

Memorandum

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PUBLIC UTILITIES COMMISSION

To: L. Massaro

Commission Clerk

From: D. R. Stearns

S. Scialabba

Division of Public Utilities & Carriers

Date: 10/28/2013

Re: Narragansett Electric – Standard Offer Rate Filing:

Docket 4315

On October 18, 2013 Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) filed with the Commission Proposed Standard Offer Service Rates for the Industrial Group for the Months of December 2013 through March 2014.

Also included in the filing are the Results of Competitive Procurement for the following groups and time periods:

Industrial Group: 100% of the load for December 2013 through March 2014;

Commercial Group: 30% of the load from January through June 2014; and

Residential Group: 20% of the load from January 2014 through December 2014.

Included in the filing are:

- A calculation of the Standard Offer Service (“SOS”) retail rates for the Industrial Group for each month of the service period;
- The Summary of Rates Tariff reflecting the proposed rates for the Industrial Group for the period December 2013 through March 2014;
- A typical bill analysis for the SOS Industrial Customer Group;
- A copy of SOS Request for Proposals (“RFPs”) to solicit SOS supply, issued on September 13, 2013 for the period December 2013 through March 2014 for the Industrial Group, January through June 2014 for the Commercial Group, and January through December 2014 for the Residential Group;
- A redacted summary of the procurement process, and;
- Redacted versions of the executed confidential Transaction Confirmations for December 2013 through March 2014 for the Industrial Group, January through June 2014 for the Commercial Group, and January through December 2014 for the Residential Group.

Un-redacted versions of the Procurement Summary and Transaction Confirmations have been supplied under separate cover.

The Standard Offer rates proposed for the Industrial Customer Group for December 2013 through March, 2014, including the current per-kWh Standard Offer Adjustment Factor of \$(0.00487) and the Administrative Cost Factor of \$0.00069, and excluding the Renewable Energy Charge of \$0.00512 are:

- December 2013: \$0.08924/kWh. This is an increase of \$0.04046/kWh compared with the October through November 2013 average Standard Offer rate of \$0.04878/kWh;
- January 2013: \$0.11447/kWh. This is an increase of \$0.06569/kWh compared with the October through November 2013 average Standard Offer rate of \$0.04878/kWh;
- February 2013: \$0.11215/kWh. This is an increase of \$0.06337/kWh compared with the October through November 2013 average Standard Offer rate of \$0.04878/kWh;
- March 2013: \$0.06768/kWh. This is an increase of \$0.01890/kWh compared with the October through November 2013 average Standard Offer rate of \$0.04878/kWh.
- The four month average of the proposed Industrial Group SOS Rates is \$0.09589, compared with the current two-month October-November average of \$0.04878. This represents an increase of \$0.04711, or 96.6%, per kWh.

In calendar year 2013, the Rhode Island load covered by the filed RFP is subject to a 7.5% Renewable Energy Standard (“RES”) requirement. Because the bidders did not submit RES prices with the bids, National Grid did not include RES adders in the final purchase prices. The Company will attempt to procure the requirements through separate solicitations.

After review, including review of the un-redacted information filed by the Company, the Division has determined that the filing is in compliance with order number 20795 issued in the Standard Offer Procurement Plan submitted by the Company and approved by the Commission at open meeting June 12, 2012 (written order issued August 10, 2012) as amended on September 24, 2013, in Docket number 4315.

Cc: Thomas Ahern,
Administrator, Division of Public Utilities and Carriers