

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC COMPANY :
2005 SUMMER LOAD CURTAILMENT PROGRAM : DOCKET NO. 3680

ORDER

On May 5, 2005, Narragansett Electric Company (“Narragansett” or “Company”) filed with the Commission its proposed Summer Load Curtailment Program for review. Narragansett has proposed interim improvements in the transmission system in Southern Rhode Island and is reviewing the need for longer term permanent improvements in the next few years. The Summer Load Curtailment Program is a temporary program that would use load curtailment as a means to reduce distribution capacity requirements during peak periods and thereby provide load relief to assist Narragansett in meeting customer delivery needs in the area in the unlikely event that unforeseen delays prevent the Company from finishing these transmission improvements in a timely manner.¹ The program would be in effect from the Effective Date of a Commission Order through October 1, 2008 unless terminated by either party to the enrollment agreement with thirty days notice.²

The Program would be designed for retail delivery customers that meet the following three criteria: (1) that are served by either the Ashaway, Hope Valley, Wakefield, Bonnet, Westerly, Kenyon, Lafayette, Woodriver and Peacedale distribution substations; (2) that have a minimum monthly billing demand of 200 kilowatts; and (3) that can curtail load by at least 50 kilowatts. Eligible customers would agree to curtail their load for a specified number of interruption hours during the day after being notified

¹ Narragansett’s Filing, p. 4.

² Narragansett’s Filing, p. 104 (Attachment 6).

by Narragansett. Compensation would be made to participants in the form of a bill credit equal to the kWh curtailment multiplied by \$0.50 per kWh plus a monthly retainer credit of \$3.00 per enrolled kW for the months of June, July and August. The credit would be made within 90 days of curtailment. Additionally, customers would be enrolled into the appropriate ISO-NE Annual Demand Response Program.³

Narragansett chose this area of the State because, in developing such a program, the Company believed that it is appropriate to choose an area which, while not in imminent danger of insufficient capacity even without the improvements for the summer of 2005, could become overloaded in the event of construction delays or extraordinary weather. Likewise, it is important to identify the amount of time the estimated capacity shortfall would exist because in a distribution capacity situation requiring many hours of interruption, customers may not be willing to enroll. Additionally, it is important to choose an area where the existing population of large accounts could provide the necessary load relief. Finally the incentive needs to be sufficient to induce customers to curtail their load. Narragansett anticipates enrolling approximately 40% of the eligible customers in the area who could shed 8% of their total load when called upon. This results in the enrollment of 20 to 25 customers and targeting 2,000 to 2,700 kilowatts of load relief if necessary.⁴

In determining the expected kWh curtailment and calculating the credit, Narragansett will follow the following process: For each hour of the interruption, and for the hour that is two hours prior to the interruption, Narragansett will obtain the customer's metered data occurring during the five business days preceding the day of the

³ Narragansett's Filing, pp. 4-5, 104. The monthly retainer credit will be made no later than November 30 of each year and is dependent upon customer compliance with the enrollment agreement.

⁴ Id. at 5.

interruption. This is the “baseline load” for these hours. Narragansett will obtain the customer’s metered data for the hour that is two hours prior to the curtailment. This is the customer’s actual load requirement immediately prior to the interruption. The baseline load for the hour that is two hours prior to the interruption would be compared to the customer’s actual load two hours prior to the interruption. The difference between these two values, positive or negative, represents the adjustment value. This adjustment value is then added to the baseline load during the hours of interruption to determine expected load curtailment during the hours of interruption. The customer’s actual metered data during each hour of interruption is obtained. The expected load requirement is compared with the actual load requirement. This determines the customer’s reduction in load during the interruption. Finally, this interrupted kWh load would be multiplied by \$0.50 to determine the credit applied to the customer’s bill.⁵

At an open meeting on May 31, 2005, after considering the filing by Narragansett, the Commission approved Narragansett’s Summer Load Curtailment Program. The Summer Load Relief Program will be an effective program during transmission upgrades in the South County area. The Commission is hopeful that the data Narragansett collects during this temporary program can lead to using targeted demand response as a tool more generally in the future. As it was required to do as a condition of the 2004 Summer Load Relief Program, Narragansett shall file a Report no later than September 1 annually for enrollment and curtailment events through July 31 of that year and another Report no

⁵ Id. at 6, 104 (Attachment 5). In response to a data request in Docket No. 3608, the 2004 Summer Load Relief Program, the credits provided to participating customers that reduce their load during a call for curtailment will be recorded as a reduction to the Company’s distribution revenue recorded on its books of account. There was no indication of a change to that accounting in this docket.

later than November 1 annually for enrollment and curtailment events through September 30 of that year.

Accordingly, it is hereby

(18267) ORDERED:

1. Narragansett Electric Company's proposed Summer Load Curtailment Program is hereby approved.
2. Narragansett Electric Company shall file a Report no later than September 1 annually for enrollment and curtailment events through July 31 of that year and another Report no later than November 1 annually for enrollment and curtailment events through September 30 of that year.
3. Narragansett Electric Company shall comply with all other findings and instructions contained in this Report and Order.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON MAY 31, 2005. WRITTEN ORDER ISSUED JUNE 6, 2005.

PUBLIC UTILITIES COMMISSION

Elia Germani, Chairman

Robert B. Holbrook, Commissioner