

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
**PUBLIC UTILITIES COMMISSION**

IN RE: TARIFF FILINGS BY NATIONAL GRID TO MODIFY THE :  
STANDARD OFFER SERVICE RATE, TRANSMISSION :  
SERVICE COST ADJUSTMENT FACTOR AND :  
TRANSITION SERVICE COST ADJUSTMENT CHARGE : DOCKET NO. 3706

NATIONAL GRID'S REQUEST FOR APPROVAL OF :  
DISPENSATION OF SETTLEMENT PROCEEDS : DOCKET NO. 3710

**NOTICE OF PUBLIC HEARING**

Pursuant to the provisions of Sections 39-1-1 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission ("Commission") will conduct a public hearing on **Monday, December 12, 2005 @ 9:30 A.M.** in Hearing Room A of the Public Utilities Commission located at 89 Jefferson Boulevard, Warwick, Rhode Island. At this hearing, the Commission will accept comments from ratepayers regarding the above subject filings by National Grid. The hearing will continue thereafter from day to day and time to time as required.

In Docket No. 3706, the Commission will examine the propriety of several filings by National Grid ("Company") seeking approval to reconcile its tariff adjustment provisions for the Standard Offer Rate, Transition Charge and Transmission Adjustment Factor effective for consumption January 1, 2006. National Grid seeks to implement the following rate changes: 1) an increase to the Standard Offer Service Rate from the current level of 8.2¢ per kWh to 10.0¢ per kWh, 2) a decrease to the Transition Charge from 0.845¢ per kWh to 0.575¢ per kWh and 3) an increase to the Transmission Adjustment Factor from 0.239¢ per kWh to 0.371¢ per kWh. If approved, the combined bill impact of the Company's request on a typical residential bill of 500 kWh per month would be an increase from \$70.58 to \$80.94, an increase of 14.7%. The Commission can approve different rates that may be higher or lower than those proposed by National Grid.

In Docket No. 3710, the Commission will consider a request by National Grid for approval of dispensation of a series of settlement proceeds arising from the USGen bankruptcy and disputed contract termination charge related items totaling \$16.5 million. National Grid proposes to use the settlement proceeds for the benefit of ratepayers in the following manner:

- That \$8 million of the proceeds be used to implement an Enhanced Low Income Discount Program (“Program”). Under the Program, which would be funded through 2009, the Company would allocate \$2 million per year in the form of a discount credit to be applied to the distribution rates of the first 450 kWh of usage per month for customers taking service under the low income Rate A-60. Implementing the Program will reduce the monthly bill to customers taking service under Rate A-60.
- That the remaining balance of \$8.5 million will be used to reduce the 2006 nonbypassable Transition Charge that is part of the Company’s annual reconciliation filing that is being considered in Docket No. 3706.

The Commission may approve the request in whole or in part and may order a dispensation of the settlement funds in a manner that is different from that proposed by the Company.

The filings are on file for examination at the Commission’s office and at the office of the National Grid, 280 Melrose Street, Providence, Rhode Island. The filings and related documents can also be accessed at [www.ripuc.org/eventsactions/docket/3706page.html](http://www.ripuc.org/eventsactions/docket/3706page.html) and at [www.ripuc.org/eventsactions/docket/3710page.html](http://www.ripuc.org/eventsactions/docket/3710page.html).

Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws; specifically Sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-18, 39-1-20, 42-35-8 and 42-35-10.

**THE PUBLIC UTILITIES COMMISSION IS ACCESSIBLE TO THE HANDICAPPED. INDIVIDUALS REQUESTING INTERPRETER SERVICES FOR THE HEARING IMPAIRED MUST NOTIFY THE COMMISSION CLERK’S OFFICE AT 941-4500, SEVENTY-TWO HOURS IN ADVANCE OF HEARING DATE.**

Luly E. Massaro  
Commission Clerk  
December 2, 2005