, the inclusion of this phrase may lead a nonregulated power producer to believe it is only obligated to provide such services as capacity, energy, operating reserves, automatic generation control, etc. to its customers. However, in addition to these obligations, nonregulated power producers are also obligated to deliver their all-requirements service to the Supplier Delivery Point and thus are obligated to pay all costs incurred in relation to such delivery, as well as to pay any other costs imposed by NEPOOL, ISO-NE or any similar or successor entity in connection with the provision of all-requirements service. The deletion of the phrase avoids a potential misunderstanding by a nonregulated power producer who may attempt to classify these latter costs as something other than "generation-related" costs.

With regard to the comments by Select, Select has suggested that the Company should include the customer’s “ICAP Tag” with the customer’s information profile in the customer information list. The Company does not believe this is necessary because such information is being added to the EBT transactions. The Company has discussed this issue with Select, and Select is comfortable with this information being added to the EBT transactions.

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We hope this resolves any outstanding matters regarding this filing. If you have any questions, please feel free to call me at 784-7667.

Very truly yours,

A handwritten signature in black ink that reads "Laura S. Olton". The signature is written in a cursive, slightly slanted style.

Laura S. Olton

Enclosures

cc: Paul Roberti, Esq.
Steve Scialabba, Division
John Farley, TEC-RI
Thomas E. Bessette, Esq., Constellation New Energy
Terry C. Ranger, Select Energy

THE NARRAGANSETT ELECTRIC COMPANY
R.I.P.U.C. Docket No. 3679
Terms & Conditions for Nonregulated Power Producers
Responses to Commission Data Requests
Issued on May 18, 2005

Commission Data Request 1-1

Request:

Please outline all aspects of Narragansett Electric Company's proposal in RIPUC 1191, Section 2.6 that will protect customers against "slamming" by suppliers.

Response:

As outlined in Section 2.6, The Narragansett Electric Company ("Narragansett") proposes to include the following information on the list: Customer's name, service address, mailing address, and energy information including rate class, 12 months historical usage information (kWh, kW and kVa if applicable), meter read cycle, and voltage indicator. Narragansett is not proposing to include customer account numbers on the list. In order to enroll a customer's account onto competitive supply, a Supplier must submit the customer's account number to Narragansett using the EDI transactions. Suppliers must obtain a customer's account number from the customer. This prevents a Supplier from enrolling a customer without the customer's consent. Additionally, it should be noted that Narragansett's proposal does not include residential customers on the Customer Information List. The Company's proposal is to include only non-residential customers on the list.

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Commission Data Request 1-2

Request:

Please indicate whether Narragansett Electric Company has contacted any small business groups to determine whether or not they have any opinion on Narragansett Electric Company's proposal to share customer information with Suppliers.

Response:

Narragansett has not contacted any small business groups to discuss the sharing of customer information with Suppliers. Narragansett has had discussions regarding this proposal with The Energy Council of Rhode Island, the active Suppliers in the state of Rhode Island (Constellation New Energy, Select Energy, Inc., and TransCanada Power Marketing), and the Division of Public Utilities and Carriers.

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Commission Data Request 1-3

Request:

Please provide a Rhode Island version of the Massachusetts DTE notice that appears in Attachment 5. Please ensure that the information is accurate in light of the fact that this proposal is a Narragansett Electric Company proposal rather than a Commission mandate.

Response:

Please find below the text that would be used to develop the bill insert.

Retail electric supply competition was phased in beginning on July 1, 1997. Since that time, the services provided by The Narragansett Electric Company (Narragansett Electric) have been separated into two parts – delivery services and supplier services. This means you and all other Rhode Island consumers have the option to purchase electricity from a Non-regulated Power Producer (Competitive Suppliers). If you choose a Competitive Supplier, Narragansett Electric will continue to deliver the electricity to your home or business, maintain lines, read your meter and provide customer and billing services.

In order to expand the range of competitive options available to electricity consumers in Rhode Island, the Rhode Island Public Utilities Commission has approved Narragansett Electric's proposal which calls for the release of non-residential Customer Information Lists. Effective September 2005, Narragansett Electric will make these Lists available to Competitive Suppliers registered with the Division of Public Utilities and Carriers. Competitive Suppliers may use the information included on the List for the marketing of energy-related products and services only.

Information to be included on the Customer Information List

The Customer Information List compiled by Narragansett Electric includes the name on your electric account (corporate name), your mailing & service addresses, and energy information including rate class, 12 months historical usage information (kWh, kW and kVa if applicable), meter read cycle, and voltage indicator. The Customer Information List will not include your account number. Your company will appear on the List unless you notify Narragansett Electric that you do not want this information included (see below).

Narragansett Electric will update this list on a quarterly basis beginning September 2005.

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Commission Data Request 1-3 (continued)

Benefits of having your information included on the Customer Information List

Narragansett Electric is committed to taking all appropriate steps to bring the benefits of the competitive electric industry to consumers. By having your account information included on the List, you are improving the ability of Competitive Suppliers to offer you electricity related products and services. These products and services may provide savings, as well as other benefits that may be of interest.

If you do not want your account information included on the Customer Information List

Certain consumers may not want their account information included on the Customer Information List. If you do not want your information included on the List, contact Narragansett Electric at the telephone number, web site or address below. Narragansett Electric will remove your information from all subsequent lists. If you decide at a later date that you want your account information included on the List, you can contact Narragansett Electric using the number, web site or address below.

Please include your name, account number, address and phone number in all correspondence.

Phone: **1-877-504-9018**
Email: **narragansettelectric@us.ngrid.com**
Internet: **www.narragansettelectric.com**
In writing: **55 Bearfoot Road**
Northborough, MA 01532

Please keep this brochure for future reference.

Prepared by or under the supervision of: Kathleen S. Yetman

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Commission Data Request 1-4

Request:

Will the notice to customers, comparable to the one that appears in Attachment 5, be prospective or be made after the list has been made available to suppliers as it appears the Massachusetts notice was?

Response:

The notice to customers will be prospective, unlike the Massachusetts notice. If the Commission is able to approve the Company's request in short order, Narragansett proposes to include the first opt-out notice in July bills for non-residential customers. The first list would then be distributed in mid-September, which gives customers two months to opt-out prior to the first list being distributed. If the schedule gets delayed, Narragansett proposes to include the opt-out notice in September 2005 bills, and the first list would then be distributed in December 2005. Any customers that opt-out after the initial distribution of the list will no longer appear on subsequent lists.

It is currently understood that once a new list is provided to Suppliers, Suppliers must destroy the old lists. Narragansett will amend the Draft Agreement to include such language.

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Commission Data Request 1-5

Request:

Will Narragansett Electric Company be advertising the proposal to share customer information to marketers any way other than bill messages and bill inserts?

Response:

Narragansett will notify customers of proposal to share customer information via bill messages, bill inserts, and the Company website. Narragansett will utilize a bill message to alert customers that the insert in the current month's bill includes important information regarding a newly established customer information policy. Narragansett will also provide a link on the website to the policy and opt-out provision.

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Commission Data Request 1-6

Request:

Has Narragansett considered an “opt-in” approach for its requested changes to Section 2.6? If not, why not?

Response:

Narragansett has considered an opt-in approach for its requested changes to Section 2.6, but considers the opt-out approach the better alternative. An opt-out approach strikes a reasonable balance between respecting customers’ privacy concerns and providing Suppliers with what they need to market electricity to customers. Opt-in approaches have proven to have limited success because many customers will not be sufficiently motivated to respond affirmatively. Massachusetts Electric, Narragansett’s sister company, has already successfully used bill inserts to notify customers of the opportunity to opt-out of marketing efforts and to opt-out of customer lists. Since the first lists were released in Massachusetts in 2001, Massachusetts Electric has only received a handful of complaints from residential customers about the release of their information. Those customers were removed from all future lists. Narragansett’s proposal does not include residential customers on the Customer Information Lists.