

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. 4490
AND INDUSTRIAL GROUP PURSUANT TO THE 2015 :
STANDARD OFFER SERVICE PROCUREMENT PLAN :

ORDER

I. Introduction

The Narragansett Electric Company d/b/a National Grid currently procures Standard Offer Service (SOS) Service supply on behalf of its customers pursuant to the 2015 SOS Procurement Plan approved by the Public Utilities Commission (PUC) on July 1, 2014.¹ Pursuant to the 2015 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. The within proposed SOS rate filings² are made pursuant to the Company's approved 2015 SOS Procurement Plan.

II. National Grid's Proposed Standard Offer Service Rates for the Industrial Group for the period April 2015 through June 2015

On February 23, 2015, National Grid proposed the following SOS rates for the Industrial Group for the period April 2015 through June 2015:³

April 2015:	\$0.05410/kWh
May 2015:	\$0.04713/kWh
June 2015:	\$0.05497/kWh

¹ PUC Order No. 21826 (Docket No. 4490) (Feb. 23, 2015), http://www.ripuc.org/eventsactions/docket/4490-NGrid-Ord21826_2-23-15.pdf.

² The proposed SOS rates include SOS Adjustment Factor and SOS Administrative Cost Factor.

³ National Grid's SOS filing. Attachment 1 at 1 (Feb. 23, 2015), http://www.ripuc.org/eventsactions/docket/4490-NGrid-SOS-Industrial_2-23-15.pdf. The proposed rates do not include a renewable energy standard charge which was included as a separate line item on customers' bills.

The three-month average of the proposed industrial rates is \$0.0566/kWh.⁴ The three-month average for the period January 2015 through March 2015 was \$0.17611.⁵ The SOS industrial rates proposed for the period April 2015 through June 2015 represent a decrease of \$0.11951/kWh.

On March 27, 2015, the Division of Public Utilities and Carriers (Division) filed a memorandum finding that the proposed SOS industrial rates for the period April 2015 through June 2015 are in compliance with the 2015 SOS Procurement Plan approved by the PUC on June 30, 2014.⁶ On March 31, 2015, 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 2015 through June 2015.

III. National Grid's Proposed Standard Offer Service Rates for the Commercial Group for the period July 2015 through December 2015 and Standard Offer Service Rates for the Industrial Group for the period July 2015 through September 2015

On May 21, 2015, National Grid proposed a fixed commercial rate for the Commercial Group for the period July 2015 through December 2015 of \$0.08691.⁷ This represents a decrease of \$0.02877/kWh, or 24.8%, from the current fixed commercial SOS rate of \$0.11568/kWh.⁸

The Company proposed the following variable commercial SOS rates:

July 2015:	\$0.07972/kWh
August 2015:	\$0.07582/kWh
September 2015:	\$0.06936/kWh
October 2015:	\$0.07092/kWh
November 2015:	\$0.09254/kWh
December 2015:	\$0.13830/kWh

⁴ Memorandum of Division at 2 (Mar. 27, 2015), [http://www.ripuc.org/eventsactions/docket/4490-DPU-Memo-Industrial\(3-27-15\).pdf](http://www.ripuc.org/eventsactions/docket/4490-DPU-Memo-Industrial(3-27-15).pdf).

⁵ *Id.*

⁶ *Id.*

⁷ National Grid's SOS filing. Attachment 1 at 2 (May 21, 2015), [http://www.ripuc.org/eventsactions/docket/4490-NGrid-SOS-Commercial-Industrial\(5-21-15\).pdf](http://www.ripuc.org/eventsactions/docket/4490-NGrid-SOS-Commercial-Industrial(5-21-15).pdf).

⁸ Memorandum of Division at 3 (Jun. 11, 2015), [http://www.ripuc.org/eventsactions/docket/4490-DPU-Memo-Commercial-Industrial\(6-11-15\).pdf](http://www.ripuc.org/eventsactions/docket/4490-DPU-Memo-Commercial-Industrial(6-11-15).pdf).

Included within the calculation of the above commercial SOS rates is the 10% deferral of estimated SOS costs for the period January 1, 2015 through June 30, 2015. This amount, totaling \$3,507,164, including interest of \$21,582, was included as an adjustment of \$0.00627/kWh in the July 2015 through December 2015 rate period pursuant to PUC's Order in Docket No. 4393.⁹

For the Residential Group, the Company represented that the difference between residential SOS revenue and costs incurred at December 31, 2015 was \$6,200,280.¹⁰ Since this amount did not exceed 5% of the total costs to supply residential SOS for calendar year 2015, the Company did not propose any change to the residential SOS rate for the July 2015 to December 2015 period.¹¹

For the Industrial Group, the Company proposed the following SOS rates:

July 2015:	\$0.06832Wh
August 2015:	\$0.06125/kWh
September 2015:	\$0.05504/kWh

The three-month average of the above industrial SOS rates is \$0.06154.¹² This is an increase of \$0.00493 compared with the three-month average of \$0.05661/kWh for the industrial SOS rates in effect for the period April 2015 through June 2015.¹³

On June 11, 2015, the Division filed a memorandum finding that the proposed SOS commercial rates for the period July 2015 through December 2015, and the proposed SOS industrial rates for the period July 2015 through September 2015, are in compliance with the 2015

⁹ Attachment 3 at 1 (May 21, 2015). *See also* PUC Order No. 21827 (Docket No. 4393) (Feb. 23, 2015), http://www.ripuc.org/eventsactions/docket/4393-NGrid-Ord21827_2-23-15.pdf.

¹⁰ Attachment 2 at 1 (May 21, 2015).

¹¹ Letter of Jennifer Brooks Hutchinson at 2 (May 21, 2015), citing PUC Order No. 21827 (Docket No. 4393) (Feb. 23, 2015).

¹² Memorandum of Division at 3 (June 11, 2015). [http://www.ripuc.org/eventsactions/docket/4490-DPU-Memo-Commercial-Industrial\(6-11-15\).pdf](http://www.ripuc.org/eventsactions/docket/4490-DPU-Memo-Commercial-Industrial(6-11-15).pdf).

¹³ *Id.*

SOS Procurement Plan approved by the PUC on June 30, 2014.¹⁴ On June 15, 2015, 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 2015 through December 2015 and the proposed SOS rates for the Industrial Group for the period July 2015 through September 2015.

IV. National Grid's Proposed Standard Offer Service Rates for the Industrial Group for the period October 2015 through December 2015

On August 24, 2015, the Company proposed the following SOS industrial rates:¹⁵

October 2015:	\$0.05950Wh
November 2015:	\$0.07528/kWh
December 2015:	\$0.10542/kWh

The three-month average of the above rates is \$0.08007/kWh which represents a 24% increase from the July 2015 through September 2015 average rate of \$0.06448/kWh.¹⁶ However, compared with the October 2014 through December 2014 average industrial rate of \$0.09310/kWh, this is a 14% decrease.¹⁷

On September 16, 2015, the Division filed a memorandum finding that the Company's proposed industrial SOS rates for the period October 2015 through December 2015 are in compliance with the 2015 Standard Offer Service Procurement Plan approved by the PUC on June 30, 2014.¹⁸ On September 22, 2015, based on the Division's recommendation, the PUC voted unanimously to approve the SOS rates for the Industrial Group for the period October through December 2015.

¹⁴ *id*

¹⁵ National Grid's SOS filing. Attachment 1 at 1 (Aug. 24, 2015), [http://www.ripuc.org/eventsactions/docket/4490-NGrid-SOS-Industrial\(8-24-15\).pdf](http://www.ripuc.org/eventsactions/docket/4490-NGrid-SOS-Industrial(8-24-15).pdf). On July 1, 2015, the PUC ordered the renewable energy standard charge to be included in the SOS charge customers' bills. PUC Order No. 22444 (Docket No. 4556) (June. 21, 2016). http://www.ripuc.org/eventsactions/docket/4556-NGrid-Ord22444_6-21-16.pdf.

¹⁶ Revised Memorandum of Division at 3 (September 16, 2015), http://www.ripuc.org/eventsactions/docket/4490-DPU-Memo_9-15-15.pdf.

¹⁷ *Id.*

¹⁸ *Id.*

V. National Grid’s Proposed Standard Offer Service Rates for the Residential Group and Commercial Group for the period January 2016 through September 2016 and the Industrial Group for the period January 2016 through March 2016

On October 13, 2015, National Grid proposed a residential SOS rate of \$0.08901/kWh for the period January 2016 through September 2016.¹⁹ This represents a decrease of \$0.01504/kWh, or 14%, from the current residential SOS rate of \$0.10405/kWh.²⁰

The Company proposed a fixed commercial SOS rate of \$0.08327/kWh for the same period.²¹ This proposed rate is a decrease of \$0.00658/kWh, or 7%, from the current fixed commercial SOS rate of \$0.08985/kWh.²² The Company proposed the following variable commercial SOS rates:²³

January 2016:	\$0.13814/kWh
February 2016:	\$0.13500/kWh
March 2016:	\$0.09741/kWh
April 2016:	\$0.07181/kWh
May 2016:	\$0.06201/kWh
June 2016:	\$0.06517/kWh
July 2016:	\$0.06547/kWh
August 2016:	\$0.06128/kWh
September 2016:	\$0.05791/kWh

For the Industrial Group, the Company proposed the following SOS rates for the period January through March 2016:²⁴

January 2016:	\$0.11199/kWh
February 2016:	\$0.10954/kWh
March 2016:	\$0.08308/kWh

¹⁹ National Grid’s SOS filing. Attachment 1 at 2 (Oct. 15, 2013), [http://www.ripuc.org/eventsactions/docket/4490-NGrid-SOS-Rates\(10-13-15\).pdf](http://www.ripuc.org/eventsactions/docket/4490-NGrid-SOS-Rates(10-13-15).pdf).

²⁰ Revised Memorandum of Division at 3 (Nov. 30, 2015), http://www.ripuc.org/eventsactions/docket/4490-DPU-Memo-Revised_11-30-15.pdf.

²¹ Attachment 1 at 2 (Oct. 15, 2013).

²² Division at 3 (Nov. 30, 2015).

²³ Attachment 1 at 2 (Oct. 15, 2013).

²⁴ *Id.*

On November 30, 2015, the Division filed a memorandum finding that the Company's proposed SOS rates for the Residential Group and Commercial Group for the period January 2016 through September 2016, and the proposed SOS rates for the Industrial Group for the period January 2016 through March 2016 are in compliance with the 2015 SOS Procurement Plan approved by the PUC on June 30, 2014.²⁵ On December 1, 2015, based on the recommendation of the Division, the PUC voted to approve National Grid's proposed SOS rates for the Residential Group and Commercial Group for the period January 2016 through September 2016, and the proposed SOS rates for the Industrial Group for the period January 2016 through March 2016,

Accordingly, it is hereby

(22451) ORDERED:

1. 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 2015, are hereby approved as filed.
2. The Narragansett Electric Company d/b/a National Grid's proposed Standard Offer Service rates for the Commercial Group, for the period July 2015 through December 2015, and the proposed Standard Offer Service rates for the Industrial Group, for the period July 2015 through September 2015, are hereby approved as filed.
3. The Narragansett Electric Company d/b/a National Grid's proposed Standard Offer Service rates for the Industrial Group, for the period October 2015 through December 2015, are hereby approved as filed.
4. The Narragansett Electric Company d/b/a National Grid's proposed Standard Offer Service rates for the Residential Group and Commercial Group, for the period January

²⁵ Division at 4 (Nov. 30, 2015).

2016 through September 2016, and the proposed Standard Offer Service rates for the Industrial Group, for the period January 2016 through March 2016, are hereby approved as filed.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO OPEN MEETING DECISIONS HELD ON MARCH 31, 2015, JUNE 15, 2015, SEPTEMBER 22, 2015, AND DECEMBER 1, 2015. WRITTEN ORDER ISSUED JUNE 28, 2016.

PUBLIC UTILITIES COMMISSION

Margaret E. Curran, Chairperson

Paul J. Roberti, Commissioner*

Herbert DeSimone, Commissioner

*Commissioner Roberti concurs with the decision but was 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.