

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC COMPANY :
2004 SUMMER LOAD RELIEF PROGRAM : DOCKET NO. 3608

ORDER

On May 27, 2004, Narragansett Electric Company (“Narragansett” or “Company”) filed with the Commission its proposed 2004 Summer Relief Program for review. The Summer Load Relief Program is a temporary program that would use load curtailment as a means to reduce distribution capacity requirements during peak periods and thereby provide load relief in the event the Company’s proposed new substation being constructed off Kilvert Street in Warwick does not meet its expected in service date of June 18, 2004.¹ The program would be in effect from the Effective Date of a Commission Order through September 30, 2004.²

The Program would be designed for retail delivery customers that meet the following three criteria: (1) that are served by either the Pontiac Ave, Cranston or Lincoln Ave, Warwick substations; (2) that have a minimum monthly billing demand of 200 kilowatts; and (3) that can curtail load by at least 50 kilowatts. Eligible customers would agree to curtail their load for a specified number of interruption hours during the day after being notified by Narragansett. Compensation would be made to participants in the form of a bill credit equal to the kWh curtailment multiplied by \$0.50 per kWh. The credit would be made within 60 days of curtailment. Additionally, customers would be enrolled into the appropriate ISO-NE Annual Demand Response Program.³

¹ Narragansett’s Filing, p. 5.

² Narragansett’s Response to Commission Data Request 3.

³ Narragansett’s Filing, pp. 5-6.

Narragansett chose this area because, in developing such a program, the Company believed that it is appropriate to choose an area which is not in imminent danger of insufficient capacity even without the new substation for the summer of 2004, but could become overloaded in the event of construction delays or extraordinary weather. Likewise, it is important to identify the amount of time the estimated capacity shortfall would exist because if it would require many hours of interruption, customers may not be willing to enroll. Additionally, it is important to choose an area where the existing population of large accounts could provide the necessary load relief. Finally the incentive needs to be sufficient to induce customers to curtail their load.⁴

In determining the expected kWh curtailment and calculating the credit, Narragansett will follow the following process: For each hour of the interruption, and for the hour that is two hours prior to the interruption, Narragansett will obtain the customer's metered data occurring during the five business days preceding the day of the interruption. This is the "baseline load" for these hours. Narragansett will obtain the customer's metered data for the hour that is two hours prior to the curtailment. This is the customer's actual load requirement immediately prior to the interruption. The baseline load for the hour that is two hours prior to the interruption would be compared to the customer's actual load two hours prior to the interruption. The difference between these two values, positive or negative, represents the adjustment value. This adjustment value is then added to the baseline load during the hours of interruption to determine expected load curtailment during the hours of interruption. The customer's actual metered data during each hour of interruption is obtained. The expected load requirement is compared with the actual load requirement. This determines the customer's reduction

⁴ Id. at 6.

in load during the interruption. Finally, this interrupted kWh load would be multiplied by \$0.50 to determine the credit applied to the customer's bill.⁵

The credits provided to participating customers that reduce their load during a call for curtailment will be recorded as a reduction to the Company's distribution revenue recorded on its books of account.⁶

Narragansett agreed to provide reports to the Commission on September 1, 2004 for enrollment and curtailment events through July 31, 2004 and on November 1, 2004 for enrollment and curtailment events through September 30, 2004.⁷

At an open meeting on June 10, 2004, after considering the filings by Narragansett and the Division of Public Utilities and Carriers, who recommended approval, the Commission approved Narragansett's 2004 Summer Load Relief Program. The Summer Load Relief Program is an effective stop-gap to fill in while the new substation off Kilvert Street is under construction. The Commission is hopeful that the data Narragansett collects during this temporary program can lead to using targeted demand response as a tool more generally in the future. Narragansett shall file a Report no later than September 1, 2004 for enrollment and curtailment events through July 31, 2004 and another Report no later than November 1, 2004 for enrollment and curtailment events through September 30, 2004.

Accordingly, it is hereby

(17902) ORDERED:

⁵ Id. at 7, Attachment 6. Division's Memorandum, 6/7/04, Attachment 2.

⁶ Narragansett's Response to Commission Data Request 1(b).

⁷ Narragansett's Response to Commission Data Request 2.

1. Narragansett Electric Company's proposed 2004 Summer Load Relief Program is hereby approved.
2. Narragansett Electric Company shall file a Report no later than September 1, 2004 for enrollment and curtailment events through July 31, 2004 and another Report no later than November 1, 2004 for enrollment and curtailment events through September 30, 2004.
3. Narragansett Electric Company shall comply with all other findings and instructions contained in this Report and Order.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON MAY 17, 2004. WRITTEN ORDER ISSUED JULY 8, 2004.

PUBLIC UTILITIES COMMISSION

Elia Germani, Chairman

*Kate F. Racine, Commissioner

Robert B. Holbrook, Commissioner

* Commissioner Racine did not participate in the open meeting decision.