

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

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID'S FY 2015 ELECTRIC PENSION : **DOCKET NO. 4518**
ADJUSTMENT FACTOR FILING :

ORDER

On September 1, 2015, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed its proposed electric Pension Adjustment Factor (Factor) with the Public Utilities Commission (Commission or PUC).¹ In support of its filing, National Grid submitted the Direct Testimony and Schedules of William R. Richer, Director of Revenue Requirements, Rhode Island, for National Grid USA Service Company, Inc.² Mr. Richer proposed a Factor of \$0.00028/kWh for effect on October 1, 2015.³ On October 13, 2015, National Grid filed a revised Factor of \$0.00012/kWh to remedy a disproportional share of net actuarial pension costs being allocated to the Company's electric business and requested an extension of the effective date to November 1, 2015.⁴

Mr. Richer explained how the pension and post-retirement benefits other than pensions (Benefits) expenses are reconciled.⁵ He noted that in the event the Company does not fund its pension or Benefits plans at a Minimum Funding Obligation level, which equals the amount billed to customers plus the amounts of capitalized pension and Benefits costs, it will incur a carrying

¹ Pursuant to the Commission's decision in Docket No. 4323, Order No. 21011 (Apr. 11, 2013) and R.I.P.U.C. 2119, National Grid is authorized to reconcile its actual pension and post-retirement benefits other than pensions expenses annually for the twelve-month period ending March 31. The difference between the Company's actual expense and the allowance included in base distribution rates is either charged or credited to electric retail delivery customers on a uniform per kWh basis. All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <http://www.ripuc.org/eventsactions/docket/4518page.html>.

² Richer Direct (Sept. 1, 2015).

³ *Id.* at 6-7, Sch. WRR-3.

⁴ Revised Filing Sch. WRR-3 Revised (Oct. 13, 2015); National Grid Response to Comm. Data Request 1-1.

⁵ Richer Direct at 4.

charge. The Company did not incur any carrying charges this year.⁶ Mr. Richer provided that the reconciliation revealed a total under-recovery of \$891,881.⁷ The under-recovery included a \$120,205 under-recovery from the previous year that the Commission allowed the Company to carry-over because that amount was too small to generate a Factor.⁸ Mr. Richer divided the under-recovery by forecasted kWhs for the period November 1, 2015 through September 30, 2016 to arrive at the \$0.00012/kWh proposed Factor.⁹

On October 29, 2015, the Division of Public Utilities and Carriers (Division) filed a memorandum recommending approval of National Grid's proposed \$0.00012/kWh Factor for effect November 1, 2015.¹⁰

At an open meeting held on October 30, 2015, based on the recommendation of the Division, the PUC voted unanimously to approve National Grid's proposed 2015 Pension Adjustment Factor of \$0.00012/kWh for effect on November 1, 2015.

Accordingly, it is hereby

(22472) ORDERED:

The Narragansett Electric Company d/b/a National Grid's proposed 2015 Pension Adjustment Factor of \$0.00012/kWh for effect on November 1, 2015 is approved.

⁶ *Id.* at 6, Sch. WRR-3; Revised Filing Sch. WRR-3 Revised.

⁷ Revised Filing Sch. WRR-3 Revised.

⁸ Richer Direct at 2, 5, Sch. WRR-3; Revised Filing WRR-3 Revised.

⁹ Revised Filing WRR-3 Revised.

¹⁰ Division Mem. (Oct. 29, 2015).

EFFECTIVE AT WARWICK, RHODE ISLAND ON NOVEMBER 1, 2015 PURSUANT TO AN OPEN MEETING DECISION HELD ON OCTOBER 30, 2015. WRITTEN ORDER ISSUED JULY 12, 2016.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran
Margaret E. Curran, Chairperson

Paul J. Roberti, Commissioner*

Herbert F. DeSimone, Jr.
Herbert F. DeSimone, Jr., Commissioner

*Commissioner Roberti participated in the decision but was unavailable to sign the Order.

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 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.