

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC COMPANY d/b/a :
NATIONAL GRID'S STANDARD OFFER SERVICE RATES :
FOR THE RESIDENTIAL GROUP, COMMERCIAL GROUP, : DOCKET NO. 4393
AND INDUSTRIAL GROUP PURSUANT TO THE 2014 :
STANDARD OFFER SERVICE PROCUREMENT PLAN :

ORDER

I. Introduction

The Narragansett Electric Company d/b/a National Grid currently procures Standard Offer Service (SOS) supply on behalf of its customers pursuant to the 2014 SOS Procurement Plan approved by the Public Utilities Commission (PUC) on June 28, 2013.¹ Pursuant to the 2014 SOS Procurement Plan, National Grid conducts solicitations throughout the year for Standard Offer Service in varying contract lengths. As a result of these solicitations, the Company files SOS rates for the Residential Group and the Commercial Group twice per year, and SOS rates for the Industrial Group on a quarterly basis.

II. National Grid's Proposed Standard Offer Service Rates for the Commercial Group and Residential Group for the period January 2014 through June 2014.

On November 21, 2013, National Grid proposed a fixed commercial rate of \$0.08564 for the Commercial Group for the period January 2014 through June 2014.² The rate includes the Standard Offer Adjustment Factor of \$0.00094/kWh and an Administrative Cost Factor of \$0.00101/kWh.³ This rate represents an increase of \$0.01614/kWh, or 23.2% from the current fixed commercial SOS rate of \$0.06950/kWh.⁴

¹ PUC Order No. 21094 (Docket No. 4393) (Mar.1, 2013); [http://www.ripuc.org/eventsactions/docket/4393-NGrid-SOS-RES-Procurements\(3-1-13\).pdf](http://www.ripuc.org/eventsactions/docket/4393-NGrid-SOS-RES-Procurements(3-1-13).pdf).

² National Grid's SOS filing, Attach. 1 at 2 (Nov. 21, 2013); http://www.ripuc.org/eventsactions/docket/4393-NGrid-SOS-RateFiling_11-21-13.pdf.

³ *Id.* Attach. 1 at 4 (Nov. 21, 2013).

⁴ Mem. of Division at 2 (Dec. 3, 2013); http://www.ripuc.org/eventsactions/docket/4393-DPU-Memo_12-3-13.pdf.

The Company proposed the following variable commercial SOS rates:⁵

January 2014:	\$0.12188/kWh
February 2014:	\$0.12062/kWh
March 2014:	\$0.07831/kWh
April 2014:	\$0.06340/kWh
May 2014:	\$0.05882/kWh
June 2014:	\$0.06386/kWh

For the Residential Group, the Company proposed a fixed standard offer charge of \$0.08372/kWh, which includes a Standard Offer Adjustment Credit Factor of \$0.00087/kWh and an Administrative Cost Factor of \$0.00104/kWh. This represents an increase of \$.01805/kWh or 27.5% when compared to the current Standard Offer Charge of \$0.06567/kWh.⁶ The monthly bill for the typical residential customer using 500 kWh per month would increase \$9.40 or 11.9%.⁷

On December 3, 2013, the Division of Public Utilities and Carriers (Division) filed a memorandum finding that the proposed SOS commercial rates for the period January 2014 through June 2014, and the proposed SOS Commercial groups for the period January 2014 through June 2014, were in compliance with the 2014 SOS Procurement Plan approved by the PUC on June 28, 2013.⁸ On December 18, 2013, based on the recommendation of the Division, the PUC voted to approve the Company's proposed SOS rates for the Commercial Group for the period January 2014 through June 2014 and the proposed SOS rates for the Residential Group for the period January 2014 through June 2014.

⁵ National Grid's SOS filing, Attach. 1 at 2 (Nov. 21, 2013).

⁶ *Id.*

⁷ National Grid's SOS filing, Attach. 3 at 1 (Nov. 21, 2013).

⁸ Mem. of Division at 2 (Mar. 21, 2014); http://www.ripuc.org/eventsactions/docket/4393-DPU-Memo_3-21-14.pdf.

III. National Grid's Proposed Standard Offer Service Rates for the Industrial Group for the period April 2014 through June 2014.

On February 24, 2014, National Grid proposed the following SOS rates for the Industrial Group for the period April 2014 through June 2014:⁹

April 2014:	\$0.07817/kWh
May 2014:	\$0.06198/kWh
June 2014:	\$0.07893/kWh

These rates include the Standard Offer Adjustment Credit Factor of \$0.00487/kWh and the Administrative Cost Factor of \$0.00069kWh. The three-month average of the proposed industrial rates is \$0.07303/kWh.¹⁰ The three-month average for the period December 2013 through March 2014 was \$0.09589k/Wh. The SOS industrial rates proposed for the period April 2014 through June 2014 represent a decrease of \$0.02286/kWh.¹¹

On March 20, 2014, the Division filed a memorandum finding that the proposed SOS industrial rates for the period April 2014 through June 2014 were in compliance with the 2014 SOS Procurement Plan approved by the PUC on June 28, 2013.¹² On March 27, 2014, based on the recommendation of the Division, the PUC voted unanimously to approve the Company's proposed SOS rates for the Industrial Group for the period April 2014 through June 2014.¹³

⁹ National Grid's SOS filing, Attach. 1 at 1 (Feb. 24, 2014); [http://www.ripuc.org/eventsactions/docket/4393-NGrid-SOS-Rates\(2-25-14\).pdf](http://www.ripuc.org/eventsactions/docket/4393-NGrid-SOS-Rates(2-25-14).pdf).

¹⁰ *Id.* See also Division of Public Utilities and Carriers Memorandum at 2 (Mar. 21, 2014).

¹¹ National Grid's SOS filing, Attach. 1 at 1 (Feb. 24, 2014).

¹² Mem. of Division at 2 (March 21, 2014); http://www.ripuc.org/eventsactions/docket/4393-DPU-Memo_6-13-14.pdf.

¹³ See Commission Minutes, March 27, 2014 Open Meeting; <http://www.ripuc.org/eventsactions/minutes/032714.pdf>.

IV. National Grid's Proposed Standard Offer Service Rates for the Industrial Group for the period July 2014 through September 2014.

On May 27, 2014, National Grid proposed the following SOS rates for the Industrial Group for the period July 2014 through September 2014:¹⁴

July 2014:	\$0.08299/kWh
August 2014:	\$0.07574/kWh
September 2014:	\$0.06645/kWh

These rates include the Standard Offer Adjustment Credit Factor of \$0.00360/kWh and the Administrative Cost Factor of \$0.00139/kWh. The three-month average of the proposed industrial rates is \$0.07506/kWh.¹⁵ The three-month average for the period April 2014 through June 2014 was \$0.07499k/Wh. The SOS industrial rates proposed for the period July 2014 through September 2014 represent an increase of \$0.00007/kWh.¹⁶

On March 21 2014, the Division filed a memorandum finding that the proposed SOS industrial rates for the period July 2014 through September 2014 were in compliance with the 2014 SOS Procurement Plan approved by the PUC on June 28, 2013.¹⁷ On June 10, 2014, based on the recommendation of the Division, the PUC voted unanimously to approve the Company's proposed SOS rates for the Industrial Group for the period July 2014 through September 2014.¹⁸

¹⁴ National Grid's SOS filing, Attach. 1 at 1 (May 27, 2014); http://www.ripuc.org/eventsactions/docket/4393-NGrid-SOS-Industrial_5-27-14.pdf.

¹⁵ *Id.* See also Mem. of Division at 2 (June 17, 2014).

¹⁶ *Id.*

¹⁷ Mem. of Division at 2 (Mar. 21, 2014).

¹⁸ See Minutes, June 10, 2014 Open Meeting; <http://www.ripuc.org/eventsactions/minutes/063014.pdf>.

V. National Grid's Proposed Standard Offer Service Rates for the Commercial Group and Residential Group for the period July 2014 through December 2014.

On May 27, 2014, National Grid filed its proposal for Standard Offer rates for both the Commercial and Residential Groups.¹⁹ National Grid proposed a fixed commercial rate for the Commercial Group for the period July 2014 through December 2014 of \$0.08801/kWh.²⁰ The rate includes the Standard Offer Adjustment Factor of \$0.0037/kWh and an Administrative Cost Factor of \$0.00162/kWh. This rate represents a decrease of \$0.001/kWh, or 1.1%, from the current fixed commercial SOS rate of \$0.08901/kWh.²¹

The Company proposed the following variable commercial SOS rates:

July 2014:	\$0.08526/kWh
August 2014:	\$0.08129/kWh
September 2014:	\$0.07049/kWh
October 2014:	\$0.07085/kWh
November 2014:	\$0.09329/kWh
December 2014:	\$0.13134/kWh ²²

For the Residential Group, the Company proposed a fixed standard offer charge of \$0.07879/kWh which includes a Standard Offer Adjustment Credit Factor of \$0.00171/kWh and an Administrative Cost Factor of \$0.00155/kWh.²³ This represents a decrease of \$0.00802/kWh, or 9.2%, when compared to the current Standard Offer Charge of \$0.08681/kWh.²⁴ The monthly bill for the typical residential customer using 500 kWh per month would decrease \$4.17 or 4.6%.²⁵

On June 17, 2104 the Division filed a revised memorandum finding that the proposed SOS Commercial Group rates for the period July 2014 through December 2014, and the proposed SOS

¹⁹ National Grid's SOS filing (May 27, 2014); http://www.ripuc.org/eventsactions/docket/4393-NGrid-SOS-Residential-Commercial_5-27-14.pdf.

²⁰ National Grid's SOS filing, Attach. 1 at 2 and 4 (May 27, 2014).

²¹ National Grid's SOS filing, Attach. 1 at 4 (May 27, 2014).

²² *Id.* at 2.

²³ *Id.* See also Mem. of Division at 2 (June 17, 2014).

²⁴ National Grid's SOS filing, Attach. 1 at 3 (May 27, 2014).

²⁵ National Grid's SOS filing, Attach. 2 at 1 (May 27, 2014).

Residential Group rates for the period July 2014 through December 2014, were in compliance with the 2014 SOS Procurement Plan approved by the PUC on June 28, 2013.²⁶ On June 30, 2014, based on the recommendation of the Division, the PUC voted to approve the Company's proposed SOS rates for the Commercial Group for the period July 2014 through December 2014 and the proposed SOS rates for the Residential Group for the period July 2014 through December 2014.²⁷

VI. National Grid's Proposed Standard Offer Service Rates for the Industrial Group for the period October 2014 through December 2014

On August 22, 2014, National Grid proposed the following SOS rates for the Industrial Group for the period October 2014 through December 2014:²⁸

October 2014:	\$0.05319/kWh
November 2014:	\$0.07067/kWh
December 2014:	\$0.14105/kWh

These rates include the Standard Offer Adjustment Credit Factor of \$0.00360/kWh and the Administrative Cost Factor of \$0.00139.²⁹ The three-month average of the proposed industrial rates is \$0.08830/kWh.³⁰ The three-month average for the period July 2014 through September 2014 was \$0.07506k/Wh. The SOS industrial rates proposed for the period October 2014 through December 2014 represent an increase of \$0.01324, or 17.6%, over the period July 2014 through September 2014.³¹

On September 9, 2014, the Division filed a memorandum finding that the proposed SOS industrial rates for the period October 2014 through December 2014 were in compliance with the

²⁶ Revised Mem. of Division at 2 (June 17, 2014).

²⁷ See Minutes, June 30, 2014 Open Meeting; <http://www.ripuc.org/eventsactions/minutes/063014.pdf>.

²⁸ National Grid's SOS filing (Aug. 22, 2014); [http://www.ripuc.org/eventsactions/docket/4393-NGrid-SOS-Rates\(8-22-14\).pdf](http://www.ripuc.org/eventsactions/docket/4393-NGrid-SOS-Rates(8-22-14).pdf).

²⁹ National Grid's SOS filing, Attach. 1 (Aug. 22, 2014).

³⁰ Mem. of Division at 2 (Sept. 9, 2014).

³¹ *Id.*

2014 SOS Procurement Plan approved by the PUC on June 28, 2013.³² On September 19, 2014, based on the recommendation of the Division, the PUC voted unanimously to approve the Company's proposed SOS rates for the Industrial Group for the period October 2014 through December 2014.³³

Accordingly, it is hereby

(22771) ORDERED:

1. The Narragansett Electric Company d/b/a National Grid's proposed Standard Offer Service rates for the Commercial Group and Residential Group for the period January 2014 through June 2014 are hereby approved as filed.
2. The Narragansett Electric Company d/b/a National Grid's proposed Standard Offer Service rates for the Industrial Group for the period April through June 2014 are hereby approved as filed.
3. The Narragansett Electric Company d/b/a National Grid's proposed Standard Offer Service rates for the Commercial Group and Residential Group for the period July 2014 through December 2014 are hereby approved as filed.
4. The Narragansett Electric Company d/b/a National Grid's proposed Standard Offer Service rates for the Industrial Group for the period July through September 2014 are hereby approved as filed.
5. The Narragansett Electric Company d/b/a National Grid's proposed Standard Offer Service rates for the Industrial Group for the period October through December 2014 are hereby approved as filed.

³² *Id.*

³³ See Minutes, Sept. 19, 2014 Open Meeting; <http://www.ripuc.org/eventsactions/minutes/091914.pdf>.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO OPEN MEETING DECISIONS HELD ON DECEMBER 18, 2013, MARCH 27, 2014, JUNE 10, 2014, JUNE 17, 2014, AND SEPTEMBER 9, 2014. WRITTEN ORDER ISSUED APRIL 18, 2017.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran

Margaret E. Curran, Chairperson

Paul J. Roberti, Commissioner*

Herbert DeSimone

Herbert DeSimone, Commissioner

* Commissioner Roberti concurred with the Decisions but is unavailable for signature.

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the PUC may, within seven (7) days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.