



September 1, 2005

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Report on Summer Load Relief Program, Docket 3680

Dear Ms. Massaro:

On May 5, 2005, The Narragansett Electric Company (“Narragansett” or the “Company”) filed with the Commission its proposed Summer Load Curtailment Program (“Program”). This Program, designated to run through October 1, 2008, was initiated to provide load relief in the Southern Rhode Island area in the event the Company’s proposed transmission project in the area is delayed and/or load growth in the area exceeds expectations over the next three years. The Southern Rhode Island area includes customers served from the Company’s Ashaway, Hope Valley, Wakefield, Bonnet, Westerly, Kenyon, LaFayette, Wood River, and Peacedale distribution substations. At its Open Meeting on May 31, 2005, the Commission approved the Program, and the Commission issued a written order on June 6, 2005 (Order No. 18267).

Order No. 18267 requires the Company to provide reports to the Commission no later than September 1, 2005 for enrollment and curtailment events through July 31, 2005, and no later than November 1, 2005 for enrollment and curtailment events through September 30, 2005. The following is the report regarding enrollment and curtailment events through July 31, 2005.

The Southern Rhode Island area includes 36 customers with average demands over 200 kW, consisting of approximately 50 accounts (“the targeted group”). The average peak load of the targeted group of customers is 33.6 MW. As of July 31, 2005, the Company visited nine of these accounts, representing about 14.2 MW, or 42% of the group’s load. As of the date of this filing, the Company has entered into three agreements with customers, covering eight accounts, for participation in the Program.¹ The Company expects the ninth account will execute an agreement as well. The Company has initiated load shed audits at all nine locations to help these customers determine specifically how they could participate in any load shed request. Between August 1, 2005 and December 31, 2005, the Company expects to meet with all

¹ The Company entered into service agreements with these customers on August 2, 2005.

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remaining eligible customers in the area. For the accounts visited through July 31, 2005, the total committed kW reduction is 375 kW. The Company expects this number to increase following the completion of the load shed audits.

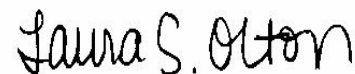
In addition to meeting with some of the eligible customers and executing program agreements, the Company has developed a curtailment module that will be made available to participating customers who utilize the Optional Interval Data Service (also known as Energy Profiler Online) that, in conjunction with real-time metering solutions currently being evaluated, may allow participating customers to see their performance and credits during a curtailment event in near real time. The Company anticipates the module will be available prior to the 2006 summer peak load season.

As described above, this multi-year Program was initiated in anticipation of potential delays in proposed transmission projects or peak loads in the Southern Rhode Island area exceeding expectations. As stated in the Program filing, the Company did not expect the area to be in imminent danger of insufficient capacity during the summer of 2005. Despite the high temperatures and humidity reached in July 2005, there was no need to call a curtailment under the Program. However, retainer payments will be made to participating customers totaling \$1,125 for August 2005.

Finally, the Company wishes to clarify the accounting for credits provided to customers participating in the Program, whether the credits are associated with retainer payments or curtailment. As in the past, the Company reflects the credits in participating customers' bills in the "payments/adjustments" section as a credit adjustment, and the credits are recorded against distribution revenue. However, since the need for targeted demand response in the Southern Rhode Island area stems from transmission constraints, the Company makes an accounting entry to transfer the credits from distribution revenue to a transmission administrative and general expense account.

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

Very truly yours,



Laura S. Olton

cc: Paul Roberti, Esq.
Steve Scialabba, Division