

August 28, 2014

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4436 – Revised Gas Cost Recovery Filing
30-Day Status Report – August 2014

Dear Ms. Massaro:

On behalf of National Grid¹, enclosed are ten (10) copies of the Company's 30-Day Status Report for August 2014 in response to the Rhode Island Public Utilities Commission vote at the hearing on March 24, 2014 regarding a review of the issues identified in Mr. Oliver's memorandum dated March 19, 2014 in the above-referenced docket. The August 2014 report will be the Company's final 30-Day Status Report. The Company will be submitting its 2014 Gas Cost Recovery filing on September 2, 2014.

Thank you for your attention to this filing. If you have any questions, please contact me at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4436 Service List
Leo Wold, Esq.
Steve Scialabba
Bruce Oliver

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below. Paper copies of this filing are being hand delivered to the RI Public Utilities Commission and the RI Division of Public Utilities and Carriers.



August 28, 2014

Joanne M. Scanlon

Date

**Docket No. 4436 – National Grid – 2013 Annual Gas Cost Recovery Filing
("GCR") - Service List as of 3/5/14**

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

In Re: Review of National Grid's Revised Gas Cost
Recovery Filing

Docket No. 4436

**STATUS REPORT OF
THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID
(August 28, 2014)**

This report of The Narragansett Electric Company d/b/a National Grid (National Grid or Company) is filed with the Rhode Island Public Utilities Commission (PUC) in response to its vote at the hearing on March 24, 2014 in the above-referenced docket, which required reports from National Grid¹ every thirty (30) days regarding a review of the issues identified in the Memorandum dated March 19, 2014 from Bruce R. Oliver, Revilo Hill Associates, on behalf of the Division of Public Utilities and Carriers (Division). Mr. Oliver identified five issues for consideration prior to the Company's next Gas Cost Recovery (GCR) filing:

- 1. Review of gas cost hedging program.**
- 2. Other means of limiting requirements for daily spot purchases of natural gas during periods of extreme weather.**
- 3. Revision of the terms under which gas marketers deliver gas to National Grid.**
- 4. Review of pricing for customers who return to gas supply service provided by National Grid.**
- 5. Non-Firm customer compliance with service interruption requests and the adequacy of penalties for non-compliance given current market conditions.**

The following activities have taken place since the Company's last status report that it filed with the PUC on July 23, 2014:

- The Company and the Division met via teleconference call on August 7, 2014 and August 14, 2014 to discuss the Company's hedging proposal. The parties also met on August 20, 2014 to discuss the Company's proposal for changes to its Customer Choice Program.

¹ The Narragansett Electric Company d/b/a National Grid (herein referred to as National Grid or Company).

A status of each issue referenced above is provided below.

- 1. Review of Gas Cost Hedging Program**
- 2. Review of Spot Market Purchases During Periods of Extreme Weather**

The Company has formulated a recommendation to add a market area hedge to its existing Gas Procurement Incentive Plan (GPIP), and shared this recommendation with the Division during the August 7, 2014 and August 14, 2014 conference calls. The Company is preparing to make a filing with the PUC prior to filing of the GCR on September 2, 2014 to request approval for this additional hedge.

- 3. Review of Transportation Terms and Conditions on Marketer Gas Delivery**
- 4. Review of Pricing for National Grid-Supplied Gas Service**
- 5. Customer Compliance with and Penalties Required by Non-Firm Transportation Terms and Conditions**

The Company is preparing to make a filing with the PUC to implement certain specific short-term operational changes to the terms and conditions of its existing Customer Choice program and the applicable gas tariff. The Company shared this proposal with the Division during the August 20, 2014 conference call. The Company will be making this filing shortly following its GCR filing with the goal of implementing the changes prior to the upcoming heating season. The Company's proposal will not address all of the above-referenced issues at this time, and the Company recognizes that additional changes to the program may be warranted in the future. In its upcoming filing, the Company will also be proposing a Collaborative working group to review and make recommendations for more comprehensive changes to the Customer Choice program for implementation over the longer-term.

Respectfully Submitted,

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID**

By its Attorney,



Jennifer Brooks Hutchinson (RI Bar #6176)

August 28, 2014