

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC CO. D/B/A :
NATIONAL GRID'S LONG-TERM CONTRACTING : DOCKET NO. 4587
FOR RENEWABLE ENERGY RECOVERY FACTOR :

REPORT AND ORDER

On November 12, 2015, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed with the Public Utilities Commission (PUC) its semi-annual Long-Term Contracting Recovery Factor for the period January 1, 2016 through June 30, 2016.¹ In its filing, National Grid estimated that the six-month contract cost for twenty-five renewable energy contracts, which include twenty-three distributed generation contracts and two non-distributed generation contracts, would be \$20,152,815. All contract prices, except for one, are expected to be above market for that same period resulting in a loss to National Grid, when compared to a market value of \$15,860,466. The difference between the estimated contract costs and net market value is expected to be \$4,292,349. When this above-market value is divided by National Grid's forecasted kWh deliveries for the upcoming six-month period, and adjusted for uncollectibles, the result is a proposed Long-Term Contract Recovery Factor of 0.231 cents per kWh. This is an increase of 0.001 cents per kWh from the currently effective factor.² The impact on a residential customer using 500 kWh per month is an increase of 1.0 cent per month.³

On December 8, 2015, the Division of Public Utilities and Carriers (Division) filed with the PUC a memorandum summarizing the filing and recommending approval of the proposed

¹ National Grid's Semi-Annual LCR Recovery Factor Filing (Nov. 12, 2015) http://www.ripuc.org/eventsactions/docket/4587-NGrid-LTCRER-2016_11-12-15.pdf. A revised cover letter was filed on December 10, 2015; [http://www.ripuc.org/eventsactions/docket/4587-NGrid-Revised-LTCRER\(12-10-15\).pdf](http://www.ripuc.org/eventsactions/docket/4587-NGrid-Revised-LTCRER(12-10-15).pdf).

² National Grid's Nov. 12, 2015 Filing at Attachment 1 and 2.

³ National Grid's Nov. 12, 2015 Filing at 1.

factor for effect on January 1, 2016.⁴ At an open meeting held on December 16, 2015, the PUC reviewed the filing and approved the proposed Long-Term Contract Recovery Factor to apply to electricity consumed on and after January 1, 2016.

Accordingly, it is hereby,

(22311) ORDERED:

The Narragansett Electric Company d/b/a National Grid's Long-Term Contract Recovery Factor of 0.231 cents per kWh is hereby approved. The new rate shall apply to electricity consumed on and after January 1, 2016.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2016 PURSUANT TO AN OPEN MEETING DECISION ON DECEMBER 16, 2015. WRITTEN ORDER ISSUED JANUARY 26, 2016.

PUBLIC UTILITIES COMMISSION

Margaret E. Curran, Chairperson

Paul J. Roberti, Commissioner

Herbert F. DeSimone, Jr., Commissioner

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 Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.

⁴ Memorandum of Alberico Mancini (Dec. 18, 2015) http://www.ripuc.org/eventsactions/docket/4587-DPU-Memo_12-8-15.pdf.