

July 23, 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 – July 2014**

Dear Ms. Massaro:

On behalf of National Grid¹, enclosed are ten (10) copies of the Company's 30-Day Status Report for July 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.

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 the "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.



July 23, 2014

Joanne M. Scanlon

Date

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

Name/Address	E-mail	Phone
Thomas R. Teehan, Esq. National Grid 280 Melrose St. Providence, RI 02907	Thomas.teehan@nationalgrid.com	401-784-7667
	Jennifer.hutchinson@nationalgrid.com	
	Celia.obrien@nationalgrid.com	
	Joanne.scanlon@nationalgrid.com	
Ann E. Leary National Grid 40 Sylvan Road Waltham, MA 02541	Ann.Leary@nationalgrid.com	
Elizabeth D. Arangio National Grid 40 Sylvan Road Waltham, MA 02541	Elizabeth.Arangio@nationalgrid.com	
Stephen A. McCauley National Grid 40 Sylvan Road Waltham, MA 02541	Stephen.Mccauley@nationalgrid.com	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	Lwold@riag.ri.gov	401-222-2424
	Scialabba@dpuc.ri.gov	
	dmacrae@riag.ri.gov	
	Jmunoz@riag.ri.gov	
Bruce Oliver Revalo Hill Associates 7103 Laketree Drive Fairfax Station, VA 22039	Boliver.rha@verizon.net	703-569-6480
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Luly.massaro@puc.ri.gov	401-780-2107
	Patricia.lucarelli@puc.ri.gov	
	Sharon.ColbyCamara@puc.ri.gov	
Office of Energy Resources Marion Gold Christopher Kearns Nicholas Ucci	Marion.Gold@energy.ri.gov	
	Christopher.Kearns@energy.ri.gov	
	Nicholas.ucci.@energy.ri.gov	

**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
(July 23, 2014)**

This report of The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "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 (the "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 June 25, 2014:

- The Company and the Division met via teleconference call July 11, 2014 and July 16, 2014 to discuss the Company's progress regarding the issues referenced above. The Company and the Division agreed to bifurcate the issues for discussion, and will meet again on August 7, 2014 to discuss the Company's hedging proposal, and 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 the "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 completed its analysis of forecasting data with respect to volume deviations for the unhedged locations (New England market area locations where the Company is currently buying supplies). The Company shared that information together with potential recommended hedged positions with the Division during the July 11, 2014 conference call. As part of this analysis, the Company is continuing to review the potential for additional spot market purchases as part of its annual planning process. The Company is in the process of formulating a final recommendation that it intends to share with the Division and subsequently submit to the PUC prior to its next GCR filing on September 1, 2014.

- 3. Review of Transportation Terms and Conditions on Marketer Gas Delivery**
- 4. Review of Pricing for National Grid-Supplied Gas Service**

The Company is in the process of formulating a proposal for certain short-term changes to the terms and conditions of its existing Customer Choice program with the goal of implementing those changes prior to the upcoming heating season. Once completed, the Company will share those recommendations with the Division and will update the PUC at the next status report.

- 5. Customer Compliance with and Penalties Required by Non-Firm Transportation Terms and Conditions**

As indicated in the last status report, the Company is reviewing the appropriateness of penalties as part of the review of its Customer Choice Program, as discussed in items #3 and #4, above.

Respectfully Submitted,

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

By its Attorney,



Jennifer Brooks Hutchinson (RI Bar #6176)

July 23, 2014