

March 1, 2019

**BY HAND DELIVERY AND ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: 2020 Standard Offer Service Procurement Plan  
Docket No. 4935**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> I write to request that the Rhode Island Public Utilities Commission (PUC) approve the continuation of the Company's approved 2019 Standard Offer Service (SOS) Procurement Plan (SOS Plan) since the Company does not propose any changes in its 2020 SOS Plan.

As background, Rhode Island General Laws §§ 39-1-27.3 and 39-1-27.8 require the Company to arrange for power supply for customers who are not otherwise receiving electric service from a Non-regulated Power Producer. R.I. Gen. Laws § 39-1-27.3 permit the Company to recover its costs for providing SOS for transactions executed pursuant to R.I. Gen. Laws § 39-1-27.8. Specifically, pursuant to R.I. Gen. Laws § 39-1-27.8, from 2009 through 2018, the Company must file an annual supply procurement plan with the PUC that includes the procurement procedure, the pricing options being sought, and a proposed term of service for which SOS will be acquired. All components of the procurement plan are subject to the PUC's review and approval. In PUC Order No. 22677 regarding the 2017 SOS Plan, the PUC stated that the Company could achieve compliance with R.I. Gen. Laws § 39-1-27.8 by filing a proposal to continue with the 2016 SOS Plan if there were no changes to the 2016 SOS Plan. Accordingly, since the Company does not have any changes to the 2020 SOS Plan, the Company respectfully requests that the PUC approve its request to continue the 2019 SOS Plan. Please see Attachment A for a schedule of the transactions for the 2020 SOS Plan. Some of the transactions executed pursuant to the 2019 and 2020 SOS Plans end after December 31, 2020. Although the Company's requirements to provide SOS ends December 2020, the Company expects to recover these transaction costs through the successor service to SOS.

In the 2019 SOS Plan, the Company used a laddered and layered repeating procurement schedule for the Residential and Commercial Groups. This type of procurement was first introduced in the 2011 SOS Plan (Docket No. 4149) and is the Company's preferred

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

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procurement method because the transactions are at different times and are dollar-cost averaged to create a blended supply rate. The Company will also continue to procure 10% of the SOS obligation in the spot market. In Order No. 23366, the PUC supported the continuation of a dollar cost averaging approach because it “protects customers from extremes in short-term volatility.” Order No. 23366 at p. 7. The Company will also continue to use Full Requirements Service contracts for energy and ancillary services market costs.

In conclusion, for the 2020 SOS Plan, the Company proposes to continue the 2019 SOS Plan with no changes. The 2020 SOS Plan will meet the Company’s goals by continuing its preferred laddered and layered procurement schedule. The 2020 SOS Plan will also provide predictability to customers while the Company and other parties consider a successor service to SOS starting 2021.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosure

cc: Christy Hetherington, Esq.  
John Bell, Division

