

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: FUEL ADJUSTMENT FACTOR TARIFF FILING BY
NARRAGANSETT ELECTRIC D/B/A NATIONAL GRID

DOCKET NO. 3969

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of the Rhode Island General Laws §39-1-1 et seq, as amended, the Public Utilities Commission (“Commission”) will conduct a public hearing on **Monday, September 22, 2008 @ 2:00 P.M.** in Hearing Room A of the Public Utilities Commission, located at 89 Jefferson Boulevard, Warwick, Rhode Island. The hearing may continue thereafter from day to day and time to time as required.

This docket relates to the Commission’s review of Narragansett Electric d/b/a National Grid’s (“NGrid”) request for the Commission to consider a Settlement Agreement executed between NGrid, Constellation Energy Commodities Group (“Constellation”), and the Rhode Island Division of Public Utilities and Carriers (“Division”). The proposed settlement relates to two Wholesale Standard Offer Sales Agreements (“WSOSAs”) the Company has with Constellation and two additional Power Supply Agreements (“PSAs”) the Company has with Constellation. The proposed Settlement Agreement provides a resolution in two related civil actions that are pending in federal court in Rhode Island and Massachusetts, and an appeal pending before the United States Court of Appeals for the First Circuit regarding disputes over certain provisions of the WSOSAs and PSAs.

Under the terms of the Settlement, NGrid will make a lump sum payment of \$20,000,000 to Constellation within ten (10) days of the Effective Date of the Settlement and then NGrid and Constellation will amend the pricing and payment provisions of the two WSOSAs by adding a monthly contract reservation charge applicable in 2009 of: (i) \$905,820.00 per month to one WSOSA and (ii) \$1,610,344.00 per month to a second WSOSA commencing January 30, 2009 and

ending December 31, 2009. The Settlement and related amendments to the WSOSAs are conditioned on an approval by the Commission that permits NGrid to recover the costs of the Settlement in rates. If approved, assuming the recovery period is usage on January 1, 2009 through December 31, 2009, the effect of the Settlement on a typical residential customer using 500 kWh per month would be an increase of \$3.95 per month or 4.2 percent.

The docket is available for examination at the Commission's office and at the office of the National Grid, 280 Melrose Street, Providence, Rhode Island. Docket No. 3969 can also be accessed under the Commission Docket Menu at www.ripuc.org.

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, 39-1-30, 42-35-8, 42-35-9 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
September 12, 2008