

November 26, 2008

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 3977 – Distribution Adjustment Charge (DAC) Filing  
Compliance Attachment PCC-1**

Enclosed for filing is an original and nine (9) copies of National Grid's<sup>1</sup> Compliance Attachment PCC-1 in the above referenced docket.

This filing is based on the Commission's rulings during the Open Meeting on November 24, 2008 and incorporates the approved component rates as well as the Lost Revenue Adjustment component from the Company's base rate case Docket No. 3943. The Lost Revenue Adjustment is designed to capture the estimated revenue impact associated with the one-month delay in the implementation of new base rates, with such estimated revenues to be subsequently reconciled as provided for in the DAC tariff approved in Docket No. 3943.

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

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 3977 Service List  
Steve Scialabba, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid ("Company")

**Updated Summary of Distribution Adjustment Charge**  
(\$ Per Therm)

| Line No. | Description                           | reference                  | Factor                      |
|----------|---------------------------------------|----------------------------|-----------------------------|
| 1        | System Pressure                       | Exhibit BRO - 7            | \$0.0037 #                  |
| 2        | Advanced Gas Technology Program (AGT) | Exhibit BRO - 7            | (\$0.0008) #                |
| 3        | Low Income Assistance Programs (LIAP) | PCC Testimony              | \$0.0000                    |
| 4        | Environmental Response Cost (ERC)     | Attach. PCC-4              | (\$0.0020)                  |
| 5        | On-System Margin Credits (MC)         | Exhibit BRO - 7            | (\$0.0080) #                |
| 6        | Weather Normalization (WN)            | Attach. PCC-6              | \$0.0000                    |
| 7        | Earnings Sharing Mechanism (ESM)      | PCC Supplemental Testimony | -                           |
| 8        | Reconciliation Factor (R)             | Updated Attach. PCC-7      | \$0.0010                    |
| 9        | Subtotal                              | sum ( [1]:[8] )            | (\$0.0061)                  |
| 10       | Uncollectible Percentage              | Dkt 3943                   | 2.46%                       |
| 11       | DAC adjusted for uncollectible        | [9] / ( 1 - [10] )         | (\$0.0063) per therm#       |
| 12       | Lost Revenue Adjustment ##            | Dkt 3943                   | \$0.0031                    |
| 13       | DAC                                   | [11] + [12]                | <b>(\$0.0032) per therm</b> |

note # Rates proposed by the Division and approved by the Commission at the open meeting on November 24, 2008

## Recovery of estimated lost revenue associated with 1-month delay in implementation of Rate Case Docket No. 3943

**Docket No. 3977 – National Grid – Annual Distribution Adjustment Clause Filing (“DAC”) - Service List as of 9/24/08**

| <b>Name/Address</b>   | <b>E-mail</b>  | <b>Phone/FAX</b> |
|---|--|------------------|
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| <b>File an original &amp; nine (9) copies w/:</b><br>Luly E. Massaro, Commission Clerk<br>Public Utilities Commission<br>89 Jefferson Blvd.<br>Warwick RI 02888 | <a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>         | 401-780-2107     |
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