

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

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| IN RE: THE NARRAGANSETT | : | |
| ELECTRIC COMPANY, d/b/a | : | |
| NATIONAL GRID TARIFF ADVICE | : | DOCKET NO. 4271 |
| TO AMEND R.I.P.U.C. NG-GAS NO. 101 | : | |
| TO (MODIFY/ELIMINATE) NATURAL | : | |
| GAS VEHICLE SERVICE (RATE 70) | : | |

ORDER

On August 3, 2011, the Narragansett Electric Company, d/b/a National Grid (hereinafter “NGrid” or “the Company”) filed a tariff advice seeking to eliminate its Natural Gas Vehicle (“NGV”) Service Rate 70, which applies to the sale of compressed natural gas at the two Company-owned fueling stations in Rhode Island. The Company proposed an effective date of September 9, 2011. The basis of the request to eliminate the NGV Service Rate 70 is that the Company no longer operates the fueling stations.

The NGV Service Rate 70 was first authorized in 1991 as a pilot program in Docket No. 1971 that allowed the Company to set rates for the sale of compressed natural gas at its fueling stations in Rhode Island. As the market for alternative-fuel vehicles developed, the two Company-owned fueling stations had to compete with gas and diesel fuel stations. In March of 2010, NGrid entered into a contract with Clean Energy, a third party vendor, to upgrade, maintain and operate the two fueling stations in Rhode Island, as well as other fueling stations in Massachusetts and New York. The contract to operate included pricing, billing, remittance processing and collections functions. NGrid retained ownership of the sites and presently leases those premises to Clean Energy.

Thereafter in May of 2010, NGrid notified its existing NGV customers of the change in management, the planned upgrades to the facilities and customer interface equipment and the transition of the existing NGrid fuel cards to Clean Energy fuel cards and billing system. Subsequent to the time that Clean Energy began operation of the Rhode Island facilities, the issue of the appropriate retail rate that Clean Energy could charge its customers arose. Since the Company retained ownership of the sites, it became unclear as to whether Clean Energy was bound by NGrid's current tariff that authorizes a specific rate for compressed natural gas dispensed at "Company-owned" fueling stations. From the period May 2010 to March 2011, Clean Energy charged customers \$3,523,31 more than NGrid tariff rates which it subsequently agreed to reimburse to those customers and to only charge customers the NGrid tariff rate. NGrid is requesting that the existing tariff be amended to eliminate the rate as it no longer operates either of the two facilities so that Clean Energy may utilize market-based pricing at the two facilities in Rhode Island.

On May 3, 2012, the Division of Public Utilities and Carriers filed a Memorandum in support of NGrid's proposal to eliminate the Natural Gas Vehicle Tariff.

Accordingly, it is hereby

(20733) ORDERED:

1. The Narragansett Electric Company d/b/a National Grid Tariff request to eliminate its Natural Gas Vehicle Service Rate 70 is approved.
2. That National Grid shall comply with the reporting requirements and all other findings and directives contained in this Report and Order.

EFFECTIVE AT WARWICK, RHODE ISLAND, MAY 7, 2012, PURSUANT
TO AN OPEN MEETING DECISION ON MAY 7, 2012. WRITTEN ORDER ISSUED
MAY 10, 2012.

PUBLIC UTILITIES COMMISSION



Elia Germani, Chairman*



Mary E. Bray, Commissioner



Paul J. Roberti, Commissioner

*Chairman Germani was not present at the open meeting.