

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

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID’S STANDARD OFFER : **DOCKET NO. 4935**
SERVICE RATES FOR THE INDUSTRIAL, RESIDENTIAL,:
AND COMMERCIAL GROUPS PURSUANT TO THE :
2020 STANDARD OFFER PROCUREMENT PLAN :

ORDER

I. Introduction

On January 15, 2020, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed its proposed Standard Offer Service (SOS) Rates for the Industrial Group, for the period of April 1, 2020 through June 30, 2020, and for the Residential and Commercial Groups, for the period of April 1, 2020 through September 30, 2020.¹ On February 12, 2020, the Division of Public Utilities and Carriers (Division) filed a memorandum summarizing National Grid’s proposal and concluding that the calculations for National Grid’s proposed Residential, Commercial, and Industrial SOS rates were correctly calculated and that the filing complied with the PUC-approved 2020 SOS Procurement Plan.

At a February 18, 2020 Open Meeting, the Public Utilities Commission (PUC or Commission) approved the proposed rates, as filed. The result was a rate reduction for the Residential and Commercial Groups compared to the rates in effect through March 31, 2020. The effect on the Industrial Group was a lower three-month average for the period April through June as compared to the average rate during the period January through March.

¹ All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <http://www.ripuc.ri.gov/eventsactions/docket/4935page.html>.

II. National Grid's Proposed Standard Offer Service Rates for the Summer Period

National Grid currently procures SOS supply on behalf of its customers pursuant to the 2020 SOS Procurement Plan approved by the Commission at an Open Meeting on June 12, 2019.² The procurement plan authorizes National Grid to conduct solicitations throughout the year for Standard Offer Service in varying contract lengths.³ Based on these solicitations, the Company files SOS rates for the Residential Group and Commercial Group twice per year and SOS rates for the Industrial Group quarterly.⁴ The Company's proposed rates are designed to recover the cost of these procurements pursuant to R.I. Gen. Laws § 39-1-27.8. The Company derives no profit from the collection of standard offer service rates.⁵

A. Industrial Group Rates

The proposed rates for the Industrial Group vary by each month of the quarter: \$0.08955/kWh for April; \$0.06750/kWh for May; and \$0.05999/kWh for June.⁶ The three-month average of these rates is \$0.07235, which is a 37% decrease from the rates for the period January through March 2020. The three-month average proposed rates are also lower than the average rates of the same period last year.⁷

² PUC Order No. 23648 (Aug. 14, 2019).

³ The term standard offer service refers to the energy supply provided to distribution customers who have elected to receive energy supply from National Grid instead of a competitive supplier.

⁴ The proposed SOS rates include the current per kWh SOS Adjustment Factor, SOS Administrative Cost Factor, and Renewable Energy Charge.

⁵ R.I. Gen. Laws § 39-1-27.3.

⁶ Filing at Attach. 2 (July 19, 2019).

⁷ Division Mem. at 2.

B. Residential Group Rates

The proposed rate for the Residential Group for the period April through September 2020 is \$0.07570/kWh,⁸ a decrease of \$0.03387/kWh, or 31%, compared with the October 2019 through March 2020 SOS rate of \$0.10957/kWh.⁹ The bill impact for a typical A-16 residential customer using 500 kWh per month is a decrease of \$17.64, or 14.9%.¹⁰ The proposed rate is 18% lower than the rate for the same period last year.

C. Commercial Group Rates

The fixed-price option SOS rate proposed for the Commercial Group for the period April through September 2020 is \$0.07014/kWh, a decrease of \$0.03234/kWh, or 32%, compared with the October 2019 through March 2020 fixed-price rate of \$0.10248/kWh. The proposed rate is 23% lower than the rate for the same period last year.

The variable price option¹¹ proposed SOS rates for the Commercial Group are as follows: April 2020, \$0.08445/kWh; May 2020, \$0.07789/kWh; June 2020, \$0.06326/kWh; July 2020, \$0.06692/kWh; August 2020, \$0.06630/kWh; and September 2020, \$0.06396/kWh.¹²

III. Division's Position

The Division's February 12, 2020 memorandum summarized National Grid's proposal and concluded that National Grid's proposed Residential, Commercial, and Industrial SOS rates were correctly calculated and that the filing complied with the PUC-approved SOS Procurement Plan.¹³ The Division noted that it had reviewed copies of the Company's December 6, 2019 Request for

⁸ Filing at Attach. 2.

⁹ Division Mem. at 2.

¹⁰ *Id.* at 3.

¹¹ Both the fixed and variable price options include the current per kWh SOS Adjustment Factor, an Administrative Cost Factor, and a Renewable Energy Charge.

¹² Division Mem. at 3.

¹³ *Id.*

Proposals to solicit SOS supply, a redacted summary of the procurement process identifying key actions taken by the Company, and redacted versions of executed Transaction Confirmations for the Industrial, Residential, and Commercial Groups.

IV. Commission's Decision

At an Open Meeting on February 18, 2020, the PUC unanimously approved the Company's rates as filed, finding the same to be reasonable and in conformance with the approved procurement plan. The PUC noted that the rates for the period April through September are lower than those from the prior period. The winter period contract rates have typically been higher than those for the spring and summer periods. The change in SOS rates in April and October was designed to provide those broad seasonal price signals to customers.¹⁴ The rates are reflecting what was expected.

Accordingly, it is hereby

(23840) ORDERED:

The proposed Standard Offer Service rates for the Residential and Commercial Groups for the period April 1, 2020 through September 30, 2020 and for the Industrial Group for the period April 1, 2020 through June 30, 2020, are approved.

¹⁴ See PUC Order No. 22444 (June 21, 2016); <https://clerkshq.com/Content/PUC-ri/orders/2016/22444.htm>.

EFFECTIVE AT WARWICK, RHODE ISLAND ON APRIL 1, 2020
PURSUANT TO AN OPEN MEETING DECISION ON MARCH 18, 2020. WRITTEN
ORDER ISSUED JUNE 9, 2020.

PUBLIC UTILITIES COMMISSION

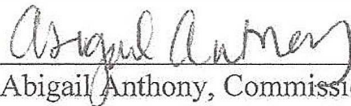




Margaret E. Curran, Chairperson



Marion S. Gold, Commissioner



Abigail Anthony, 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 (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.