Thomas R. Teehan
Senior Counsel

May 12, 2011

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02889

RE: Docket 4232 - Review of the Use of Backup Rates
Testimony of Jeanne A. Lloyd

Dear Ms. Massaro:

On behalf of National Grid[1] enclosed please find (10) copies of the direct testimony and schedules of Jeanne A. Lloyd concerning above-captioned proceeding.

Thank you for your attention to this transmission. If you have any questions please feel free to contact me at (401)784-7667.

Very truly yours,

Thomas R. Teehan

cc: Docket 4232 Service List
Leo Wold, Esq.
Steve Scialabba, Division

[1] The Narragansett Electric Company d/b/a National Grid ("National Grid" or the Narragansett Electric Company").

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted and sent via U.S. Mail to the individuals listed below. Copies of this filing were hand delivered to the RI Public Utilities Commission.

_____ May 12, 2011

Joanne M. Scanlon Date
National Grid

Docket No. 4232 - National Grid (NGrid) – Review of the Use of Backup Rates
Service List as of 4/26/11

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DIRECT TESTIMONY

OF

JEANNE A. LLOYD

May 12, 2011

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I. Introduction and Qualifications

Q. Please state your full name and business address.

A. My name is Jeanne A. Lloyd, and my business address is 40 Sylvan Road, Waltham, Massachusetts 02451.

Q. Please state your position.

A. I am the Manager of Electric Pricing, New England in the Regulation and Pricing group of National Grid USA Service Company, Inc. This department provides rate related support to The Narragansett Electric Company d/b/a National Grid ("National Grid" or "Company").

Q. Please describe your educational background and training.

A. In 1980, I graduated from Bradley University in Peoria, Illinois with a Bachelor's Degree in English. In December 1982, I received a Master of Arts Degree in Economics from Northern Illinois University in De Kalb, Illinois.

Q. Please describe your professional experience?

A. I was employed by EUA Service Corporation in December 1990 as an Analyst in the Rate Department. I was promoted to Senior Rate Analyst on January 1, 1993. My responsibilities included the study, analysis and design of the retail electric service rates, rate riders and special contracts for the EUA retail companies. After the merger of New England Electric System and Eastern Utilities Associates in April 2000, I joined the

Distribution Regulatory Services Department as a Principal Financial Analyst. I assumed my present position October 1, 2006. Prior to my employment at EUA, I was on the staff of the Missouri Public Service Commission in Jefferson City, Missouri in the position of research economist. My responsibilities included presenting both written and oral testimony before the Missouri Commission in the areas of cost of service and rate design for electric and natural gas rate proceedings.

Q. Have you previously testified before Rhode Island Public Utilities Commission ("Commission")?

A. Yes.

II. <u>Purpose of Testimony</u>

Q. What is the purpose of the Company's filing?

A. On March 31, 2011, the Company was notified by the Commission that it had opened this proceeding in response to the Company's March 17, 2011 petition requesting a review of backup service rates for the purpose of evaluating the continued and appropriate role of backup service rates in Rhode Island. In this testimony, the Company will review the history of its backup service rates and highlight some of the major issues that the Commission may wish to consider prior to making its decision in this docket.

Q. Does the Company have a recommendation with regard to the termination of backup service rates?

A. No. The Company is not recommending either termination or retention of the backup service rates currently in effect. Ultimately, the termination of backup service rates is a policy decision for the Commission to make after considering both the benefits and the costs of that decision.

Q. Are there any related areas associated with backup service rates which the Company does maintain a position?

A. Yes there is. The Company does support the continuation of the exemption from backup service rates for on-site renewable generating facilities. Facilitating the implementation of renewable forms of distributed generation ("DG")[1] is generally consistent with the energy policy goals of the state of Rhode Island[2] and the Company as well. Because the Company recognizes that customers may perceive backup service rates as an economic barrier to the implementation of customer-sited renewable DG, the Company believes that exempting renewable DG from backup service rates is appropriate at this time.

III. <u>History of and Issues Affecting Backup Service Rates</u>

Q. How long has the Company had some form of backup service rate in effect?

A. The Company has had some form of backup service rate in effect since 1987. The

[1] Distributed Generation is typically understood to be electricity production that is on-site or close to the load center and is interconnected to the utility distribution system. Renewable energy resources are listed in R.I.G.L.§39-26-5.
[2] *See* R.I.G.L. Section 39-26-1.

Company's Auxiliary Service Rate was originally approved by the Commission in Docket 1549 on December 17, 1987. This provision applied to certain customers having another source of electrical power from which all or a portion of the customer's electrical requirements are supplied. The rate was designed so that each customer paid for electricity actually delivered each month under the filed rate applicable to the customer, except that the Auxiliary Service Rate imposed a minimum charge consisting of a customer charge plus a demand charge equal to the customer's "contracted demand" multiplied by a per kVA charge. The customer's "contracted demand" was determined by the customer's installed transformer capacity as measured by kilovolt-amperes (kVA).

New backup service rates were proposed by the Company in April 1998. The rates were approved by the Commission in Docket 2710 and became effective January 1, 1999. The backup service rates were designed to be consistent with the concept of "unbundled" rates resulting from utility restructuring. The backup service rates applied only to the "wires" portion of the service and mirrored their companion general service delivery rates. Delivery service rates contained both demand (kW) and energy (kWh) charges designed to collect Company's distribution and transmission-related costs. Backup service rates were designed to ensure that backup service customers paid distribution and transmission charges that were comparable to charges assessed to similarly-situated full requirements service customers regardless of whether the backup service customer was self-generating or not. The tariffs did not distinguish on the basis of resource type (i.e.,

renewable versus non-renewable) but limited the application of backup service rates to on-site generation in excess of 30 kW.

In Docket 3617, backup service rates were redesigned as part of the rate settlement reached by the Company and the other parties in that docket. Revisions to the backup service rates included a change to the way backup service demand charges were assessed, no longer assessing transmission charges on generated load, and the elimination of volumetric charges on kWhs generated. In addition, an exemption to backup service rates was implemented for customers with on-site renewable generating facilities up to an aggregate of 3 MW of installed capacity on the Company's system.[3] A copy of the Company's existing backup service rates is attached as Schedule JAL-1.

Q. Please explain the basis for charging backup service rates to customers with on-site generating facilities?

A. The backup service rate structure was designed to ensure that customers who do not have on-site generating facilities do not cross-subsidize customers that do. That is, because the utility's costs of owning and maintaining facilities to serve a customer are essentially the same whether the customer self-generates or not, all customers should pay those costs on a comparable basis. In essence, backup service rates are charged to the backup service customer for the benefit of reserving capacity on the Company's distribution system for

[3] As indicated in the Company's petition and Data Request Commission 1-1, the 3 MW exemption cap was exceeded in October 2009.

100 percent of that customer's electricity requirements at any time the customer's on-site generation is inoperable.

Q. Does the Company incur the same distribution costs for a customer that generates its own electricity as it would for a customer of similar size and location that does not self-generate?

A. Yes. Customers who generate their own electricity and require backup service when the generation has an outage expect the Company to provide them service for their entire electricity requirements when that generation is not operating. Therefore, this requires that the Company make the same investments and incur the same expenses in its system as it would for a customer who takes delivery of 100 percent of its requirements from the Company's distribution system 100 percent of the time.

Q. Please explain why.

A. The Company is responsible for providing safe and reliable service to all of its customers. In order to provide that service, good utility practice requires the Company to plan to accommodate the highest peak load on the distribution system in any given area. Customers who self-generate still expect full backup supply from the Company when their generation has an outage. In fact, self-generating customers in the Company's service area have customarily taken supplemental service to provide electricity simultaneously to the portion of their load not being served by the generator. But even if

a customer who is self-generating does not take delivery of any electricity from the Company, the Company needs to reserve capacity on its system equal to the capacity of the generator to ensure that overloads of the Company's system do not occur should the generating unit have an outage at any time. If a self-generating customer expects backup service for 100% of its load requirements at any time, the Company must plan to serve that customer in the same manner as it plans to serve a customer who actually takes delivery of 100 percent of its load requirements all the time.

Q. Is there a difference in interconnection costs to the Company for a new customer who proposes to self-generate compared to a similarly situated one that does not?

A. Assuming two customers at the same approximate location being served from the same feeder, the costs would be the same. The Company must install the same equipment in both instances, assuming the self-generator expects backup service.

Q. What about an existing customer that installs a generator?

A. The answer is the same. In fact, for an existing customer, the Company will have already built the system to accommodate the customer. If the customer suddenly chooses to self-generate its entire load, the Company cannot "un-do" the investment that it already has made. Nor can the Company, for system planning purposes, ignore the customer's load being served by the generator on site.

Q. If there is no difference in the cost to serve a backup service customer as compared to a full requirements service customer, then why should the Commission consider eliminating the backup service rates for customers who own their own generating facilities?

A. Customers have indicated that backup service charges present an economic barrier to the implementation of customer-sited DG. In addition, backup service rates have been criticized generally by opponents who claim that most backup service charges are not structured in a way that reflects the benefit that DG provides to the transmission and distribution system. Since the Rhode Island state legislature has included the implementation of efficient DG as one of the standards for least cost procurement[4], the Commission may wish to consider the benefits that can be provided from DG when determining whether or not to terminate backup service rates.

Q. What benefits are provided by DG?

A. Most customers who install DG do so because it is economically advantageous or because they have the need for increased reliability of electric service. Thus, benefits of DG directly accrue to the owner of the DG facility. However, proponents of DG also point to the potential benefits that efficient DG provides to electric systems and to society generally. Although a comprehensive analysis of the benefits of DG is beyond the scope of this testimony, it is the benefits or potential benefits that are provided by DG that are at the heart of the issue surrounding the termination of backup service rates.

[4] *See* R.I.G.L. Section 39-1-27.7.

At a minimum, DG powered by renewable resources has the capability to displace fossil fuel fired central generation, which in turn may provide environmental benefits in the form of reduced carbon emissions. Numerous studies have been conducted to determine the benefits that can also be provided to the electric transmission and distribution system associated with customer-sited DG. However, it is not possible to draw broad conclusions regarding the actual benefits of DG on the transmission and distribution system because the benefits provided are specific to unit size, location, and type of generation.

Q. Has the Company performed any studies to determine the benefit of DG on its own system?

A. The Company has not performed a comprehensive study of the benefits of DG on its system.

Q. If backup service rates are eliminated, what will be the effect on other customers?

A. If backup service rates are eliminated, then the cost associated with providing service to backup service customers will necessarily be shifted to other customers. What the Commission must determine in the event that it decides that backup service rates should be eliminated, is exactly how the benefit being provide to backup service customers, or the subsidy, should be collected from other customers.

Q. Based on historical information, what is the order of magnitude of the amount of this potential subsidy?

A. Although the Company billed $250,393[5] of backup service charges in calendar year 2010, it is important to realize that this historic experience is not indicative of how revenue from backup service rates can change over time. With technological advances in, and public policy sentiment toward encouraging, renewable generating resources along with the potential for increased economic benefits to customers installing on-site generation with no backup service rates, this amount will increase over time.

Q. What alternatives are available if the Commission were to approve the elimination of backup service rates outside of a general rate case?

A. If the Commission were to order the elimination of backup service rates outside of a general rate case with no specific provision for cost recovery, then the immediate effect of that decision would be to reduce the Company's total billed revenue by the revenue currently contributed by backup service customers. Through the operation of the Company's proposed electric revenue decoupling mechanism ("RDM") pending approval in Docket 4206, the lost revenue will be collected from all customers through an RDM adjustment factor.

Alternatively, the Commission could approve a separate rate mechanism under which the

[5] See response to Information Request TEC-RI 2-3, Attachment 1 in Docket 4206 regarding the Company's revenue decoupling proposal.

subsidy could be collected if it determines that the revenue associated with backup service charges should be recovered in a manner different than what would occur under the proposed RDM.

Ultimately, when the Company files its next general rate case, the cost associated with serving backup service load will be re-allocated to other customers in a manner determined in that filing.

Q. If backup service rates are eliminated, what will be the impact on existing backup service customers?

A. The reduction in monthly billing realized by any individual backup service customer will depend upon the reliability of the customer's generating facility. If the customer's generating unit is fully operational during peak hours each month, then the customer will see bill reductions roughly equal to the customer's backup demand multiplied by the backup service demand charge. However, for the Rates G-02, B/G-32 and B/G-62, the billed demand for each month is based upon the greater of the customer's actual demand for the month or 75 percent of the highest demand established over the preceding eleven months, generally referred to as a "demand ratchet." Therefore, if the customer's generating facility experiences an outage during peak hours at least once every twelve months, then bill reductions may be somewhat less due to the application of the demand ratchet. For example, assume that a customer with a total load requirement of 200 kW

per month satisfies that requirement by receiving delivery of 100 kW per month from the Company and generating 100 kW per month from its own behind-the-meter generating facility. If the customer's generating facility is fully operational in the current and each of the preceding eleven months, then, under the provisions of the Company's general service tariff, the customer would be billed a demand charge based on 100 kW (or the highest kW amount delivered by the Company during the twelve month period). However, if the customer's generating facility failed during peak hours in the current month or any of the preceding eleven months, thus requiring the customer to receive delivery of his entire 200 kW load requirement from the Company during that twelve month period, then the customer's demand charges for that month would be based upon the 200 kW (or the highest kW amount delivered by the Company during the twelve-month period). Under the provisions of the Company's general service tariff, the customer would be billed a demand charge based on 200 kW in the month that the generating facility failed. For each of the subsequent eleven months, the customer's billing demand would be based upon the higher of the actual amount delivered by the Company during that billing month or 175 kW (75% times 200 kW).

Q. Can you demonstrate the potential bill reductions that a backup service customer may experience if backup service rates are eliminated?

A. Schedule JAL-2 shows several illustrative bill calculations that demonstrate the effect on customers' bills if backup service rates are terminated. Page 1 of Schedule JAL-2 is a

summary of the bill calculations, with the detail of each calculation shown on pages 2 and 3. There are two scenarios represented. The first scenario assumes that the customer's generation is fully operational for each month of the year, and for each month of the preceding year. In Scenario 2, the assumption is that the customer's generation fails in the first month of the year. In each scenario, Column A is the bill calculation for a customer with no generation. Column B shows the bill as calculated on the existing backup service rates. Column C shows what the bill would be if backup service rates were not applicable. Scenario 2, Column C shows that, if the customer's generation fails, and the customer's billing demand is subject to the demand ratchet, then there is little difference between the bill calculated on the existing backup rates (Column B) and the bill calculated on the general service rate G-62 (Column C).

IV. <u>Conclusion</u>

Q. Does this conclude your testimony?

A. Yes it does.

Schedules of Jeanne A. Lloyd

Schedule JAL-1 Currently Effective Backup Service Tariffs

Schedule JAL-2 Illustrative Bill Impact from the Termination of Backup Service Rates

Schedule JAL-1

Currently Effective Backup Service Tariffs

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

Effective
April 1, 2011

R.I.P.U.C. No. 2061

Monthly Charge As Adjusted

	Rates for Back-Up Service	Rates for Supplemental Service
Rates for Retail Delivery Service		
Customer Charge per month	$750.00	n/a
Distribution Charge per kW in excess of 200 kW(1)	$5.22	$2.03
Distribution Charge per kWh (2)	n/a	0.874¢
Transmission Charge per kW	n/a	$2.84
Transmission Charge per kWh	n/a	0.678¢
Non-bypassable Transition Charge per kWh	n/a	(0.031¢)
Energy Efficiency Programs per kWh (3)	n/a	0.556¢
Rates for Standard Offer Service (Optional)		
Standard Offer per kWh	n/a	per Standard Offer Service tariff

(1) Rate for Backup Service includes CapEx Factor of $0.11 per kW. Rate for Supplemental Service includes CapEx Factor of $0.03 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh, Vegetation Management and Inspection & Maintenance Credit of 0.048¢ per kWh, and Operating & Maintenance Factor of 0.064¢ per kWh.

(3) Includes Renewables Charge of $0.030¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

R.I.P.U.C. No. 2061
Sheet 1
Canceling R.I.P.U.C. No. 2047

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

AVAILABILITY

This service shall apply to Customers in the class identified below:

(i) who receive all or any portion of their electric supply from non-emergency generation unit(s) with a nameplate rating greater than 30 kW ("Generation Units"), where electricity received by the Customer from the Generation Units is not being delivered over Company-owned distribution facilities pursuant to an applicable retail delivery tariff, and

(ii) who expect the Company to provide retail delivery service to supply the Customer's load at the service location when the Generation Units are not supplying all of that load.

Electric delivery service under this rate is applicable to customers with a facility demand of 25 kilowatts or more. Notwithstanding the foregoing, the Company may require any customer with a 12-month average Demand greater than 3,000 kW at its facility to take service on the 3,000 kW Demand Back-up Service Rate B-62 (subject to the settlement provisions in Docket No. 2290).

All Customers served on this rate must elect to take their total electric delivery service under the metering installation as approved by the Company

EXEMPTION FOR RENEWABLE ON-SITE GENERATION

Customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customers having installed such generation shall be exempt from the backup rates.

TYPES OF SERVICE

"Back-Up" Retail Delivery Service consists of the Company standing ready to provide retail delivery service to the Customer's load when a non-emergency generator that supplies electricity to the Customer without using Company-owned distribution facilities does not supply all of the Customer's load.

"Supplemental" Retail Delivery Service is the delivery over Company-owned distribution facilities of electricity which is utilized at the Customer's facilities.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Back-Up Service Charges, and the Supplemental Service Charges, as stated below

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

DETERMINATION OF BILLING DEMAND FOR BILLING SUPPLEMENTAL AND BACK-UP per kW (DEMAND) CHARGES

The Billing Demand for each month for purposes of billing Back-Up and Supplemental Service shall be the greatest of the following:

1) The greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW;

2) 90% of the greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes;

3) 75% of the greatest Demand as so determined above during the preceding eleven months.

BACK-UP RETAIL DELIVERY SERVICE

a) Rates for Back-Up Retail Delivery Service

Customer Charge per month	see cover sheet
Distribution Charge per kW	see cover sheet

b) Determination of Back-Up Service Kilowatt Demand

The Back-Up Service Demand shall be the greater of 1) the fifteen-minute reading from the Customer's generation meter(s) as measured in kilowatts or 2) 90% of the fifteen-minute reading from the Customer's generation meter(s) as measured in kilovoltamperes at the time of the Billing Demand in excess of 200 kW.

c) Installation of Meters on Generation

The Customer shall permit the Company to install meter(s) on the Generation Units providing electricity to the Customer, for purposes of billing under the terms of this rate. The meter shall be in accordance with the Company's reasonable specifications. The Customer will reimburse the Company for the installed cost of the meter and any associated equipment. The Customer shall provide reasonable access to the Company during normal business hours to read such meter in order to bill the Customer for service under this rate.

PEAK AND OFF-PEAK PERIODS

PEAK HOURS:	June - September	-- 8 a.m. - 10 p.m. Weekdays,
	December - February	-- 7 a.m. - 10 p.m. Weekdays
	October – November and March - May	-- 8 a.m. - 9 p.m. Weekdays

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veterans Day, Thanksgiving Day and Christmas Day.

SUPPLEMENTAL RETAIL DELIVERY SERVICE

a) Rates for Supplemental Retail Delivery Service

Transmission Charge per kW	see cover sheet
Distribution Charge per kW in excess of 200 kW	see cover sheet
Distribution Charge per kWh	see cover sheet
Non-Bypassable Transition Charge per kWh	see cover sheet

b) Assessment of Kilowatt-hour Charges

For purposes of billing kWh charges for Supplemental Distribution and Transmission Service, Customers will be billed on the greater of (i) the actual kWh delivered by the Company or (ii) 90% of the actual kVAh delivered.

For purposes of billing kWh charges for Standard Offer Service, Non-Bypassable Transition Service and Energy Efficiency Programs, Customers will be billed on actual kWh delivered by the Company.

c) Determination of Kilowatt Demand

The Supplemental Service Demand for each month shall be the Billing Demand in excess of the Back-up Service Demand.

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served under this rate for one year or more may upon written request have the Demand for each month used for Supplemental Service be based upon the greatest of items (1) and (2) set forth above for Billing Demand, beginning with the next month after such request and running for a period of not less than two consecutive months. In such case, the Distribution Charge per kW, the Distribution Charge per kWh, the Transmission Charge per kW and the Transmission Charge per kWh for Supplemental Service will be increased by 20% during any such period.

In addition, the Company may, at its discretion, agree to a lower demand determination for Back-Up Service below fifteen-minute peak coincident demand of the generation meter(s) if a Customer has installed equipment or configured its facilities in such a manner that automatically limits the requirement for Back-Up Service to the lower agreed-upon demand. Under such a situation, the Customer must demonstrate to the Company's reasonable satisfaction that the Customer's facilities are configured so as to limit the demand that can be placed on the distribution system, or must install and maintain, at no cost to the Company, an automated demand limiter or other similar device as agreed to by the Company which limits deliveries to the Customer over

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

the Company's distribution system based on the lower agreed-upon demand. This equipment can not adversely affect the operation of the Company's distribution system or service to other customers. Such interruptible Back-Up Service shall be negotiated by the Customer and the Company under a separate contract which shall be specific to an individual customer's circumstances.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Energy Efficiency Programs

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Energy Efficiency Program Provision as from time to time effective in accordance with law. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Infrastructure, Safety and Reliability Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Infrastructure, Safety and Reliability Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 42 cents per kilowatt of billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of $2.00 per kilowatt of the billing demand for such month shall also be allowed if the Customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Charge per kW and the Distribution Charge per kWh.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay $2.00 per 90% of KVA of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company’s Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional $0.42 per 90% of KVA of reserved second feeder capability shall be charged if an additional transformer is required at the Customer’s facility.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: April 1, 2011

THE NARRAGANSETT ELECTRIC COMPANY
3,000 KW BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

Effective
April 1, 2011

R.I.P.U.C. No. 2062

Monthly Charge As Adjusted

	Rates for Back-Up Service	Rates for Supplemental Service
Rates for Retail Delivery Service		
Customer Charge per month	$17,000.00	n/a
Distribution Charge per kW(1)	$2.86	$2.86
Distribution kWh Charge per kWh (2)	n/a	0.001¢
Transmission Charge per kW	n/a	$2.84
Transmission Charge per kWh	n/a	0.678¢
Non-bypassable Transition Charge per kWh	n/a	(0.031¢)
Energy Efficiency Programs per kWh (3)	n/a	0.556¢
Rates for Standard Offer Service (Optional)		
Standard Offer per kWh	n/a	per Standard Offer Service tariff

(1) Includes Vegetation Management and Inspection & Maintenance Credit of $0.21 per kW, Operating & Maintenance Factor of $0.36 per kW and CapEx Factor of $0.02 per kW.

(2) Includes Renewable Generation Credit Surcharge of 0.001¢ per kWh.

(3) Includes Renewables Charge of $0.030¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

R.I.P.U.C. No. 2062
Sheet 1
Canceling R.I.P.U.C. No. 2048

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

AVAILABILITY

This service shall apply to Customers in the class identified below:

(i) who receive all or any portion of their electric supply from non-emergency generation unit(s) with a nameplate rating greater than 30 kW ("Generation Units"), where electricity received by the Customer from the Generation Units is not being delivered over Company-owned distribution facilities pursuant to an applicable retail delivery tariff, and

(ii) who expect the Company to provide retail delivery service to supply the Customer's load at the service location when the Generation Units are not supplying all of that load.

Electric delivery service under this rate is applicable to those Customers who would otherwise be served under the Company's 3,000 kW Demand Rate G-62 if the Generation Units were not supplying electricity to the Customer.

All Customers served on this rate must elect to take their total electric delivery service under the metering installation as approved by the Company.

EXEMPTION FOR RENEWABLE ON-SITE GENERATION

Customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customers having installed such generation shall be exempt from the backup rates.

TYPES OF SERVICE

"Back-Up" Retail Delivery Service consists of the Company standing ready to provide retail delivery service to the Customer's load when a non-emergency generator that supplies electricity to the Customer without using Company-owned distribution facilities does not supply all of the Customer's load.

"Supplemental" Retail Delivery Service is the delivery over Company-owned distribution facilities of electricity which is utilized at the Customer's facilities.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Back-Up Service Charges, and the Supplemental Service Charges, as stated below.

R.I.P.U.C. No. 2062
Sheet 2
Canceling R.I.P.U.C. No. 2048

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

DETERMINATION OF BILLING DEMAND FOR BILLING SUPPLEMENTAL AND BACK-UP PER KW (DEMAND) CHARGES

The Billing Demand for each month for purposes of billing Back-Up and Supplemental Service shall be the greatest of the following:

1) The greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW;

2) 90% of the greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes;

3) 75% of the greatest Demand as so determined above during the preceding eleven months.

BACK-UP RETAIL DELIVERY SERVICE

a) Rates for Back-Up Retail Delivery Service

Customer Charge per month	see cover sheet
Distribution Charge per kW	see cover sheet

b) Determination of Back-Up Service Kilowatt Demand

The Back-Up Service Demand shall be the greater of 1) the fifteen-minute reading from the Customer's generation meter(s) as measured in kilowatts or 2) 90% of the fifteen-minute reading from the Customer's generation meter(s) as measured in kilvoltampers at the time of the Billing Demand.

c) Installation of Meters on Generation

The Customer shall permit the Company to install meter(s) on the Generation Units providing electricity to the Customer, for purposes of billing under the terms of this rate. The meter shall be in accordance with the Company's reasonable specifications. The Customer will reimburse the Company for the installed cost of the meter and any associated equipment. The Customer shall provide reasonable access to the Company during normal business hours to read such meter in order to bill the Customer for service under this rate.

PEAK AND OFF-PEAK PERIODS

PEAK HOURS:	June – September	-- 8 a.m. - 10 p.m. Weekdays,
	December - February	-- 7 a.m. - 10 p.m. Weekdays
	October – November and March – May	-- 8 a.m. - 9 p.m. Weekdays

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

SUPPLEMENTAL RETAIL DELIVERY SERVICE

a) Rates for Supplemental Retail Delivery Service

Transmission Charge per kW	see cover sheet
Distribution Charge per kW	see cover sheet
Distribution Charge per kWh	see cover sheet
Non-Bypassable Transition Charge per kWh	see cover sheet

b) Assessment of Kilowatt-hour Charges

For purposes of billing kWh charges for Supplemental Distribution and Transmission Service, Customers will be billed on the greater of (i) the actual kWh delivered by the Company or (ii) 90% of the actual kVAh delivered.

For purposes of billing kWh charges for Standard Offer Service, Non-Bypassable Transition Service and Energy Efficiency Programs, Customers will be billed on actual kWh delivered by the Company.

c) Determination of Supplemental Service Kilowatt Demand

The Supplemental Service Demand for each month shall be the Billing Demand in excess of the Back-Up Service Demand.

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served under this rate for one year or more may upon written request have the Demand for each month used for Supplemental Service be based upon the greatest of items (1) and (2) set forth above for Billing Demand, beginning with the next month after such request and running for a period of not less than two consecutive months. In such case, the Distribution Charge per kW, the Distribution Charge per kWh, the Transmission Charge per kW and the Transmission Charge per kWh for Supplemental Service will be increased by 20% during any such period.

In addition, the Company may, at its discretion, agree to a lower demand determination for Back-Up Service below fifteen-minute peak coincident demand of the generation meter(s) if a Customer has installed equipment or configured its facilities in such a manner that automatically limits the requirement for Back-Up Service to the lower agreed-upon demand. Under such a situation, the Customer must demonstrate to the Company's reasonable satisfaction that the Customer's facilities are configured so as to limit the demand that can be placed on the distribution system, or must install and maintain, at no cost to the Company, an automated demand limiter or other similar device as agreed to by the Company which limits deliveries to the Customer over

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

the Company's distribution system based on the lower agreed-upon demand. This equipment can not adversely affect the operation of the Company's distribution system or service to other customers. Such interruptible Back-Up Service shall be negotiated by the Customer and the Company under a separate contract which shall be specific to an individual customer's circumstances.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Energy Efficiency Programs

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Energy Efficiency Program Provision as from time to time effective in accordance with law. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Infrastructure, Safety and Reliability Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Infrastructure, Safety and Reliability Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2,400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 42 cents per kilowatt of billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of $2.00 per kilowatt of the billing demand for such month shall also be allowed if the Customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Charge per kW and the Distribution Charge per kWh.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay $2.00 per 90% of KVA of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional $0.42 per 90% of KVA of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: April 1, 2011

Schedule JAL-2

Illustrative Bill Impact from the Termination of Backup Service Rates

The Narragansett Electric Company d/b/a National Grid
Illustrative Back-up Service Billing Comparison - Summary

Scenario 1 - Assumes no generator outages occur during preceeding twelve months (1)

	Billing on Rate G-62 for Customer with No Generation	Billing on Rate B-62 for Customer with Generation for 50% of Load Requirement	Billing on Rate G-62 for Customer with Generation for 50% of Load Requirement
	(A)	(B)	(C)
Distribution	$307,104.00	$307,038.00	$255,552.00
Transmission	$199,872.00	$108,264.00	$99,936.00
Transition	($4,464.00)	($2,418.00)	($2,232.00)
Energy Efficiency	$80,064.00	$43,368.00	$40,032.00
Standard Offer	$918,288.00	$497,406.00	$459,144.00
Gross Earnings Tax	$62,536.00	$39,735.75	$35,518.00
Total	$1,563,400.00	$993,393.75	$887,950.00

(1) This scenario compares the billing for a customer with no generation (Column A) to the billing for a customer with generation assuming 1) that back-up rates are applicable (Column B) and 2) that back-up rates are not applicable (Column C).

Scenario 2 - Assumes generator outage in first billing month (1)

	Billing on Rate G-62 for Customer with No Generation	Billing on Rate B-62 for Customer with Generation for 50% of Load Requirement	Billing on Rate G-62 for Customer with Generation for 50% of Load Requirement
	(A)	(B)	(C)
Distribution	$307,104.00	$307,038.00	$283,443.00
Transmission	$199,872.00	$108,264.00	$131,694.00
Transition	($4,464.00)	($2,418.00)	($2,418.00)
Energy Efficiency	$80,064.00	$43,368.00	$43,368.00
Standard Offer	$918,288.00	$497,406.00	$497,406.00
Gross Earnings Tax	$62,536.00	$39,735.75	$39,728.88
Total	$1,563,400.00	$993,393.75	$993,221.88

(1) This scenario compares the billing for a customer with no generation (Column A) to the billing for a customer with generation assuming 1) that back-up rates are applicable (Column B) and 2) that back-up rates are not applicable (Column C).

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The Narragansett Electric Company
d/b/a National Grid
Docket No. 4232
Schedule JAL-2
Page 2 of 3

The Narragansett Electric Company d/b/a National Grid
Illustrative Back-up Service Billing Comparison - Detailed Calculation
Assumes No Generator Outage

Full Requirements Service (No Self-Generation)

Section 1. Billing Determinants

	Customer Load Requirement (kW) (a)	Delivered (kWh) (b)
Jan	3,000.0	1,200,000
Feb	3,000.0	1,200,000
Mar	3,000.0	1,200,000
Apr	3,000.0	1,200,000
May	3,000.0	1,200,000
Jun	3,000.0	1,200,000
Jul	3,000.0	1,200,000
Aug	3,000.0	1,200,000
Sep	3,000.0	1,200,000
Oct	3,000.0	1,200,000
Nov	3,000.0	1,200,000
Dec	3,000.0	1,200,000
	36,000.0	14,400,000

Section 2. Detail of Billing Charges

Detail of Charges - Rate G-62

	Rates	Units	Charges
Customer Charge	$17,000.00	12	$204,000.00
Distribution Demand Chg	$2.86	36,000.0	$102,960.00
Distribution kWh Chg	$0.00001	14,400,000	$144.00
Transmission Demand Chg	$2.84	36,000.0	$102,240.00
Transmission kWh Chg	$0.00678	14,400,000	$97,632.00
Transition Chg	($0.00031)	14,400,000	($4,464.00)
Energy Efficiency Chg	$0.00556	14,400,000	$80,064.00
Standard Offer/Renewable Egy Std	$0.06377	14,400,000	$918,288.00
Subtotal			$1,500,864.00
Gross Earnings Tax @ 4%			$62,536.00
Subtotal w/ Gross Earnings Tax			$1,563,400.00

Section 3. Summary of Charges

Distribution	$307,104.00
Transmission	$199,872.00
Transition	($4,464.00)
Energy Efficiency	$80,064.00
Standard Offer	$918,288.00
Gross Earnings Tax	$62,536.00
Total	$1,563,400.00

Backup Service (3,000 kW Self-Generation)

Section 1. Billing Determinants

	Customer Load Requirement (kW) (c)	Customer Generation (kW) (d)	Customer Generation (kWh) (e)	Supplemental Billing Demand (f)=(c)-(d)	Supplemental kWh (g)=(b)-(e)
Jan	3,000.0	1,500.0	600,000	1,500.0	600,000
Feb	3,000.0	1,500.0	600,000	1,500.0	600,000
Mar	3,000.0	1,500.0	600,000	1,500.0	600,000
Apr	3,000.0	1,500.0	600,000	1,500.0	600,000
May	3,000.0	1,500.0	600,000	1,500.0	600,000
Jun	3,000.0	1,500.0	600,000	1,500.0	600,000
Jul	3,000.0	1,500.0	600,000	1,500.0	600,000
Aug	3,000.0	1,500.0	600,000	1,500.0	600,000
Sep	3,000.0	1,500.0	600,000	1,500.0	600,000
Oct	3,000.0	1,500.0	600,000	1,500.0	600,000
Nov	3,000.0	1,500.0	600,000	1,500.0	600,000
Dec	3,000.0	1,500.0	600,000	1,500.0	600,000
	36,000.0	18,000.0	7,200,000	18,000.0	7,200,000

(1) kW generation at time of facility peak demand

Section 2. Detail of Billing Charges

Detail of Charges - Rate B-62

	Rates	Units	Charges
Customer Charge	$17,000.00	12	$204,000.00
Backup Distribution Demand Chg	$2.86	18,000.0	$51,480.00
Supplemental Distribution Demand Chg	$2.86	18,000.0	$51,480.00
Supplemental Distribution kWh Chg	$0.00001	7,200,000	$72.00
Supplemental Transmission Demand Chg	$2.84	18,000.0	$51,120.00
Supplemental Transmission kWh Chg	$0.00678	7,200,000	$48,816.00
Transition Chg	($0.00031)	7,200,000	($2,232.00)
Energy Efficiency Chg	$0.00556	7,200,000	$40,032.00
Standard Offer/Renewable Egy Std	$0.06377	7,200,000	$459,144.00
Subtotal			$903,912.00
Gross Earnings Tax @ 4%			$37,663.00
Subtotal w/ Gross Earnings Tax			$941,575.00

Section 3. Summary of Charges

Distribution	$307,032.00
Transmission	$99,936.00
Transition	($2,232.00)
Energy Efficiency	$40,032.00
Standard Offer	$459,144.00
Gross Earnings Tax	$37,663.00
Total	$941,575.00

General Service (3,000 kW Self-Generation)

Section 1. Billing Determinants

	Customer Load Requirement (kW) (h)	Customer Generation (kW) (i)	Customer Generation (kWh) (j)	Billed Demand (kW) (k)=(h)-(i)	Delivered (kWh) (l)=(b)-(i)
Jan	3,000.0	1,500.0	600,000	1,500.0	600,000
Feb	3,000.0	1,500.0	600,000	1,500.0	600,000
Mar	3,000.0	1,500.0	600,000	1,500.0	600,000
Apr	3,000.0	1,500.0	600,000	1,500.0	600,000
May	3,000.0	1,500.0	600,000	1,500.0	600,000
Jun	3,000.0	1,500.0	600,000	1,500.0	600,000
Jul	3,000.0	1,500.0	600,000	1,500.0	600,000
Aug	3,000.0	1,500.0	600,000	1,500.0	600,000
Sep	3,000.0	1,500.0	600,000	1,500.0	600,000
Oct	3,000.0	1,500.0	600,000	1,500.0	600,000
Nov	3,000.0	1,500.0	600,000	1,500.0	600,000
Dec	3,000.0	1,500.0	600,000	1,500.0	600,000
	36,000.0	18,000.0	7,200,000	18,000.0	7,200,000

(1) kW generation at time of facility peak demand

Section 2. Detail of Billing Charges

Detail of Charges - Rate G-62

	Rates	Units	Charges
Customer Charge	$17,000.00	12	$204,000.00
Distribution Demand Chg	$2.86	18,000.0	$51,480.00
Distribution kWh Chg	$0.00001	7,200,000	$72.00
Transmission Demand Chg	$2.84	18,000.0	$51,120.00
Transmission kWh Chg	$0.00678	7,200,000	$48,816.00
Transition Chg	($0.00031)	7,200,000	($2,232.00)
Energy Efficiency Chg	$0.00556	7,200,000	$40,032.00
Standard Offer/Renewable Egy Std	$0.06377	7,200,000	$459,144.00
Subtotal			$852,432.00
Gross Earnings Tax @ 4%			$35,518.00
Subtotal w/ Gross Earnings Tax			$887,950.00

Section 3. Summary of Charges

Distribution	$255,552.00
Transmission	$99,936.00
Transition	($2,232.00)
Energy Efficiency	$40,032.00
Standard Offer	$459,144.00
Gross Earnings Tax	$35,518.00
Total	$887,950.00

Note: Rates G-62/B-62 are mandatory for customers whose monthly demand is in excess of 3,000 kW per month and optional for customers with monthly demands less than 3,000 kW

The Narragansett Electric Company d/b/a National Grid
Illustrative Back-up Service Billing Comparison - Detailed Calculation
Assumes Generator Outage

Full Requirements Service (No Self-Generation)

Section 1. Billing Determinants

	Customer Load Requirement (kW) (a)	Delivered (kWh) (b)
Jan	3,000.0	1,200,000
Feb	3,000.0	1,200,000
Mar	3,000.0	1,200,000
Apr	3,000.0	1,200,000
May	3,000.0	1,200,000
Jun	3,000.0	1,200,000
Jul	3,000.0	1,200,000
Aug	3,000.0	1,200,000
Sep	3,000.0	1,200,000
Oct	3,000.0	1,200,000
Nov	3,000.0	1,200,000
Dec	3,000.0	1,200,000
	36,000.0	14,400,000

Section 2. Detail of Billing Charges

Detail of Charges - Rate G-62

	Rates	Units	Charges
Customer Charge	$17,000.00	12	$204,000.00
Distribution Demand Chg	$2.86	36,000.0	$102,960.00
Distribution kWh Chg	$0.00001	14,400,000	$144.00
Transmission Demand Chg	$2.84	36,000.0	$102,240.00
Transmission kWh Chg	$0.00678	14,400,000	$97,632.00
Transition Chg	($0.00031)	14,400,000	($4,464.00)
Energy Efficiency Chg	$0.00556	14,400,000	$80,064.00
Standard Offer/Renewable Egy Std	$0.06377	14,400,000	$918,288.00
Subtotal			$1,500,864.00
Gross Earnings Tax @ 4%			$62,536.00
Subtotal w/ Gross Earnings Tax			$1,563,400.00

Section 3. Summary of Charges

Distribution	$307,104.00
Transmission	$199,872.00
Transition	($4,464.00)
Energy Efficiency	$80,064.00
Standard Offer	$918,288.00
Gross Earnings Tax	$62,536.00
Total	$1,563,400.00

Backup Service (3,000 kW Self-Generation)

Section 1. Billing Determinants

	Customer Load Requirement (kW) (c)	Customer Generation (kW) (d)	Customer Generation (kWh) (e)	Supplemental Billing Demand (f)*	Supplemental kWh (g)=(b)-(e)
Jan	3,000.0	0.0	0	3,000.0	1,200,000
Feb	3,000.0	1,500.0	600,000	1,500.0	600,000
Mar	3,000.0	1,500.0	600,000	1,500.0	600,000
Apr	3,000.0	1,500.0	600,000	1,500.0	600,000
May	3,000.0	1,500.0	600,000	1,500.0	600,000
Jun	3,000.0	1,500.0	600,000	1,500.0	600,000
Jul	3,000.0	1,500.0	600,000	1,500.0	600,000
Aug	3,000.0	1,500.0	600,000	1,500.0	600,000
Sep	3,000.0	1,500.0	600,000	1,500.0	600,000
Oct	3,000.0	1,500.0	600,000	1,500.0	600,000
Nov	3,000.0	1,500.0	600,000	1,500.0	600,000
Dec	3,000.0	1,500.0	600,000	1,500.0	600,000
	36,000.0	16,500.0	6,600,000	19,500.0	7,800,000

* Deamnd ratchet is based upon the combined generated and delivered kW, therefore, the ratche provision is not applicable in any of the illustrative billing months

Section 2. Detail of Billing Charges

Detail of Charges - Rate B-62

	Rates	Units	Charges
Customer Charge	$17,000.00	12	$204,000.00
Backup Distribution Demand Chg	$2.86	16,500.0	$47,190.00
Supplemental Distribution Demand Chg	$2.86	19,500.0	$55,770.00
Supplemental Distribution kWh Chg	$0.00001	7,800,000	$78.00
Supplemental Transmission Demand Chg	$2.84	19,500.0	$55,380.00
Supplemental Transmission kWh Chg	$0.00678	7,800,000	$52,884.00
Transition Chg	($0.00031)	7,800,000	($2,418.00)
Energy Efficiency Chg	$0.00556	7,800,000	$43,368.00
Standard Offer/Renewable Egy Std	$0.06377	7,800,000	$497,406.00
Subtotal			$953,658.00
Gross Earnings Tax @ 4%			$39,735.75
Subtotal w/ Gross Earnings Tax			$993,393.75

Section 3. Summary of Charges

Distribution	$307,038.00
Transmission	$108,264.00
Transition	($2,418.00)
Energy Efficiency	$43,368.00
Standard Offer	$497,406.00
Gross Earnings Tax	$39,735.75
Total	$993,393.75

General Service (3,000 kW Self-Generation)

Section 1. Billing Determinants

	Customer Load Requirement (kW) (h)	Customer Generation (kW) (i)	Customer Generation (kWh) (j)	Billed Demand (kW) (k)*	Delivered (kWh) (l)=(b)-(i)
Jan	3,000.0	0.0	0	3,000.0	1,200,000
Feb	3,000.0	1,500.0	600,000	2,250.0	600,000
Mar	3,000.0	1,500.0	600,000	2,250.0	600,000
Apr	3,000.0	1,500.0	600,000	2,250.0	600,000
May	3,000.0	1,500.0	600,000	2,250.0	600,000
Jun	3,000.0	1,500.0	600,000	2,250.0	600,000
Jul	3,000.0	1,500.0	600,000	2,250.0	600,000
Aug	3,000.0	1,500.0	600,000	2,250.0	600,000
Sep	3,000.0	1,500.0	600,000	2,250.0	600,000
Oct	3,000.0	1,500.0	600,000	2,250.0	600,000
Nov	3,000.0	1,500.0	600,000	2,250.0	600,000
Dec	3,000.0	1,500.0	600,000	2,250.0	600,000
	36,000.0	16,500.0	6,600,000	27,750.0	7,800,000

* Demand ratchet is based upon the delivered kW only, therefore, billed demand is based upon maximum of 75% x Jan billing demand of 3,000kW or column (h) - column (i)

Section 2. Detail of Billing Charges

Detail of Charges - Rate G-62

	Rates	Units	Charges
Customer Charge	$17,000.00	12	$204,000.00
Distribution Demand Chg	$2.86	27,750.0	$79,365.00
Distribution kWh Chg	$0.00001	7,800,000	$78.00
Transmission Demand Chg	$2.84	27,750.0	$78,810.00
Transmission kWh Chg	$0.00678	7,800,000	$52,884.00
Transition Chg	($0.00031)	7,800,000	($2,418.00)
Energy Efficiency Chg	$0.00556	7,800,000	$43,368.00
Standard Offer/Renewable Egy Std	$0.06377	7,800,000	$497,406.00
Subtotal			$953,493.00
Gross Earnings Tax @ 4%			$39,728.88
Subtotal w/ Gross Earnings Tax			$993,221.88

Section 3. Summary of Charges

Distribution	$283,443.00
Transmission	$131,694.00
Transition	($2,418.00)
Energy Efficiency	$43,368.00
Standard Offer	$497,406.00
Gross Earnings Tax	$39,728.88
Total	$993,221.88

Note: Rates G-62/B-62 are mandatory for customers whose monthly demand is in excess of 3,000 kW per month and optional for customers with monthly demands less than 3,000 k

The Narragansett Electric Company
d/b/a National Grid
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