

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE NATIONAL ELECTRIC COMPANY d/b/a/ :
NATIONAL GRID'S TARIFF ADVICE TO AMEND AREA : DOCKET NO. 4685
AND STREET LIGHTING — CUSTOMER OWNED :
EQUIPMENT TARIFF (S-05), RIPUC NO. 2142

REPORT AND ORDER

I. Introduction

On December 29, 2016, The Narragansett Electric Company d/b/a National Grid (National Grid or Company), pursuant to Rule 1.9(c) of the Public Utilities Commission's (PUC) Rules and Regulations, filed a tariff advice seeking to amend its Street and Area Lighting - Customer Owned Equipment, tariff (S-05), RIPUC No. 2142, to add the State of Rhode Island and fire districts as eligible customers to its unmetered electric service tariff.¹ The governing statute, R.I. Gen. Laws § 39-30-3 (a) (1), allows Rhode Island municipalities that have purchased their streetlights² to elect a tariff for unmetered electric service. This alternative tariff provides for monthly bills for street and area lighting based on a determination of annual kilowatt-hour usage. However, it includes no facility, support, maintenance, or accessory charges, thereby providing substantial savings to municipalities.³ National Grid advised that the State of Rhode and some fire districts had expressed interest in purchasing their lighting equipment, but that the current alternative,

¹ All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, R.I. or at <http://www.ripuc.org/eventsactions/docket/4685page.html>.

² Any municipality may purchase its "lighting equipment", defined as "all equipment used to light streets in the municipality, the operation and maintenance of which is currently charged to the municipality, including lighting ballasts, fixtures, and other equipment necessary for the conversion of electric energy into street lighting service, but excluding the utility poles upon which the lighting equipment is fixed. Lighting equipment shall include, but not be limited to, decorative street and area lighting equipment and solid-state (LED) lighting technologies." R.I. Gen Laws §39-30-2 (3).

³ R.I. Gen. Laws §39-30-2(3) (a) (1).

unmetered tariff is applicable only to municipalities. Therefore, National Grid sought to amend the tariff to expand the class of eligible customers.⁴

On January 23, 2017, National Grid amended its filing. The Company had reached an agreement with the Rhode Island Office of Energy Resources (OER) to include additional public entities within the definition of “customer” in the tariff, to wit: municipal water utility boards; Kent County Water Authority; the Rhode Island Commerce Corporation; the Quonset Development Corporation; the Rhode Island Airport Corporation; and the Narragansett Bay Commission.⁵ OER filed a letter of support on January 23, 2017, asserting that adoption of the proposed tariff, as amended, would enable public sector entities to advance important economic, energy, and environmental policy goals through the deployment of high efficiency light emitting diodes (LED) and lighting controls. OER further opined that the proposed amendments would help public entities to reduce the energy burden and carbon footprint associated with roadway lighting.”⁶

On February 2, 2017, PRISM Streetlights, Inc. d/b/a/ PRISM (PRISM) filed a motion to intervene, pursuant to Rule 1.13 (a) and (b) of the PUC’s Rules of Practice & Procedure.⁷ PRISM was established as a statewide collaboration of Rhode Island municipalities to help them better manage streetlights at reduced cost. On April 6, 2017, PRISM filed comments on its own behalf as well as on behalf of the Washington County Regional Planning Council and the Rhode Island League of Cities & Towns, urging the PUC to include regional school districts and certain private

⁴ Letter from Robert J. Humm (Dec. 29, 2016); http://www.ripuc.org/eventsactions/docket/4685-NGrid-StreetLightingTariff-05_12-29-16.pdf.

⁵ Letter from Robert J. Humm (Jan. 23, 2017); [http://www.ripuc.org/eventsactions/docket/4685-NGrid-AmendedTariff\(1-23-17\).pdf](http://www.ripuc.org/eventsactions/docket/4685-NGrid-AmendedTariff(1-23-17).pdf).

⁶ Letter from Andrew S. Marcaccio (Jan. 23, 2017); http://www.ripuc.org/eventsactions/docket/4685-OER-LetterSupport%201_23_17.pdf.

⁷ http://www.ripuc.org/eventsactions/docket/4685-PRISM-Intervene_2-2-17.pdf.

citizens in the definition of customer under the tariff.⁸ National Grid opposed PRISM's requests to include regional school districts and certain private citizens as customers.

On April 19, 2017, the Division of Public Utilities and Carriers (Division) filed a letter of support for the petition.⁹ PRISM filed additional comments on April 25, 2017, indicating it accepted the Company's position on excluding private citizens from the tariff, but continued to urge inclusion of regional school districts. Subsequently, on May 4, 2017, National Grid agreed to include regional school districts in the tariff.¹⁰ On May 25, 2017, the PUC held an Open Meeting and approved the amended tariff filing.¹¹

On October 17, 2017, National Grid filed a supplemental request for approval of an updated Agreement for Customer-Owned Street and Area Lighting Attachments, to comply with the tariff, as amended on May 25, 2017. On November 21, 2017, the PUC held an Open Meeting and approved the updated Agreement.

II. Municipal Streetlight Investment Act

In 2013, the Rhode Island General Assembly enacted the Municipal Streetlight Investment Act, §39-30-1—39-30-5, in order to: (1) improve public safety with streetlights that provide better illumination; (2) reduce maintenance costs by allowing municipalities to own the street and area lighting located within their boundaries and to enter into regional maintenance service contracts; (3) reduce whole-system cost through municipal ownership and regional management by eliminating the facilities charge; (4) provide innovative and proven technologies for more efficient lighting; and (5) provide more responsive service for lighting repairs. In compliance with the Act,

⁸ The private citizens at issue are persons billed for streetlights that function primarily to light public roads; http://www.ripuc.org/eventsactions/docket/4685-PRISM-Comments_4-6-17.pdf.

⁹ Letter from Leo J. Wold (Apr. 19, 2017); [http://www.ripuc.org/eventsactions/docket/4685-DPU-Comments\(4-19-17\).pdf](http://www.ripuc.org/eventsactions/docket/4685-DPU-Comments(4-19-17).pdf).

¹⁰ http://www.ripuc.org/eventsactions/docket/4685-PRISM-Reply-NGrid_4-25-17.pdf.

¹¹ <http://www.ripuc.org/eventsactions/minutes/052517.pdf>.

National Grid filed for the first tariff on September 17, 2013.¹² After extensive proceedings, the PUC conducted an evidentiary hearing and approved the tariff filing on July 25, 2014.

III. Summary of National Grid's Position

In 2016, the Rhode Island Department of Transportation (DOT) sought to acquire ownership of approximately 2,000 unmetered lights owned by National Grid and leased to DOT. Accommodating this request would have required National Grid to install standard meters for service for each pole, pursuant to the Company's Small C & I Rate (C-06). According to the Company, this option would have been very costly to DOT. Moreover, the Company's S-05 tariff, approved in Docket No. 4442, permits unmetered service of customer-owned street lighting, but only for cities and towns. Therefore, the S-05 tariff must first be amended to add the State of Rhode Island, presumably including DOT, as a defined customer. The Company also explained that some fire districts had expressed interest in purchasing the streetlights within their jurisdiction. They were also impeded by not being defined customers under the existing tariff. Therefore, the Company sought to amend the tariff to add both the State and fire districts.¹³

OER asked the Company to amend its petition to broaden the definition of customer from the "State of Rhode Island" to "any instrumentality of the State."¹⁴ After some discussion and investigation, OER further expanded its request to specify a list of public entities, including regional school districts and municipal housing authorities.¹⁵ The Company observed that, in practice, customer purchases had already included the street and area lighting assets serving

¹² <http://www.ripuc.org/eventsactions/docket/4442page.html>

¹³ http://www.ripuc.org/eventsactions/docket/4685-OER-LetterSupport%201_23_17.pdf

¹⁴ *Id.*

¹⁵ *Id.*

regional school districts and housing authorities, so there was no need to include them under the definition of customers.¹⁶

The Company opposed further expansion of the definition of customer under the S-05 tariff, arguing it would not be in the best interest of the general public. The Company contended “ownership of street and area lighting mounted to utility poles in the electrical distribution space and attached to underground structures in manholes raises serious safety concerns, such as requiring the expertise of qualified electrical workers meeting requirements established by OSHA and other industry standards.”¹⁷ The Company opposed PRISM’s proposal to broadly change the tariff’s applicability to “streetlight customers” because that would also include private citizens who are billed for street and area lighting on public roads. The Company maintained the S-05 tariff was intended exclusively for specific governmental entities currently taking unmetered lighting service under the Company’s General Street and Area Lighting Rate S-14 or Decorative and Area Lighting Service and, thus, private customers are not eligible for inclusion.¹⁸ The Company ultimately agreed with PRISM, however, that regional school districts should be added to the list of eligible customers under the tariff.¹⁹

IV. Summary of Intervenor PRISM Streetlights, Inc’s Position

PRISM supported the proposed amendments but requested that regional school districts and private customers who are billed for streetlights used primarily to light public roads also be included in the tariff. Streetlights servicing school systems that operate as a department of a municipality may be purchased by the municipality. But regional school districts are independent legal entities, separate from the multiple municipalities they serve. By not amending the tariff to

¹⁶ [http://www.ripuc.org/eventsactions/docket/4685-NGrid-ReplyComments\(4-20-17\).pdf](http://www.ripuc.org/eventsactions/docket/4685-NGrid-ReplyComments(4-20-17).pdf).

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ [http://www.ripuc.org/eventsactions/docket/4685-NGrid-Agreement-PRISM&Municipalities\(5-4-17\).pdf](http://www.ripuc.org/eventsactions/docket/4685-NGrid-Agreement-PRISM&Municipalities(5-4-17).pdf).

include regional school districts, they would not be eligible to purchase the streetlights servicing their properties.²⁰ PRISM initially continued to press for the inclusion of the previously mentioned private customers, but eventually accepted the Company's position that they not be included.²¹

V. Commission's Findings.

The Commission found that the addition of governmental entities as eligible customers under the tariff is in the best interest of the public because it will generate cost-savings and promote the use of more efficient lighting. The Commission acknowledged and expressed its appreciation for the collaborative efforts of the parties to this docket.

Accordingly, it is hereby

(23002) ORDERED:

1. The Narragansett Electric Company d/b/a National Grid's Street and Area Lighting — Customer Owned Equipment Provision (S-05) is hereby approved for usage on and after June 1, 2017.
2. The Agreement for Customer-Owned Street and Area Lighting Attachments, as amended, is approved.

²⁰ Letter from Seth H. Handy (Apr. 6, 2017); http://www.ripuc.org/eventsactions/docket/4685-PRISM-Comments_4-6-17.pdf.

²¹ Letter from Seth H. Handy (Apr. 25, 2017); http://www.ripuc.org/eventsactions/docket/4685-PRISM-Reply-NGrid_4-25-17.pdf.

EFFECTIVE JUNE 1, 2017, IN WARWICK, RHODE ISLAND, PURSUANT TO OPEN MEETING DECISIONS ON MAY 25, 2017 AND NOVEMBER 21, 2017. WRITTEN ORDER ISSUED JANUARY 16, 2018.

PUBLIC UTILITIES COMMISSION



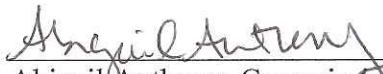
Margaret E. Curran, Chairperson



*Herbert F. DeSimone, Jr. Commissioner
(as to 5/25/17 proceedings only)



Marion Gold, Commissioner



Abigail Anthony, Commissioner
(as to 11/30/17 proceedings only)

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

Note: *Commissioner DeSimone concurs with the decision and order as it pertains to the hearing conducted on May 25, 2017 but is unavailable for signature.