

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

**IN RE: THE NARRAGANSETT ELECTRIC :  
COMPANY, d/b/a NATIONAL GRID TARIFF :  
ADVICE REGARDING TERMS AND : DOCKET NO. 4270  
CONDITIONS FOR GAS MARKETERS AND :  
CALCULATION OF GAS COST RECOVERY :  
RATES – R.I.P.U.C. NG-GAS NO. 101, :  
SECTIONS 2, 5, 6 :**

**ORDER**

On October 31, 2011, the Commission approved the Narragansett Electric Company, d/b/a National Grid (hereinafter “NGrid” or “the Company”) proposed capacity release modification on a provisional basis in order to avoid market disruption and potential financial harm that could occur to marketers while issues raised by the Division of Public Utilities and Carriers (“Division”) could be vetted and resolved. On June 29, 2012, Steven Scialabba, the Division’s Chief Accountant, filed a memorandum with the Commission noting that it did not oppose the modifications proposed by NGrid. The memorandum recited the six modifications and asserted that the Division and the Company have engaged in discussions regarding the proposed changes since November 2011.<sup>1</sup>

---

<sup>1</sup> Memorandum of the Division of Public Utilities and Carriers filed June 29, 2011. The Company’s August 1, 2011 filing proposed the following modifications: 1) to change the storage service from an injection/withdrawal approach to a cash-out approach; 2) to simplify the capacity assignment process by assigning the capacity and storage entitlements based on the customers’ calculated design peak-day use and class load factor; 3) to expand the availability of the FT-2 service to include the Small Commercial and Industrial class of customers and limit the availability of the FT-1 service to the Large and Extra Large classes; 4) to provide a mechanism to cash out imbalances under the FT-2 service; 5) to develop Electronic Data Interchange (EDI) capabilities for

Mr. Scialabba noted that while the Company's proposed modification to expand Customer Choice to the Small Commercial class may allow that class access to potentially lower commodity costs, it may also result in those customers experiencing problems in dealing with their marketer, misunderstanding the market or experiencing a problem with contract terms with the marketer. He asserted that if the need for additional customer protections arises, that need can be addressed when and if a problem develops. He represented that the Division was not aware of any problems resulting from the new capacity assignment process which assigns the capacity and storage entitlements based on the customers' calculated design peak-day use and class load factor. Mr. Scialabba represented that the Division does not oppose the Company's proposal to change the storage service from an injection/withdrawal to a cash-out approach and reasoned that it will provide simplification, reduce administrative costs and place sales customers and transportation customers on more equal footing.<sup>2</sup>

Mr. Scialabba noted that the Division and the Company will work together to monitor the impacts and significant cost shifts from the sales to the transportation customers and vice versa and to track any issues, complaints and inquiries from the Small C&I customers should the Commission approve expansion of Customer Choice to this

---

communications with Marketers; and 6) to add language to the tariff to enable the Company to terminate the participation of a Marketer for failing to properly serve customer's supply requirements, pay for their transportation service, or maintain creditworthiness. Additionally, NGrid proposed several other changes which would: 1) eliminate the \$50 fee imposed on customers who change Marketers or services more than once a year; 2) provide for annual meetings between the company and Marketers; 3) allow changes in nomination and scheduling times; 4) implement changes in the capacity assignment program; and 5) list the circumstances that would cause a Marketer to be disqualified.

<sup>2</sup> *Id.*

class. He also noted that if the Division determines regulatory action is warranted, it will propose the same at that time.<sup>3</sup>

On July 11, 2012 at an Open Meeting, the Commission considered NGrid's request and the comments filed. Satisfied that the Division's concerns have been addressed and with the representation that the Division will continue to work with the Company to gather data and monitor the effects of the modification, the Commission approved NGrid's capacity release modification.

Accordingly, it is hereby

(20783) ORDERED:

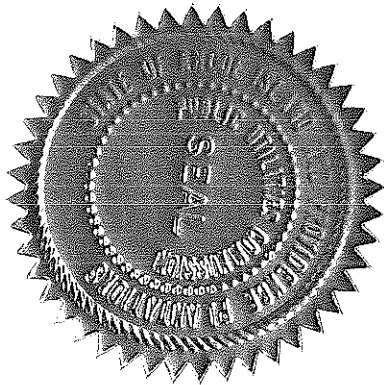
1. The Narragansett Electric Company d/b/a National Grid Tariff request to modify the capacity release provisions of its Tariff as set forth above is approved.
2. The Narragansett Electric Company d/b/a National Grid and the Division of Public Utilities and Carriers shall gather and evaluate data to monitor the effects of the modification and shall promptly address any issues that may require regulatory action.
3. The Narragansett Electric Company d/b/a National Grid shall comply with all other findings and instructions as contained in this Order

---

<sup>3</sup> *Id.*

EFFECTIVE AT WARWICK, RHODE ISLAND, JULY 11, 2012, PURSUANT  
TO AN OPEN MEETING DECISION ON JULY 11, 2012. WRITTEN ORDER  
ISSUED AUGUST 1, 2012.

PUBLIC UTILITIES COMMISSION



*Elia Germani*  
\_\_\_\_\_  
Elia Germani, Chairman

*Mary E. Bray*  
\_\_\_\_\_  
Mary E. Bray, Commissioner

*Paul J. Roberti*  
\_\_\_\_\_  
Paul J. Roberti, Commissioner