

# Memorandum

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PUBLIC UTILITIES COMMISSION

**To: L. Massaro**

**Commission Clerk**

**From: D. R. Stearns, Rate Analyst, DPUC**

**Stephen Scialabba, Chief Accountant, DPUC**

**Date: 9/28/2009**

**Re: Narragansett QF Tariff Advice Filing:**

**Docket 4079**

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On August 14, 2009 the Narragansett Electric Company d/b/a National Grid ("Narragansett", or "Company") submitted to the Commission a tariff advice filing to amend the company's Qualifying Facilities Rate, R.I.P.U.C. No. 2010-a ("QF Rate").

The purpose of the proposed revisions is to bring the Company into compliance with provisions of R.I.G.L. Sections 39-26-2 and 39-26.6, which had been recently amended. These sections concern net metering for distributed generation from renewable energy systems.

Specifically, the amendments to Section 39-26-2 serve to change the following two defined terms:

- The definition of "Non-profit affordable housing" has been clarified to assure that the net metering allowed will benefit only the low income residents; and
- The renewable generation credit for nonprofit affordable housing will be calculated on the rate applicable to residential units, Rate A-16.

The amendments to Section 39-26-6:

- Add "state agencies" to the group that is allowed distributed generation capacity of up to 3.5 megawatts;
- Adjust the method by which excess renewable energy credits can be applied to customers: If customer generation exceeds customer use, the customer will be billed for zero kWh. Additionally, the customer may be compensated monthly by check or, upon request, may receive credits to his/her billing account;
- Allow a R.I. city or town, state agency, educational institution, non-profit affordable housing, farm, or the Narragansett Bay Commission to apply excess credits to up to ten other of their accounts; and

- Provide that, when excess credits are carried over from month to month for twelve months as billing credits, any remaining excess credits at the end of the period will be used to offset recoverable utility costs.

On August 25, 2009 a Prehearing Conference was held at the office of the R.I.P.U.C. There was no public comment. Participants included representatives of the Commission, the Division, and People's Power and Light.

On August 28 the Commission issued a data request to the Company. The request was for clarification of language on Part III.B.1 of the proposed tariff, to clarify that excess renewable energy credits generated by non-profit affordable housing entities, whether or not the account is in arrears, will always benefit the affordable housing residents.

On September 18 Narragansett filed a revised version of the proposed tariff, incorporating the change in language requested by the Commission.

Having attended the pre-hearing conference, reviewed the revisions to R.I.G.L. 39-26-2 and 39-26-6, the Commission's data request, and the Company's revised proposed tariff, the Division recommends the Commission approve the proposed tariff, R.I.P.U.C. 2010-A, as filed.

Cc: Thomas Ahern,

Administrator, Division of Public Utilities and Carriers

Docket service list