

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

RE: NARRAGANSETT ELECTRIC COMPANY d/b/a/
NATIONAL GRID'S PETITION FOR REVIEW
OF THE USE OF BACKUP RATES

DOCKET NO. 4232

REPORT AND ORDER

1. Background

On March 17, 2011, the Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) filed a Petition for Review of the Use of Backup Rates (“Petition”). The issue of whether backup rates should remain in effect was raised in Docket 4065 (National Grid’s Application for Approval of Change in Electric Base Distribution Rates, filed June 1, 2009). On February 9, 2010, at the Open Meeting for Docket 4065, the Commission stated that it would open a separate docket to review the continued use of backup rates.

On April 5, 2011, the Company requested that any and all testimony concerning the continued use of backup rates entered in Docket 4206 (National Grid’s Revenue Decoupling Mechanism “RDM” Proposal) be transferred to Docket 4232. The Company filed its request in Docket 4206 but is provided here for background purposes and because of its relevance to this subject matter. TEC-RI filed a Motion to Dismiss the Company’s Petition and an Objection to the Company’s request to transfer backup rates testimony from Docket 4206 to Docket 4232. Environment Northeast (“ENE”) also objected to the transfer of backup rates testimony from Docket 4206 to Docket 4232, claiming that the use of backup rates should be considered in the context of the decoupling docket since the issues of decoupling and backup rates are so closely linked.¹ The Commission opened the present docket pursuant to Rule 1.3(d) which states, “The

¹ Letter of Jeremy C. McDiarmid (ENE) and Seth H. Handy (Chace Ruttenberg & Freedman, LLP), p.1 (04/25/11).

Clerk shall maintain a docket of all proceedings, and each new proceeding shall be assigned an appropriate docket number after preliminary review.” On May 5, 2011, the Commission ruled in favor of the Company and transferred the testimony concerning backup rates from Docket 4206 to the present docket.²

The Commission received direct testimony from National Grid and the Division of Public Utilities and Carriers. Pursuant to the Commission’s Order in Docket 4206, TEC-RI’s testimony concerning backup rates was transferred from Docket 4206 to the present docket. On July 21, 2011, National Grid filed a Settlement Agreement signed by National Grid, the Division and TEC-RI.

II. National Grid’s Petition for Review of the Use of Backup Rates

In its Petition, filed March 17, 2011, National Grid requested that the Commission address the continued appropriateness of backup rates and whether to continue an exemption from backup rates, established in Docket 3617, for on-site non-emergency customer-sited generation facilities powered by eligible renewable energy resources. According to the Second Amended Stipulation and Settlement reached in Docket 3617, this exemption for customer sited renewable energy generation was to apply until 3 megawatts of nameplate capacity had been installed. National Grid claimed in its Petition that the 3 megawatt installation limit had been exceeded and asked the Commission for guidance on the continued application of that exemption. The Company further requested that the Commission address the allocation of lost revenues resulting from any alteration or termination of backup rates.

III. Direct Testimony of Jeanne A. Lloyd

On May 12, 2011, the Company filed the testimony of Jeanne A. Lloyd. Ms. Lloyd stated that the Company did not support eliminating or retaining backup rates. She stated that

² Commission Order No. 20350 issued May 10, 2011 (Docket 4206).

the Company supported the continuation of the exemption established in Docket 3617 for on-site renewable generating facilities. Ms. Lloyd then reviewed the history of backup rates.

The first form of backup rates was the Auxiliary Service Rate, approved by the Commission in 1987, for customers who had their own source of electrical power to supply all or some of their electrical requirements.³ The Auxiliary Service Rate for a particular customer consisted of the filed rate for that customer for electricity actually delivered plus a minimum charge consisting of a customer charge plus a demand charge equal to the customer's "contracted demand" multiplied by a per kilovolt-ampere ("kVA") charge.⁴ The contracted demand was based on the customer's installed transformer capacity as measured by kilovolt-amperes.⁵ After electricity restructuring, the new backup rates applied only to the distribution portion of electric service and mirrored their companion general service delivery rates which consisted of demand (kW) and energy (kWh) charges.⁶ The purpose of the backup rate was to ensure that backup rate customers paid distribution and transmission charges that were comparable to charges assessed to similarly situated full requirements service customers even though the backup service customer had its own generating source.⁷ This purpose is due largely to the fact that the utility's costs to service a customer are essentially the same regardless of whether a self-generation source exists on the customer's premises.⁸ The backup rate is a means of reserving capacity on the distribution system for 100% of the on-site generating customer's load if at any time that customer's on-site generation becomes inoperable.⁹ The previous backup service tariff applied

³ Testimony of Jeanne A. Lloyd, p. 4.

⁴ Id.

⁵ Id.

⁶ Id.

⁷ Id.

⁸ Id., p. 5-7.

⁹ Id.

to any on-site generation in excess of 30 kilowatts (kW).¹⁰ The backup rate was later revised as part of the settlement in Docket 3617. The new backup tariff changed the calculation of the backup demand charge, eliminated transmission charges on generated load and volumetric charges on kWhs generated and created an exemption for on-site renewable generation up to an aggregate of 3MW of installed capacity on the Company's system.¹¹ Ms. Lloyd stated that the 3MW limit for on-site renewable generation was exceeded in October of 2009.

Ms. Lloyd recognized that proponents of distributed generation argue that backup rates create an economic barrier to distributed generation.¹² She noted, however, that the elimination of backup rates would necessarily entail a shifting of costs from previous backup rate customers to other customers.¹³ She reported that although the Company's backup service revenue, at \$250,393, is relatively small, it is expected to increase in the future as policies, societal trends and technological advances increasingly favor renewable generation.¹⁴ She further noted that if the backup rate were eliminated without any provision for cost recovery, the Company would recover the resulting lost revenue through the revenue decoupling mechanism.¹⁵ Finally, Ms. Lloyd addressed the potential impact on backup rate customers in the event that the backup rate is eliminated. She noted that the impact would vary depending on the reliability of the on-site generation source. She provided an illustration which showed that in some cases there is only a small difference between the backup rate and the general service rate (G-62).¹⁶

IV. Direct Testimony of Bruce R. Oliver

¹⁰ The backup tariff did not distinguish between renewable and non-renewable generation sources. *Id.*, pgs. 4-5.

¹¹ *Id.*, p. 5.

¹² *Id.*, p. 8.

¹³ *Id.*, p. 9.

¹⁴ *Id.*, p. 10.

¹⁵ *Id.*

¹⁶ *Id.*, p.13; JAL-2.

On June 3, 2011, Bruce R. Oliver testimony filed direct testimony on behalf of the Division of Public Utilities and Carriers. Mr. Oliver argued against the elimination of backup rates claiming it was not justified on the basis of utility costs. He argued that although some of the utility's distribution and transmission costs are the same regardless of the presence of on-site self-generation, cost differences occur as they move upstream away from the customer's premises.¹⁷ He argued that backup service should be divided into two classes with different pricing.

Mr. Oliver recommended that backup service be divided into Emergency Service and Scheduled Maintenance Service. The Emergency Service would refer to forced outages of customer-owned generation, and Scheduled Maintenance would be scheduled maintenance outages during periods when the Company determines it is able to provide power without incurring additional distribution system capacity requirements.¹⁸ Mr. Oliver recommended that backup service should be provided to the Scheduled Maintenance class without additional demand charges.¹⁹ For the Emergency Service class, Mr. Oliver recommended pricing that reflected a maximum coincidence factor of 10%. Mr. Oliver's recommendation for the Emergency Service class was based on a research study that found the likelihood of a forced outage of customer owned generation occurring during the Company's system peak requirements to be very small, i.e. below 5%.²⁰ Mr. Oliver recommended that National Grid be required to monitor the actual coincidence factor of backup service with the Company's system peak

¹⁷ Testimony of Bruce R. Oliver, pgs. 11-12.

¹⁸ Id., p. 22.

¹⁹ Id., p. 23.

²⁰ Id., p.23, citing "*Distributed Generation Operational Reliability and Availability Database: Executive Summary Report*," by Energy and Environmental Analysis, Inc.

requirements every three years to determine the accuracy and continued appropriateness of his proposed 10% coincidence factor.²¹

V. Direct Testimony of William Ferguson, Executive Director TEC-RI²²

Mr. Ferguson argued that reductions in demand resulting from self-generation are no different from demand reductions resulting from energy efficiency or production cutbacks, yet the backup service customer does not receive the same bill reduction as a customer participating in energy efficiency or production cutbacks.²³ Due to this disparity in the way backup service customers are treated, and due to the legislative policy and mandates established in the Decoupling Act, Mr. Ferguson argued in favor of eliminating backup service rates.²⁴ Mr. Ferguson also noted that the potential revenue loss to National Grid from the elimination of backup rates would be recoverable through a minimal revenue decoupling adjustment factor.²⁵

VI. Settlement Agreement filed July 21, 2011

On July 21, 2011, National Grid filed a Settlement Agreement executed by National Grid, the Division of Public Utilities and Carriers and TEC-RI which contained the amended tariffs agreed upon by the parties. The parties agreed to decrease the per kilowatt distribution charge for the B-32 rate class from \$5.22 to \$0.52 and decrease the B-62 rate class from \$2.86 to \$0.28 based on an estimated 10% coincidence factor.²⁶ The 10% coincidence factor means that an outage of a customer's generator is likely to occur simultaneously, or coincident, with the Company's distribution system peak demand approximately 10% of the time.²⁷ The parties agreed that the per kWh distribution charge for the 200kW Demand Rate G-32 and 3,000 kW

²¹ Id., p. 24.

²² Mr. Ferguson's testimony was originally filed in Docket 4206 (Revenue Decoupling) then transferred to this Docket pursuant to Commission Order No. 20350 (May 10, 2011) (Dkt. 4206).

²³ Direct Testimony of William H. Ferguson, Executive Director TEC-RI, pgs. 6-8, 13.

²⁴ Id., p.11, citing the Decoupling Act (R.I.G.L. §39-1-27.7.1).

²⁵ Id., p.8.

²⁶ Settlement Agreement, Attachment 1 (R.I.P.U.C. 2076 and 2077).

²⁷ Id.; see also Direct Testimony of Bruce R. Oliver, pgs. 23-24 and Transcript, pgs. 14-15.

Demand Rate G-62 and the per kWh distribution charge for the Supplemental Service for C&I Back-up Service Rate B-32 and 3,000 kW Back-up Service Rate B-62 would be increased by \$0.00009 per kWh.²⁸ This increase would allow the Company to recover lost distribution revenue of approximately \$258,000 resulting from the revised backup service rates.²⁹ The definition of backup service demand for the rate classes was amended to reflect the maximum of what the customer is actually generating during the preceding eleven (11) months.³⁰ The parties agreed to continue the exemption for renewable forms of generation consistent with Rhode Island's Net Metering Law.³¹ The amended tariffs would be effective ninety (90) days following Commission approval of the Settlement Agreement.³²

VII. Technical Session and Decision

On September 26, 2011, following public notice, the Commission held a technical session in this matter at the Commission's offices located at 89 Jefferson Boulevard, Warwick, Rhode Island. The following appearances were entered:

FOR NATIONAL GRID:	Thomas Teehan, Esq.
FOR THE DIVISION:	Leo Wold, Esq.
FOR TEC-RI:	Michael McElroy, Esq.
FOR THE COMMISSION:	Amy K. D'Alessandro, Esq.

The parties reviewed the terms of the Settlement filed July 21, 2011 and responded to questions from the Commission. Jeanne A. Lloyd led the technical session on behalf of National Grid. She explained that the primary element of the new backup rate design was a 90%

²⁸ Settlement Agreement, p. 2.

²⁹ Id.

³⁰ Id., Attachment 1, Sheet 2, R.I.P.U.C. 2076 and 2077.

³¹ R.I.G.L. §39-26.4-3(6)(b).

³² Id., p. 2.

reduction in the backup service demand charge.³³ She explained the intent of the Settlement Agreement and the agreed upon backup rate design. Ms. Lloyd stated that the purpose of the Settlement Agreement was to encourage the use of on-site generation and ensure that it reflected cost based rates.³⁴ She confirmed that the new backup rates would continue an exemption for renewable generation consistent with the net metering law passed in the most recent legislative session.³⁵ She also confirmed that the new backup rate contained a significant reduction in the backup service demand charge.³⁶ If approved, the revised tariffs contained in the Settlement would take effect ninety (90) days after Commission approval.³⁷

Ms. Lloyd, Mr. Ferguson of TEC-RI and Mr. Scialabba of the Division explained that the decrease in backup demand charge is based on the assumption, originally supported by Division witness, Bruce Oliver, that units are generally available 90% of the time, and when an outage does occur, it usually is not occurring during system peak demand.³⁸ Mr. Scialabba stated, and Ms. Lloyd confirmed, that the Company would continue to examine the accuracy of this assumption and propose a tariff revision if in fact it determined this assumption was not entirely accurate.³⁹ In the event that the Company discovered the assumption in coincidence factor was inaccurate, Ms. Lloyd confirmed that any lost revenue resulting from such inaccuracy would be recovered through the revenue decoupling mechanism (“RDM”). Ms. Lloyd stated that if indeed that did occur, the Company would still file a rate change, despite its ability to recover lost revenues through the RDM, in order to ensure the proper rate design.⁴⁰

³³ Id., p. 11.

³⁴ Transcript, p. 5.

³⁵ Id.

³⁶ Id.

³⁷ Id., pgs. 12-13.

³⁸ Id., p. 9.

³⁹ Id., p. 10. 15-16. The Company noted that if it were to propose such a tariff revision, it would do so in the context of a base distribution rate case. Id., pgs. 15-16.

⁴⁰ Id., pgs. 17-18.

Reviewing the Settlement, Ms. Lloyd explained that the Company's lost revenue resulting from the 90% reduction in the backup service demand charge would be recovered from customers in the companion general service rates, G-32, G-62 and from the backup service customers themselves through the distribution charges.⁴¹ She explained that the Company revised the definition of demand charges which will change the calculation of the billing units.⁴² She reviewed the current backup rates versus the proposed rates agreed upon in the Settlement. Current backup rates for the B-32 and B-62 rate classes are \$5.22 and \$2.86, respectively. According to the Settlement Agreement, the new rates would be \$0.52 (B-32) and \$0.28 (B-62).⁴³ The lost revenue resulting from the reduced backup rates would be recovered from all customers through a permanent increase of \$0.00009 in the per kilowatt-hour distribution kWh charge for the B-32, G-32 and G-62 rate classes.⁴⁴ Ms. Lloyd said that the bill impact of this \$0.00009 per kWh distribution charge increase ranged from 0.06% to 0.07% for the G-32 and G-62 rate classes.⁴⁵

Mr. Ferguson of TEC-RI expressed support for the backup rates proposed in the Settlement Agreement, referring to them as both fair and a reasonable compromise.⁴⁶ Mr. Ferguson stated that the new backup rates, in addition to the existing energy efficiency programs and incentives, would eventually serve to remove a perceived barrier to investing in distributed generation.⁴⁷

The Commission unanimously approved the Settlement Agreement, as filed on July 21, 2011, following the conclusion of the Technical Session.

⁴¹ Id., pgs. 11-12.

⁴² Id., p. 12.

⁴³ Id., p.14; National Grid Power Point Presentation (09/22/11), p.4; *See Also* Settlement Agreement, R.I.P.U.C. Tariffs No. 2076 and 2077 (revising R.I.P.U.C. Tariff No. 2061 and 2061).

⁴⁴ Transcript, p. 19.

⁴⁵ Id.; National Grid Power Point Presentation (09/22/11), p. 7.

⁴⁶ Transcript, p. 36, 45.

⁴⁷ Id., pgs. 45-46.

Accordingly, it is hereby

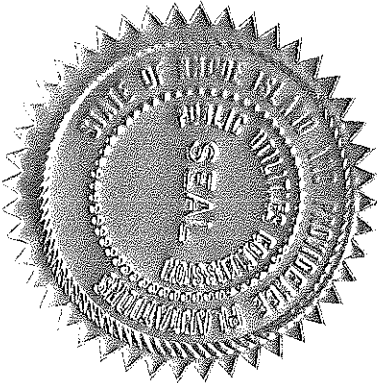
(21097) ORDERED:

1. The Settlement Agreement filed July 21, 2011, and all tariff provisions included therein, are hereby approved as filed, and the same are attached hereto as Exhibit A and shall be incorporated by reference into this Order.

EFFECTIVE AT WARWICK, RHODE ISLAND ON SEPTEMBER 26, 2011

PURSUANT TO A BENCH DECISION. WRITTEN ORDER ISSUED JULY 12, 2013.


PUBLIC UTILITIES COMMISSION



Elia Germani, Chairman*



Mary E. Bray, Commissioner



Paul J. Roberti, Commissioner

*Chairman Elia Germani concurred but was unavailable for signature.

EXHIBIT A

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RHODE ISLAND PUBLIC UTILITIES COMMISSION

Petition For Review of the Use of Backup Rates

Docket No. 4232

This Settlement Agreement (“Agreement”) is entered into this 20th day of July 2011, between The Narragansett Electric Company d/b/a National Grid (the “Company”), The Energy Council of Rhode Island (TEC-RI), and the Rhode Island Division of Public Utilities and Carriers (“Division”) (collectively the “Parties”).

WHEREAS, on or about March 17, the Rhode Island Public Utilities Commission (“Commission”) established a docket to investigate the continued use of back-up rates;

WHEREAS, the Parties have engaged in a series of discussions;

WHEREAS the Parties believe that the terms of this Agreement provide appropriate and cost-based modifications to the existing back-up service rates; and

NOW THEREFORE, the Parties agree as follows:

1. The existing back-up rates tariffs found in RIPUC Nos. 2061 (C&I Back-up Service Rate B-32) and 2062 (3,000 kW Back-up Service Rate B-62) are hereby modified and amended as reflected in the redlined tariffs attached hereto as Attachment 1 to this Agreement. A clean copy of the amended tariffs is attached hereto as Attachment 2 to this Agreement. The terms and conditions of

the amended tariffs as shown in Attachment 1 and Attachment 2 are incorporated in and made a part of this Agreement.

2. The Distribution Charge per kWh applicable to 200 kW Demand Rate G-32 and 3,000 kW Demand Rate G-62 and the Distribution Charge per kWh applicable to Supplemental Service for C&I Back-up Service Rate B-32 and 3,000 kW Back-up Service Rate B-62 will be increased by \$0.00009 per kWh, effective with the implementation of the revised back-up service rates, to reflect recovery of lost distribution revenue of approximately \$258,000 resulting from the implementation of the revised backup service rates. The cover sheets for the 200 kW Demand Rate G-32 and 3,000 kW Demand Rate G-62, and the C&I Back-up Service Rate B-32 and 3,000 kW Back-up Service Rate B-62 are hereby modified and amended to reflect this increase, as shown in Attachment 1 and Attachment 2 of this Agreement.
3. The amended tariffs, as shown in Attachment 1 and Attachment 2, will be implemented no earlier than the first day of the month following 90 days after receiving Commission approval of this Agreement at an Open Meeting, the date for which shall be determined by the Commission.
4. The parties agree that this Agreement and the terms and provisions contained herein shall not establish any precedent regarding the appropriate design of back-up service rates. This Agreement does not preclude any party from proposing any alternative form of back-up service rate, including, without limitation, termination of such rates, as part of the Company's next base rate proceeding.

5. All prior discussions and agreements with respect to the subject matter hereof are merged in this Agreement, which alone constitutes the entire agreement between the Parties as to its subject matter. This Agreement may not be amended, modified or terminated except by a written agreement signed by all the Parties.

[SIGNATURE PAGE FOLLOWS]

The Narragansett Electric Company
d/b/a National Grid



By: _____
Name:
Title:

Rhode Island Division of Public Utilities
and Carriers

By: _____
Name:
Title:

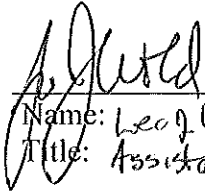
The Energy Council of Rhode Island

By: _____
Name:
Title:

The Narragansett Electric Company
d/b/a National Grid

By: _____
Name:
Title:

Rhode Island Division of Public Utilities
and Carriers

By:  _____
Name: Leo J. Wold
Title: Assistant Attorney General
7/2/2011

The Energy Council of Rhode Island

By: _____
Name:
Title:

The Narragansett Electric Company
d/b/a National Grid

By: _____
Name:
Title:

Rhode Island Division of Public Utilities
and Carriers

By: _____
Name:
Title:

The Energy Council of Rhode Island

By: Michael R. McElroy 7/21/14
Name: MICHAEL R. MCELROY
Title: ATTORNEY for TEC-RI

Marked-to-Show Changes Version of:

C&I Back-up Service Rate B-32

3,000 kW Demand Back-up Service Rate B-62

200 kW Demand Rate G-32 (Cover Sheet Only)

3,000 kW Demand Rate G-62 (Cover Sheet Only)

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
 RETAIL DELIVERY SERVICE

Effective
~~April 1, 2011~~ [DATE]

R.I.P.U.C. No. ~~2064~~2076

Monthly Charge As Adjusted

	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$750.00	n/a
<u>Distribution Charge per kW in excess of 200 kW(1)</u>	\$5.22 0.52	\$2.03
<u>Distribution Charge per kWh (2)</u>	n/a	0.874 0.883¢
<u>Transmission Charge per kW</u>	n/a	\$2.84
<u>Transmission Charge per kWh</u>	n/a	0.678¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	(0.031¢)
<u>Energy Efficiency Programs per kWh (3)</u>	n/a	0.556¢
<u>Rates for Standard Offer Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff

(1) Rate for Backup Service includes CapEx Factor of \$0.11 per kW. Rate for Supplemental Service includes CapEx Factor of \$0.03 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh, Vegetation Management and Inspection & Maintenance Credit of 0.048¢ per kWh, and Operating & Maintenance Factor of 0.064¢ per kWh.

(3) Includes Renewables Charge of \$0.030¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

AVAILABILITY

This service shall apply to Customers in the class identified below:

- (i) who receive all or any portion of their electric supply from non-emergency generation unit(s) with a nameplate rating greater than 30 kW ("Generation Units"), where electricity received by the Customer from the Generation Units is not being delivered over Company-owned distribution facilities pursuant to an applicable retail delivery tariff, and
- (ii) who expect the Company to provide retail delivery service to supply the Customer's load at the service location when the Generation Units are not supplying all of that load.

Electric delivery service under this rate is applicable to customers with a facility demand of 25 kilowatts or more. Notwithstanding the foregoing, the Company may require any customer with a 12-month average Demand greater than 3,000 kW at its facility to take service on the 3,000 kW Demand Back-up Service Rate B-62 (subject to the settlement provisions in Docket No. 2290).

All Customers served on this rate must elect to take their total electric delivery service under the metering installation as approved by the Company

EXEMPTION FOR CUSTOMER ACCOUNTS ASSOCIATED WITH ELIGIBLE NET METERING SYSTEMS

Customers accounts associated with Eligible Net Metering Systems, as defined in R.I Public Laws of 2011, Chapters 134 and 147, shall be exempt from back-up service rates commensurate with the size of the generating facility and subject to the statutory three (3) percent cap on the aggregate amount of net metering in Rhode Island.

~~EXEMPTION FOR RENEWABLE ON-SITE GENERATION~~

~~Customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customers having installed such generation shall be exempt from the backup rates.~~

TYPES OF SERVICE

"Back-Up" Retail Delivery Service consists of the Company standing ready to provide retail delivery service to the Customer's load when a non-emergency generator that supplies electricity to the Customer without using Company-owned distribution facilities does not supply all of the Customer's load.

"Supplemental" Retail Delivery Service is the delivery over Company-owned distribution facilities of electricity which is utilized at the Customer's facilities.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Back-Up Service Charges, and the Supplemental Service Charges, as stated below

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
 RETAIL DELIVERY SERVICE

DETERMINATION OF BILLING DEMAND FOR BILLING SUPPLEMENTAL AND BACK-UP per kW (DEMAND) CHARGES

The Billing Demand for each month for purposes of billing Back-Up and Supplemental Service shall be the greatest of the following:

- 1) The greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW;
- 2) 90% of the greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes;
- 3) 75% of the greatest Demand as so determined above during the preceding eleven months.

BACK-UP RETAIL DELIVERY SERVICE

a) Rates for Back-Up Retail Delivery Service

Customer Charge per month see cover sheet

Distribution Charge per kW see cover sheet

The Distribution Charge per kW applicable to Back-up Retail Delivery Service shall be equal to \$5.22 per kW, multiplied by a factor of 10%, representing the likelihood that, on average, an outage of an individual customer's generator will occur coincident with the Company's distribution system peak demand approximately 10% of the time.

b) Determination of Back-Up Service Kilowatt Demand

The Back-Up Service Demand shall be the greater of:

- 1) the fifteen-minute reading from the Customer's generation meter(s) as measured in kilowatts at the time of the Billing Demand in excess of 200 kW; ~~or~~
- 2) 90% of the fifteen-minute reading from the Customer's generation meter(s) as measured in kilovolt-amperes at the time of the Billing Demand in excess of 200 kW; ~~or~~
- 3) One hundred percent (100%) of the greatest Back-up Service Demand as determined above during the preceding eleven (11) months.

c) Installation of Meters on Generation

The Customer shall permit the Company to install meter(s) on the Generation Units providing electricity to the Customer, for purposes of billing under the terms of this rate. The meter shall be in accordance with the Company's reasonable specifications. The Customer will reimburse the Company for the installed cost of the meter and any associated equipment. The Customer shall provide reasonable access to the Company during normal business hours to read such meter in order to bill the Customer for service under this rate.

PEAK AND OFF-PEAK PERIODS

PEAK HOURS:	June - September	-- 8 a.m. - 10 p.m. Weekdays,
	December - February	-- 7 a.m. - 10 p.m. Weekdays
	October – November and	
	March - May	-- 8 a.m. - 9 p.m. Weekdays

|

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
 RETAIL DELIVERY SERVICE

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veterans Day, Thanksgiving Day and Christmas Day.

SUPPLEMENTAL RETAIL DELIVERY SERVICE

a) Rates for Supplemental Retail Delivery Service

<u>Transmission Charge per kW</u>	see cover sheet
<u>Distribution Charge per kW in excess of 200 kW</u>	see cover sheet
<u>Distribution Charge per kWh</u>	see cover sheet
<u>Non-Bypassable Transition Charge per kWh</u>	see cover sheet

b) Assessment of Kilowatt-hour Charges

For purposes of billing kWh charges for Supplemental Distribution and Transmission Service, Customers will be billed on the greater of (i) the actual kWh delivered by the Company or (ii) 90% of the actual kVAh delivered.

For purposes of billing kWh charges for Standard Offer Service, Non-Bypassable Transition Service and Energy Efficiency Programs, Customers will be billed on actual kWh delivered by the Company.

c) Determination of Kilowatt Demand

The Supplemental Distribution Service Demand for each month shall be the Billing Demand in excess of the Back-up Service Demand, but in no case less than 0 kW.

The Supplemental Transmission Service Demand for each month shall be:

- 1) The greatest fifteen-minute peak from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW at the time of Billing Demand; or
- 2) 90% of the greatest fifteen-minute peak demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes at the time of Billing Demand

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served under this rate for one year or more may upon written request have the Demand for each month used for Supplemental Service be based upon the greatest of items (1) and (2) set forth above for Billing Demand, beginning with the next month after such request and running for a period of not less than two consecutive months. In such case, the Distribution Charge per kW, the Distribution Charge per kWh,

the Transmission Charge per kW and the Transmission Charge per kWh for Supplemental Service will be increased by 20% during any such period.

In addition, the Company may, at its discretion, agree to a lower demand determination for Back-Up Service below fifteen-minute peak coincident demand of the generation meter(s) if a Customer has installed equipment or configured its facilities in such a manner that automatically limits the requirement for Back-Up Service to the lower agreed-upon demand. Under such a situation, the Customer must demonstrate to the Company's reasonable satisfaction that the Customer's facilities are configured so as to limit the demand that can be placed on the distribution system, or must install and maintain, at no cost to the Company, an automated demand limiter or other similar device as agreed to by the Company which limits deliveries to the Customer over

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

the Company's distribution system based on the lower agreed-upon demand. This equipment can not adversely affect the operation of the Company's distribution system or service to other customers. Such interruptible Back-Up Service shall be negotiated by the Customer and the Company under a separate contract which shall be specific to an individual customer's circumstances.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Energy Efficiency Programs

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Energy Efficiency Program Provision as from time to time effective in accordance with law. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Infrastructure, Safety and Reliability Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Infrastructure, Safety and Reliability Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 42 cents per kilowatt of supplemental distribution billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.00 per kilowatt of the supplemental distribution billing demand for such month shall also be allowed if the Customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Charge per kW and the Distribution Charge per kWh.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.00 per 90% of KVA of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional \$0.42 per 90% of KVA of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: ~~April 1, 2011~~[DATE]

THE NARRAGANSETT ELECTRIC COMPANY
3,000 KW BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

Effective
~~April 1, 2011~~ [DATE]

R.I.P.U.C. No. ~~2062~~2077

Monthly Charge As Adjusted

	Rates for <u>Back-Up Service</u>	Rates for <u>Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$17,000.00	n/a
<u>Distribution Charge per kW(1)</u>	\$2.86 <u>0.28</u>	\$2.86
<u>Distribution kWh Charge per kWh (2)</u>	n/a	0.001 <u>0.010</u> ¢
<u>Transmission Charge per kW</u>	n/a	\$2.84
<u>Transmission Charge per kWh</u>	n/a	0.678¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	(0.031¢)
<u>Energy Efficiency Programs per kWh (3)</u>	n/a	0.556¢
<u>Rates for Standard Offer Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff

(1) Includes Vegetation Management and Inspection & Maintenance Credit of \$0.21 per kW, Operating & Maintenance Factor of \$0.36 per kW and CapEx Factor of \$0.02 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh.

(3) Includes Renewables Charge of \$0.030¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

AVAILABILITY

This service shall apply to Customers in the class identified below:

- (i) who receive all or any portion of their electric supply from non-emergency generation unit(s) with a nameplate rating greater than 30 kW ("Generation Units"), where electricity received by the Customer from the Generation Units is not being delivered over Company-owned distribution facilities pursuant to an applicable retail delivery tariff, and
- (ii) who expect the Company to provide retail delivery service to supply the Customer's load at the service location when the Generation Units are not supplying all of that load.

Electric delivery service under this rate is applicable to those Customers who would otherwise be served under the Company's 3,000 kW Demand Rate G-62 if the Generation Units were not supplying electricity to the Customer.

All Customers served on this rate must elect to take their total electric delivery service under the metering installation as approved by the Company.

EXEMPTION FOR CUSTOMER ACCOUNTS ASSOCIATED WITH ELIGIBLE NET METERING SYSTEMS

Customers accounts associated with Eligible Net Metering Systems, as defined in R.I Public Laws of 2011, Chapters 134 and 147, shall be exempt from back-up service rates commensurate with the size of the generating facility and subject to the statutory three (3) percent cap on the aggregate amount of net metering in Rhode Island.

~~EXEMPTION FOR RENEWABLE ON-SITE GENERATION~~

~~Customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customers having installed such generation shall be exempt from the backup rates.~~

TYPES OF SERVICE

"Back-Up" Retail Delivery Service consists of the Company standing ready to provide retail delivery service to the Customer's load when a non-emergency generator that supplies electricity to the Customer without using Company-owned distribution facilities does not supply all of the Customer's load.

"Supplemental" Retail Delivery Service is the delivery over Company-owned distribution facilities of electricity which is utilized at the Customer's facilities.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Back-Up Service Charges, and the Supplemental Service Charges, as stated below.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
 RETAIL DELIVERY SERVICE

DETERMINATION OF BILLING DEMAND FOR BILLING SUPPLEMENTAL AND BACK-UP PER KW (DEMAND) CHARGES

The Billing Demand for each month for purposes of billing Back-Up and Supplemental Service shall be the greatest of the following:

- 1) The greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW;
- 2) 90% of the greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes;
- 3) 75% of the greatest Demand as so determined above during the preceding eleven months.

BACK-UP RETAIL DELIVERY SERVICE

a) Rates for Back-Up Retail Delivery Service

Customer Charge per month see cover sheet

Distribution Charge per kW see cover sheet

The Distribution Charge per kW applicable to Back-up Retail Delivery Service shall be equal to \$2.86 per kW, multiplied by a factor of 10%, representing the likelihood that, on average, an outage of an individual customer's generator will occur coincident with the Company's distribution system peak demand approximately 10% of the time.

b) Determination of Back-Up Service Kilowatt Demand

The Back-Up Service Demand shall be the greater of:

- 1) the fifteen-minute reading from the Customer's generation meter(s) as measured in kilowatts at the time of the Billing Demand; ~~or~~
- 2) 90% of the fifteen-minute reading from the Customer's generation meter(s) as measured in kilovolt-amperes at the time of the Billing Demand; ~~or~~
- 3) ~~One hundred percent (100%) of the greatest Back-up Service Demand as determined above during the preceding eleven (11) months.~~

c) Installation of Meters on Generation

The Customer shall permit the Company to install meter(s) on the Generation Units providing electricity to the Customer, for purposes of billing under the terms of this rate. The meter shall be in accordance with the Company's reasonable specifications. The Customer will reimburse the Company for the installed cost of the meter and any associated equipment. The Customer shall provide reasonable access to the Company during normal business hours to read such meter in order to bill the Customer for service under this rate.

PEAK AND OFF-PEAK PERIODS

PEAK HOURS:	June – September	-- 8 a.m. - 10 p.m. Weekdays,
	December - February	-- 7 a.m. - 10 p.m. Weekdays
	October – November and	
	March – May	-- 8 a.m. - 9 p.m. Weekdays

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
 RETAIL DELIVERY SERVICE

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

SUPPLEMENTAL RETAIL DELIVERY SERVICE

a) Rates for Supplemental Retail Delivery Service

Transmission Charge per kW see cover sheet

Distribution Charge per kW see cover sheet

Distribution Charge per kWh see cover sheet

Non-Bypassable Transition Charge per kWh see cover sheet

b) Assessment of Kilowatt-hour Charges

For purposes of billing kWh charges for Supplemental Distribution and Transmission Service, Customers will be billed on the greater of (i) the actual kWh delivered by the Company or (ii) 90% of the actual kVAh delivered.

For purposes of billing kWh charges for Standard Offer Service, Non-Bypassable Transition Service and Energy Efficiency Programs, Customers will be billed on actual kWh delivered by the Company.

c) Determination of Supplemental Service Kilowatt Demand

The Supplemental Distribution Service Demand for each month shall be the Billing Demand in excess of the Back-Up Service Demand, but in no case less than 0 kW.

The Supplemental Transmission Service Demand for each month shall be:

- 1) The greatest fifteen-minute peak from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW at the time of Billing Demand; or
- 2) 90% of the greatest fifteen-minute peak demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes at the time of Billing Demand

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served under this rate for one year or more may upon written request have the Demand for each month used for Supplemental Service be based upon the greatest of items (1) and (2) set forth above for Billing Demand, beginning with the next month after such request and running for a period of not less than two consecutive months. In such case, the Distribution Charge per kW, the Distribution Charge per kWh, the Transmission Charge per kW and the Transmission Charge per kWh for Supplemental Service will be

increased by 20% during any such period.

In addition, the Company may, at its discretion, agree to a lower demand determination for Back-Up Service below fifteen-minute peak coincident demand of the generation meter(s) if a Customer has installed equipment or configured its facilities in such a manner that automatically limits the requirement for Back-Up Service to the lower agreed-upon demand. Under such a situation, the Customer must demonstrate to the Company's reasonable satisfaction that the Customer's facilities are configured so as to limit the demand that can be placed on the distribution system, or must install and maintain, at no cost to the Company, an automated demand limiter or other similar device as agreed to by the Company which limits deliveries to the Customer over

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

the Company's distribution system based on the lower agreed-upon demand. This equipment can not adversely affect the operation of the Company's distribution system or service to other customers. Such interruptible Back-Up Service shall be negotiated by the Customer and the Company under a separate contract which shall be specific to an individual customer's circumstances.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Energy Efficiency Programs

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Energy Efficiency Program Provision as from time to time effective in accordance with law. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Infrastructure, Safety and Reliability Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Infrastructure, Safety and Reliability Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2,400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 42 cents per kilowatt of supplemental distribution billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.00 per kilowatt of the supplemental distribution billing demand for such month shall also be allowed if the Customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Charge per kW and the Distribution Charge per kWh.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.00 per 90% of KVA of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional \$0.42 per 90% of KVA of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: ~~April 1, 2011~~ [DATE]

THE NARRAGANSETT ELECTRIC COMPANY
200 KW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

Effective
April 1, 2011 [DATE]

R.I.P.U.C. No. 2065

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$750.00
<u>Distribution Charge per kW in excess of 200 kW (1)</u>	\$2.03
<u>Distribution Charge per kWh (2)</u>	0.8740 0.883¢
<u>Transmission Charge per kW</u>	\$2.84
<u>Transmission Charge per kWh</u>	0.678¢
<u>Non-Bypassable Transition Charge per kWh</u>	(0.031¢)
<u>Energy Efficiency Programs per kWh (3)</u>	0.556¢

Rates for Standard Offer Service (Optional)

Standard Offer per kWh per Standard Offer Service tariff

(1) Includes CapEx Factor of \$0.03 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh, Vegetation Management and Inspection & Maintenance Credit of 0.048¢ per kWh, and Operating & Maintenance Factor of 0.064¢ per kWh.

(3) Includes Renewables Charge of \$0.030¢ per kWh

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3000 KW DEMAND RATE (G-62)
RETAIL DELIVERY SERVICE

Effective
~~April 1, 2014~~ [DATE]

R.I.P.U.C. No. 2066

Monthly Charge As Adjusted

Rates for Retail Delivery Services

<u>Customer Charge per month</u>	\$17,000.00
<u>Distribution Charge per kW (1)</u>	\$2.86
<u>Distribution Charge per kWh (2)</u>	0.001 0.010¢
<u>Transmission Charge per kW</u>	\$2.84
<u>Transmission Charge per kWh</u>	0.678¢
<u>Non-Bypassable Transition Charge per kWh</u>	(0.031¢)
<u>Energy Efficiency Programs per kWh (3)</u>	0.556¢

Rates for Standard Offer Service (Optional)

Standard Offer per kWh per Standard Offer Service tariff

(1) Includes Vegetation Management and Inspection & Maintenance Credit of \$0.21 per kW, Operation & Maintenance Expense Charge of \$0.36 per kW, and CapEx Factor of \$0.02 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh.

(3) Includes Renewables Charge of \$0.030¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable). However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

Clean Version of:

C&I Back-up Service Rate B-32

3,000 kW Demand Back-up Service Rate B-62

200 kW Demand Rate G-32 (Cover Sheet Only)

3,000 kW Demand Rate G-62 (Cover Sheet Only)

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
 RETAIL DELIVERY SERVICE

Effective
 [DATE]

R.I.P.U.C. No. 2076

Monthly Charge As Adjusted

<u>Rates for Retail Delivery Service</u>	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Customer Charge per month</u>	\$750.00	n/a
<u>Distribution Charge per kW in excess of 200 kW(1)</u>	\$0.52	\$2.03
<u>Distribution Charge per kWh (2)</u>	n/a	0.883¢
<u>Transmission Charge per kW</u>	n/a	\$2.84
<u>Transmission Charge per kWh</u>	n/a	0.678¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	(0.031¢)
<u>Energy Efficiency Programs per kWh (3)</u>	n/a	0.556¢
 <u>Rates for Standard Offer Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff

(1) Rate for Backup Service includes CapEx Factor of \$0.11 per kW. Rate for Supplemental Service includes CapEx Factor of \$0.03 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh, Vegetation Management and Inspection & Maintenance Credit of 0.048¢ per kWh, and Operating & Maintenance Factor of 0.064¢ per kWh.

(3) Includes Renewables Charge of \$0.030¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

AVAILABILITY

This service shall apply to Customers in the class identified below:

- (i) who receive all or any portion of their electric supply from non-emergency generation unit(s) with a nameplate rating greater than 30 kW (“Generation Units”), where electricity received by the Customer from the Generation Units is not being delivered over Company-owned distribution facilities pursuant to an applicable retail delivery tariff, and
- (ii) who expect the Company to provide retail delivery service to supply the Customer’s load at the service location when the Generation Units are not supplying all of that load.

Electric delivery service under this rate is applicable to customers with a facility demand of 25 kilowatts or more. Notwithstanding the foregoing, the Company may require any customer with a 12-month average Demand greater than 3,000 kW at its facility to take service on the 3,000 kW Demand Back-up Service Rate B-62 (subject to the settlement provisions in Docket No. 2290).

All Customers served on this rate must elect to take their total electric delivery service under the metering installation as approved by the Company

EXEMPTION FOR CUSTOMER ACCOUNTS ASSOCIATED WITH ELIGIBLE NET METERING SYSTEMS

Customers accounts associated with Eligible Net Metering Systems, as defined in R.I Public Laws of 2011, Chapters 134 and 147, shall be exempt from back-up service rates commensurate with the size of the generating facility and subject to the statutory three (3) percent cap on the aggregate amount of net metering in Rhode Island.

TYPES OF SERVICE

“Back-Up” Retail Delivery Service consists of the Company standing ready to provide retail delivery service to the Customer’s load when a non-emergency generator that supplies electricity to the Customer without using Company-owned distribution facilities does not supply all of the Customer’s load.

“Supplemental” Retail Delivery Service is the delivery over Company-owned distribution facilities of electricity which is utilized at the Customer’s facilities.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Back-Up Service Charges, and the Supplemental Service Charges, as stated below

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

DETERMINATION OF BILLING DEMAND FOR BILLING SUPPLEMENTAL AND BACK-UP per kW (DEMAND) CHARGES

The Billing Demand for each month for purposes of billing Back-Up and Supplemental Service shall be the greatest of the following:

- 1) The greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW;
- 2) 90% of the greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes;
- 3) 75% of the greatest Demand as so determined above during the preceding eleven months.

BACK-UP RETAIL DELIVERY SERVICE

a) Rates for Back-Up Retail Delivery Service

Customer Charge per month see cover sheet

Distribution Charge per kW see cover sheet

The Distribution Charge per kW applicable to Back-up Retail Delivery Service shall be equal to \$5.22 per kW, multiplied by a factor of 10%, representing the likelihood that, on average, an outage of an individual customer's generator will occur coincident with the Company's distribution system peak demand approximately 10% of the time.

b) Determination of Back-Up Service Kilowatt Demand

The Back-Up Service Demand shall be the greater of:

- 1) the fifteen-minute reading from the Customer's generation meter(s) as measured in kilowatts at the time of the Billing Demand in excess of 200 kW;
- 2) 90% of the fifteen-minute reading from the Customer's generation meter(s) as measured in kilovolt-amperes at the time of the Billing Demand in excess of 200 kW; or
- 3) One hundred percent (100%) of the greatest Back-up Service Demand as determined above during the preceding eleven (11) months.

c) Installation of Meters on Generation

The Customer shall permit the Company to install meter(s) on the Generation Units providing electricity to the Customer, for purposes of billing under the terms of this rate. The meter shall be in accordance with the Company's reasonable specifications. The Customer will reimburse the Company for the installed cost of the meter and any associated equipment. The Customer shall provide reasonable access to the Company during normal business hours to read such meter in order to bill the Customer for service under this rate.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

PEAK AND OFF-PEAK PERIODS

PEAK HOURS:	June - September	-- 8 a.m. - 10 p.m. Weekdays,
	December - February	-- 7 a.m. - 10 p.m. Weekdays
	October – November and	
	March - May	-- 8 a.m. - 9 p.m. Weekdays
OFF-PEAK HOURS:	All other hours	

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veterans Day, Thanksgiving Day and Christmas Day.

SUPPLEMENTAL RETAIL DELIVERY SERVICE

a) Rates for Supplemental Retail Delivery Service

<u>Transmission Charge per kW</u>	see cover sheet
<u>Distribution Charge per kW in excess of 200 kW</u>	see cover sheet
<u>Distribution Charge per kWh</u>	see cover sheet
<u>Non-Bypassable Transition Charge per kWh</u>	see cover sheet

b) Assessment of Kilowatt-hour Charges

For purposes of billing kWh charges for Supplemental Distribution and Transmission Service, Customers will be billed on the greater of (i) the actual kWh delivered by the Company or (ii) 90% of the actual kVAh delivered.

For purposes of billing kWh charges for Standard Offer Service, Non-Bypassable Transition Service and Energy Efficiency Programs, Customers will be billed on actual kWh delivered by the Company.

c) Determination of Kilowatt Demand

The Supplemental Distribution Service Demand for each month shall be the Billing Demand in excess of the Back-up Service Demand, but in no case less than 0 kW.

The Supplemental Transmission Service Demand for each month shall be:

- 1) The greatest fifteen-minute peak from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW at the time of Billing Demand; or
- 2) 90% of the greatest fifteen-minute peak demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes at the time of Billing Demand

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served under this rate for one year or more may upon written request have the Demand for each month used for Supplemental Service be based upon the greatest of items (1) and (2) set forth above for Billing Demand, beginning with the next month after such request and running for a period of not less than two consecutive months. In such case, the Distribution Charge per kW, the Distribution Charge per kWh, the Transmission Charge per kW and the Transmission Charge per kWh for Supplemental Service will be increased by 20% during any such period.

In addition, the Company may, at its discretion, agree to a lower demand determination for Back-Up Service below fifteen-minute peak coincident demand of the generation meter(s) if a Customer has installed equipment or configured its facilities in such a manner that automatically limits the requirement for Back-Up Service to the lower agreed-upon demand. Under such a situation, the Customer must demonstrate to the Company's reasonable satisfaction that the Customer's facilities are configured so as to limit the demand that can be placed on the distribution system, or must install and maintain, at no cost to the Company, an automated demand limiter or other similar device as agreed to by the Company which limits deliveries to the Customer over the Company's distribution system based on the lower agreed-upon demand. This equipment can not adversely affect the operation of the Company's distribution system or service to other customers. Such interruptible Back-Up Service shall be negotiated by the Customer and the Company under a separate contract which shall be specific to an individual customer's circumstances.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Energy Efficiency Programs

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Energy Efficiency Program Provision as from time to time effective in accordance with law. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

Infrastructure, Safety and Reliability Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Infrastructure, Safety and Reliability Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 42 cents per kilowatt of supplemental distribution billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.00 per kilowatt of the supplemental distribution billing demand for such month shall also be allowed if the Customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Charge per kW and the Distribution Charge per kWh.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.00 per 90% of KVA of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional \$0.42 per 90% of KVA of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: [DATE]

THE NARRAGANSETT ELECTRIC COMPANY
3,000 KW BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

Effective
[DATE]

R.I.P.U.C. No. 2077

Monthly Charge As Adjusted

<u>Rates for Retail Delivery Service</u>	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Customer Charge per month</u>	\$17,000.00	n/a
<u>Distribution Charge per kW(1)</u>	\$0.28	\$2.86
<u>Distribution kWh Charge per kWh (2)</u>	n/a	0.010¢
<u>Transmission Charge per kW</u>	n/a	\$2.84
<u>Transmission Charge per kWh</u>	n/a	0.678¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	(0.031¢)
<u>Energy Efficiency Programs per kWh (3)</u>	n/a	0.556¢
 <u>Rates for Standard Offer Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff

(1) Includes Vegetation Management and Inspection & Maintenance Credit of \$0.21 per kW, Operating & Maintenance Factor of \$0.36 per kW and CapEx Factor of \$0.02 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh.

(3) Includes Renewables Charge of \$0.030¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

AVAILABILITY

This service shall apply to Customers in the class identified below:

- (i) who receive all or any portion of their electric supply from non-emergency generation unit(s) with a nameplate rating greater than 30 kW ("Generation Units"), where electricity received by the Customer from the Generation Units is not being delivered over Company-owned distribution facilities pursuant to an applicable retail delivery tariff, and
- (ii) who expect the Company to provide retail delivery service to supply the Customer's load at the service location when the Generation Units are not supplying all of that load.

Electric delivery service under this rate is applicable to those Customers who would otherwise be served under the Company's 3,000 kW Demand Rate G-62 if the Generation Units were not supplying electricity to the Customer.

All Customers served on this rate must elect to take their total electric delivery service under the metering installation as approved by the Company.

EXEMPTION FOR CUSTOMER ACCOUNTS ASSOCIATED WITH ELIGIBLE NET METERING SYSTEMS

Customers accounts associated with Eligible Net Metering Systems, as defined in R.I Public Laws of 2011, Chapters 134 and 147, shall be exempt from back-up service rates commensurate with the size of the generating facility and subject to the statutory three (3) percent cap on the aggregate amount of net metering in Rhode Island.

TYPES OF SERVICE

"Back-Up" Retail Delivery Service consists of the Company standing ready to provide retail delivery service to the Customer's load when a non-emergency generator that supplies electricity to the Customer without using Company-owned distribution facilities does not supply all of the Customer's load.

"Supplemental" Retail Delivery Service is the delivery over Company-owned distribution facilities of electricity which is utilized at the Customer's facilities.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Back-Up Service Charges, and the Supplemental Service Charges, as stated below.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

DETERMINATION OF BILLING DEMAND FOR BILLING SUPPLEMENTAL AND BACK-UP PER KW (DEMAND) CHARGES

The Billing Demand for each month for purposes of billing Back-Up and Supplemental Service shall be the greatest of the following:

- 1) The greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW;
- 2) 90% of the greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes;
- 3) 75% of the greatest Demand as so determined above during the preceding eleven months.

BACK-UP RETAIL DELIVERY SERVICE

a) Rates for Back-Up Retail Delivery Service

Customer Charge per month see cover sheet

Distribution Charge per kW see cover sheet

The Distribution Charge per kW applicable to Back-up Retail Delivery Service shall be equal to \$2.86 per kW, multiplied by a factor of 10%, representing the likelihood that, on average, an outage of an individual customer's generator will occur coincident with the Company's distribution system peak demand approximately 10% of the time.

b) Determination of Back-Up Service Kilowatt Demand

The Back-Up Service Demand shall be the greater of:

- 1) the fifteen-minute reading from the Customer's generation meter(s) as measured in kilowatts at the time of the Billing Demand;
- 2) 90% of the fifteen-minute reading from the Customer's generation meter(s) as measured in kilovolt-amperes at the time of the Billing Demand; or
- 3) One hundred percent (100%) of the greatest Back-up Service Demand as determined above during the preceding eleven (11) months.

c) Installation of Meters on Generation

The Customer shall permit the Company to install meter(s) on the Generation Units providing electricity to the Customer, for purposes of billing under the terms of this rate. The meter shall be in accordance with the Company's reasonable specifications. The Customer will reimburse the Company for the installed cost of the meter and any associated equipment. The Customer shall provide reasonable access to the Company during normal business hours to read such meter in order to bill the Customer for service under this rate.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

PEAK AND OFF-PEAK PERIODS

PEAK HOURS: June – September -- 8 a.m. - 10 p.m. Weekdays,
 December - February -- 7 a.m. - 10 p.m. Weekdays
 October – November and
 March – May -- 8 a.m. - 9 p.m. Weekdays

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

SUPPLEMENTAL RETAIL DELIVERY SERVICE

a) Rates for Supplemental Retail Delivery Service

Transmission Charge per kW see cover sheet

Distribution Charge per kW see cover sheet

Distribution Charge per kWh see cover sheet

Non-Bypassable Transition Charge per kWh see cover sheet

b) Assessment of Kilowatt-hour Charges

For purposes of billing kWh charges for Supplemental Distribution and Transmission Service, Customers will be billed on the greater of (i) the actual kWh delivered by the Company or (ii) 90% of the actual kVAh delivered.

For purposes of billing kWh charges for Standard Offer Service, Non-Bypassable Transition Service and Energy Efficiency Programs, Customers will be billed on actual kWh delivered by the Company.

c) Determination of Supplemental Service Kilowatt Demand

The Supplemental Distribution Service Demand for each month shall be the Billing Demand in excess of the Back-Up Service Demand, but in no case less than 0 kW.

The Supplemental Transmission Service Demand for each month shall be:

- 1) The greatest fifteen-minute peak from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW at the time of Billing Demand; or
- 2) 90% of the greatest fifteen-minute peak demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes at the time of Billing Demand

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served under this rate for one year or more may upon written request have the Demand for each month used for Supplemental Service be based upon the greatest of items (1) and (2) set forth above for Billing Demand, beginning with the next month after such request and running for a period of not less than two consecutive months. In such case, the Distribution Charge per kW, the Distribution Charge per kWh, the Transmission Charge per kW and the Transmission Charge per kWh for Supplemental Service will be increased by 20% during any such period.

In addition, the Company may, at its discretion, agree to a lower demand determination for Back-Up Service below fifteen-minute peak coincident demand of the generation meter(s) if a Customer has installed equipment or configured its facilities in such a manner that automatically limits the requirement for Back-Up Service to the lower agreed-upon demand. Under such a situation, the Customer must demonstrate to the Company's reasonable satisfaction that the Customer's facilities are configured so as to limit the demand that can be placed on the distribution system, or must install and maintain, at no cost to the Company, an automated demand limiter or other similar device as agreed to by the Company which limits deliveries to the Customer over the Company's distribution system based on the lower agreed-upon demand. This equipment can not adversely affect the operation of the Company's distribution system or service to other customers. Such interruptible Back-Up Service shall be negotiated by the Customer and the Company under a separate contract which shall be specific to an individual customer's circumstances.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Energy Efficiency Programs

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Energy Efficiency Program Provision as from time to time effective in accordance with law. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

Infrastructure, Safety and Reliability Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Infrastructure, Safety and Reliability Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2,400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 42 cents per kilowatt of supplemental distribution billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.00 per kilowatt of the supplemental distribution billing demand for such month shall also be allowed if the Customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Charge per kW and the Distribution Charge per kWh.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.00 per 90% of KVA of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional \$0.42 per 90% of KVA of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: [DATE]

THE NARRAGANSETT ELECTRIC COMPANY
200 KW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

Effective
[DATE]

R.I.P.U.C. No. 2065

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$750.00
<u>Distribution Charge per kW in excess of 200 kW (1)</u>	\$2.03
<u>Distribution Charge per kWh (2)</u>	0.883¢
<u>Transmission Charge per kW</u>	\$2.84
<u>Transmission Charge per kWh</u>	0.678¢
<u>Non-Bypassable Transition Charge per kWh</u>	(0.031¢)
<u>Energy Efficiency Programs per kWh (3)</u>	0.556¢

Rates for Standard Offer Service (Optional)

Standard Offer per kWh per Standard Offer Service tariff

(1) Includes CapEx Factor of \$0.03 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh, Vegetation Management and Inspection & Maintenance Credit of 0.048¢ per kWh, and Operating & Maintenance Factor of 0.064¢ per kWh.

(3) Includes Renewables Charge of \$0.030¢ per kWh

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3000 KW DEMAND RATE (G-62)
RETAIL DELIVERY SERVICE

Effective
[DATE]

R.I.P.U.C. No. 2066

Monthly Charge As Adjusted

Rates for Retail Delivery Services

<u>Customer Charge per month</u>	\$17,000.00
<u>Distribution Charge per kW (1)</u>	\$2.86
<u>Distribution Charge per kWh (2)</u>	0.010¢
<u>Transmission Charge per kW</u>	\$2.84
<u>Transmission Charge per kWh</u>	0.678¢
<u>Non-Bypassable Transition Charge per kWh</u>	(0.031¢)
<u>Energy Efficiency Programs per kWh (3)</u>	0.556¢

Rates for Standard Offer Service (Optional)

Standard Offer per kWh per Standard Offer Service tariff

(1) Includes Vegetation Management and Inspection & Maintenance Credit of \$0.21 per kW, Operation & Maintenance Expense Charge of \$0.36 per kW, and CapEx Factor of \$0.02 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh.

(3) Includes Renewables Charge of \$0.030¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable). However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.