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PUBLIC UTILITIES COMMISSION

# Memorandum

**To: L. Massaro**

**Commission Clerk**

**From: D. R. Stearns**

**S. Scialabba**

**Division of Public Utilities & Carriers**

**Date: 06/27/2011**

**Re: Narragansett Electric – Standard Offer Rate Filing:**

**Docket 4149**

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On May 20, 2011 Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) filed with the Commission Proposed Standard Offer Service Rates for the Industrial Group for the Period July 2011 through September 2011.

Also included in the filing are results of competitive bidding as follows:

Industrial Group: 100% of the load for July 2011 through September 2011;

Commercial Group: 20% of the load from January through June 2012; and

Residential Group: 30% of the load from January through June 2012 and 15% of the load from July through December 2012.

Included in the filing are:

- A calculation of the Standard Offer Service (“SOS”) retail rates for The Industrial Group for each month of the service period;
- The Standard Offer Service tariff supplement. This supplement reflects the proposed rates for the Industrial Class for the period July through September 2011;
- A typical bill analysis for the SOS Industrial Group;
- A copy of SOS Request for Proposals (“RFPs”) to solicit SOS supply for the period July through September 2011 for the Industrial Group and January through December 2012 for the Commercial and Residential Groups.

- A summary of the procurement process, and;
- Redacted versions of the executed confidential Transaction Confirmations for July through September 2011 for the Industrial Group, January through June 2012 for the Commercial and Residential Groups, and July through December 2012 for the Residential Group.

The Standard Offer rates proposed for the Industrial Customer Group for July through September, 2011, including the Standard Offer Adjustment Factor of \$0.00115 and Administrative Cost Factor of \$0.00075 approved in Docket 4226 effective April 1, 2011 are:

- July 2011: \$0.06526 / kWh. This is an increase of \$0.00163 compared with the current three-month average Standard Offer rate;
- August 2011: \$0.06694 / kWh. This is an increase of \$0.00331 compared with the current three-month average Standard Offer rate;
- September 2011: \$0.06749 / kWh. This is an increase of \$0.00386 compared with the current three-month average Standard Offer rate.
- The three month average of the proposed Industrial Group SOS Rates is \$0.06656, compared with the current three-month average of \$0.06363. This represents an increase of \$.00293, or about 4.6%, per kWh.

The Company states that, because the prices of RES certificates from the winning bidders of this procurement were greater than National Grid's estimate of market cost for RES certificates, no certificates were included in the purchases.

After review the Division has determined the filing is in compliance with the instructions issued by the Commission at open meeting August 5, 2010 and written Order Number 20125, issued September 23, 2010.

Cc: Thomas Ahern,

Administrator, Division of Public Utilities and Carriers