

December 15, 2005

VIA HAND DELIVERY & ELECTRONIC MAIL

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

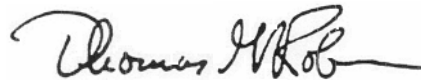
**RE: Docket No. 3706 – October ‘05 Standard Offer Adjustment
Responses to Commission’s Data Requests – Set 3**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of The Narragansett Electric Company’s d/b/a National Grid responses to the Commission’s third set of Data Requests issued on December 13, 2005 in above-captioned proceeding.

Thank you for your attention to this filing. If you have any questions, please feel free to contact me (508) 389-2877.

Very truly yours,



Thomas G. Robinson

Enclosures

cc: Docket No. 3706 Service List

Commission Data Request 3-1

Request:

Please explain why the undercollection calculated below on line 29 (see attached schedule) does not agree with the undercollection at Sep 2006 (\$12.3 mill.) associated with a \$0.10 SOS rate effective Jan 2006 rate as presented on Exh JAL-3, pg 1 of 1 of Ngrids 3706 Nov 30 update.

Response:

Exhibit JAL-2, Page 1 of 1, of the Company's November 30, 2005 updated Standard Offer filing shows the estimated wholesale expenses for the nine month period that the Standard Offer is proposed to be in effect. The estimated expenses are calculated by multiplying projected calendar month deliveries by the base Standard Offer charge plus the estimated fuel index adjustment for each month. However, the Standard Offer retail rate will be effective for consumption on and after January 1, 2006. Therefore, January 2006 revenue will reflect usage for part of the month billed at the previous rate of 8.2¢ per kWh and the remaining usage billed at the proposed rate of 10.0¢ per kWh. The under collection of expenses associated with the "prorated" implementation of the Standard Offer is not reflected on the Commission's attached workpaper, but is reflected in the deferral amounts shown on Exhibit JAL-3, page 1 of 1, of the November 30, 2005 filing.

Prepared by or under the supervision of: Jeanne A. Lloyd

**Rhode Island Public Utilities Commission
Docket 3706 National Grid Standard Offer Rate Filing
Commission 3rd Data Request to National Grid**

COMM 3-1 Please explain why the undercollection calculated below on line 29 does not agree with the undercollection at Sep 2006 (\$12.3 mill.) associated with a \$0.10 SOS rate effective Jan 2006 rate as presented on Exh JAL-3, pg 1 of 1 of Ngrids 3706 Nov 30 update.

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Projected kWh deliveries Jan 2006 through Sep 2006	5,289,932,898 (a)
Proposed Standard Offer Rate	\$ 0.10 (a)
Projected Revenues (line 4 x line 6)	<u>\$ 528,993,290</u>
Less: Expenses to be recovered	\$ (533,011,364) (a)
Under-Recovery due to truncation of proposed rate (line 8 + line 10)	<u>\$ (4,018,074)</u>
Under-Recovery at Dec 2005	\$ (17,225,501) (b)
Portion of Dec 2005 Under-Recovery to collect through Sep 2006	\$ 12,919,125 (a)
Deferred portion of Dec 2005 Under-Recovery (line 16 + line 18)	<u>\$ (4,306,376)</u>
Under-Recovery due to truncation of proposed rate (line 12)	\$ (4,018,074)
Deferred portion of Dec 2005 Under-Recovery (line 20)	\$ (4,306,376)
Under-Recovery at Sep 2006 (line 25 + line 27)	<u>\$ (8,324,450)</u>

(a) from 3706 Ngrid Nov 30th update, Exh JAL-2 pg 1 of 1
(b) from 3706 Ngrid Nov 30th update, Exh JAL-1 pg 1 of 3

Certificate of Service

I hereby certify that a copy of the cover letter and accompanying material(s) have been hand-delivered or sent via U.S. mail to the parties listed below.



Joanne M. Scanlon
National Grid

December 15, 2005
Date

Narragansett Electric Co. – Standard Offer Rate Filing – Docket No. 3706
Service list as 11/03/05

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