

December 9, 2014

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 4393 - Standard Offer Service Rates
Period of January – June 2015 for Residential and Commercial
Period of January – March 2015 for Industrial
Responses to Lt. Governor Elect Daniel McKee's Data Requests – Set 1**

Dear Ms. Massaro:

Enclosed are National Grid's¹ responses to the Lt. Governor Elect Daniel McKee's First Set of Data Requests in the above-referenced docket.

Thank you for your attention to this transmittal. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4393 Service List
Steve Scialabba

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

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate was electronically transmitted to the individuals listed below.

Copies of this filing were hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities Carriers.

Joanne M. Scanlon

December 9, 2014
Date

**Docket No. 4393 - National Grid – 2014 SOS and RES Procurement Plans
Service List updated 12/3/14**

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The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C. Docket No. 4393
2014 Standard Offer Service Rates
Period of January – June 2015 For Residential and Commercial
And Period January – March 2015 For Industrial
Responses to the Lt. Governor Elect Daniel McKee's First Set of Data Requests
Issued on December 3, 2014

Lt. Governor Elect
Daniel McKee 1-1

Request:

For Commercial Standard Offer Service, please provide the expected SOS rate and associated bill impacts assuming the following:

- a. A six month rate – July 2015 through December 2015 (assuming approval of the currently proposed 6 month rate for the period January to June 2015).
- b. A twelve month rate – January through December 2015.

Response:

- a. Assuming that the Commission approves the Company's proposed six-month rate for January 2015 through June 2015, the estimated six-month base¹ Commercial SOS rate for July 2015 through December 2015 is \$0.08386 per kWh. This estimated base Commercial SOS rate is based upon the weighted average monthly prices of the Commercial SOS supply contracts that the Company has already executed with suppliers for that period, representing 30% of the total Commercial SOS load requirement. The estimated monthly bill impacts in July 2015 for Commercial customers as compared to bills based upon currently effective delivery service charges, the RES charge, and the proposed base Commercial SOS rate of \$0.12363 per kWh are provided in Attachment McKee 1-1(a).
- b. A 12-month base Commercial SOS rate for the period January 2015 through December 2015 based upon the prices contained in the executed Commercial SOS contracts for the period is \$0.10340 per kWh. The monthly bill impacts in January 2015 for Commercial customers as compared to bills based upon currently effective rates are provided in Attachment McKee 1-1(b).

Please see the Company's response to COMM 3-1 for a discussion of issues and concerns related to the implementation of a 12-month rate for the Residential group. These same issues and concerns would be relevant for the implementation of a 12-month rate for the Commercial group.

¹ The base SOS rate reflects only the prices of the underlying SOS contracts and excludes the SOS Adjustment Factor and the SOS Administrative Cost Factor.

The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C. Docket No. 4393
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Lt. Governor Elect
Daniel McKee 1-1, page 2

Pursuant to the Tariff for Standard Offer Service, the Company currently both offers a fixed six-month pricing option and a variable (monthly) pricing option to the customers in the Commercial group. The fixed six-month rate is the customary option for customers receiving retail delivery service on Rate C-06 while the variable pricing option is the customary option for customers on the Rate G-02 and the streetlighting rates. Every customer has the option to switch to the other pricing option once during a 12-month period. Virtually all of the customers on Rate C-06 are on the fixed price option and virtually all of Rate G-02 and streetlighting customers are currently on the variable price option. A 12-month rate would only benefit those customers on the fixed price option, and customers on the variable price option would be subject to the actual monthly rates.

The Company would like to clarify that the calculation of the Standard Offer Billing Adjustment, is applicable to commercial customers on the fixed pricing option who leave SOS to receive their electricity supply from a non-regulated power producer. Regardless of the ultimate design of the base Commercial SOS rate (two six-month rates or one 12-month rate), the Company would continue to use the monthly Commercial SOS prices to calculate applicable Standard Offer Billing Adjustments in the event that commercial customers leave SOS. By doing so, these customers pay their share of SOS costs and remaining Commercial SOS customers are not burdened with the obligation to pay the migrating customers' winter costs that were deferred to the summer. The Company's billing system is designed to calculate the SOS billing adjustment based on a six-month pricing period. Changing the period over which a SOS billing adjustment is to be calculated to a 12-month pricing period would require programming changes, the extent of which has not yet been determined.

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to C-06 Rate Customers**

Monthly kWh	Proposed Jan. 2015 - June 2015 Rates			Illustrative July 2015 - Dec. 2015 Rates			Increase/(Decrease)		Percentage of Customers
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
250	\$62.95	\$34.83	\$28.12	\$52.59	\$24.47	\$28.12	(\$10.36)	-16.5%	35.2%
500	\$114.73	\$69.66	\$45.07	\$94.02	\$48.95	\$45.07	(\$20.71)	-18.1%	17.0%
1,000	\$218.28	\$139.32	\$78.96	\$176.86	\$97.90	\$78.96	(\$41.42)	-19.0%	19.0%
1,500	\$321.83	\$208.98	\$112.85	\$259.69	\$146.84	\$112.85	(\$62.14)	-19.3%	9.8%
2,000	\$425.39	\$278.65	\$146.74	\$342.53	\$195.79	\$146.74	(\$82.86)	-19.5%	19.1%

Proposed Jan. 2015 - June 2015 Rates

Customer Charge		\$10.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02003
Distribution Energy Charge	kWh x	\$0.03428
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.13375

Illustrative July 2015 - Dec. 2015 Rates

Customer Charge		\$10.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02003
Distribution Energy Charge	kWh x	\$0.03428
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.09398

Note (1): includes the proposed base Standard Offer Service Charge of 12.363¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 6-month base Standard Offer Service Charge of 8.386¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers**

Hours Use: 200

Monthly Power		Proposed Jan. 2015 - June 2015 Rates			Illustrative July 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	4,000	\$913.59	\$557.29	\$356.30	\$747.88	\$391.58	\$356.30	(\$165.71)	-18.1%
50	10,000	\$2,148.78	\$1,393.23	\$755.55	\$1,734.51	\$978.96	\$755.55	(\$414.27)	-19.3%
100	20,000	\$4,207.43	\$2,786.46	\$1,420.97	\$3,378.89	\$1,957.92	\$1,420.97	(\$828.54)	-19.7%
150	30,000	\$6,266.08	\$4,179.69	\$2,086.39	\$5,023.27	\$2,936.88	\$2,086.39	(\$1,242.81)	-19.8%

Proposed Jan. 2015 - June 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.13375

Illustrative July 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.09398

Note (1): includes the proposed base Standard Offer Service Charge of 12.363¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 6-month base Standard Offer Service Charge of 8.386¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers

Hours Use: 300

Monthly Power		Proposed Jan. 2015 - June 2015 Rates			Illustrative July 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	6,000	\$1,242.62	\$835.94	\$406.68	\$994.06	\$587.38	\$406.68	(\$248.56)	-20.0%
50	15,000	\$2,971.33	\$2,089.84	\$881.49	\$2,349.93	\$1,468.44	\$881.49	(\$621.40)	-20.9%
100	30,000	\$5,852.53	\$4,179.69	\$1,672.84	\$4,609.72	\$2,936.88	\$1,672.84	(\$1,242.81)	-21.2%
150	45,000	\$8,733.73	\$6,269.53	\$2,464.20	\$6,869.51	\$4,405.31	\$2,464.20	(\$1,864.22)	-21.3%

Proposed Jan. 2015 - June 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039

Illustrative July 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge (1) kWh x \$0.13375

Standard Offer Charge (2) kWh x \$0.09398

Note (1): includes the proposed base Standard Offer Service Charge of 12.363¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 6-month base Standard Offer Service Charge of 8.386¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers**

Hours Use: 400

Monthly Power		Proposed Jan. 2015 - June 2015 Rates			Illustrative July 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	8,000	\$1,571.63	\$1,114.58	\$457.05	\$1,240.22	\$783.17	\$457.05	(\$331.41)	-21.1%
50	20,000	\$3,793.89	\$2,786.46	\$1,007.43	\$2,965.35	\$1,957.92	\$1,007.43	(\$828.54)	-21.8%
100	40,000	\$7,497.64	\$5,572.92	\$1,924.72	\$5,840.55	\$3,915.83	\$1,924.72	(\$1,657.09)	-22.1%
150	60,000	\$11,201.39	\$8,359.38	\$2,842.01	\$8,715.76	\$5,873.75	\$2,842.01	(\$2,485.63)	-22.2%

Proposed Jan. 2015 - June 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.13375

Illustrative July 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.09398

Note (1): includes the proposed base Standard Offer Service Charge of 12.363¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 6-month base Standard Offer Service Charge of 8.386¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers**

Hours Use: 500

Monthly Power		Proposed Jan. 2015 - June 2015 Rates			Illustrative July 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	10,000	\$1,900.66	\$1,393.23	\$507.43	\$1,486.39	\$978.96	\$507.43	(\$414.27)	-21.8%
50	25,000	\$4,616.43	\$3,483.07	\$1,133.36	\$3,580.76	\$2,447.40	\$1,133.36	(\$1,035.67)	-22.4%
100	50,000	\$9,142.74	\$6,966.15	\$2,176.59	\$7,071.38	\$4,894.79	\$2,176.59	(\$2,071.36)	-22.7%
150	75,000	\$13,669.04	\$10,449.22	\$3,219.82	\$10,562.01	\$7,342.19	\$3,219.82	(\$3,107.03)	-22.7%

Proposed Jan. 2015 - June 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.13375

Illustrative July 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.09398

Note (1): includes the proposed base Standard Offer Service Charge of 12.363¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 6-month base Standard Offer Service Charge of 8.386¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers**

Hours Use: 600

Monthly Power		Proposed Jan. 2015 - June 2015 Rates			Illustrative July 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer		Total	Standard Offer		Amount	% of Total
			Offer	Delivery		Offer	Delivery		
20	12,000	\$2,229.68	\$1,671.88	\$557.80	\$1,732.55	\$1,174.75	\$557.80	(\$497.13)	-22.3%
50	30,000	\$5,438.99	\$4,179.69	\$1,259.30	\$4,196.18	\$2,936.88	\$1,259.30	(\$1,242.81)	-22.9%
100	60,000	\$10,787.85	\$8,359.38	\$2,428.47	\$8,302.22	\$5,873.75	\$2,428.47	(\$2,485.63)	-23.0%
150	90,000	\$16,136.70	\$12,539.06	\$3,597.64	\$12,408.27	\$8,810.63	\$3,597.64	(\$3,728.43)	-23.1%

Proposed Jan. 2015 - June 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.13375

Illustrative July 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.09398

Note (1): includes the proposed base Standard Offer Service Charge of 12.363¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 6-month base Standard Offer Service Charge of 8.386¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to C-06 Rate Customers**

Monthly kWh	Present Rates			Illustrative Jan. 2015 - Dec. 2015 Rates			Increase/(Decrease)		Percentage of Customers
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
250	\$52.29	\$24.17	\$28.12	\$57.68	\$29.56	\$28.12	\$5.39	10.3%	35.2%
500	\$93.41	\$48.34	\$45.07	\$104.20	\$59.13	\$45.07	\$10.79	11.6%	17.0%
1,000	\$175.64	\$96.68	\$78.96	\$197.21	\$118.25	\$78.96	\$21.57	12.3%	19.0%
1,500	\$257.87	\$145.02	\$112.85	\$290.23	\$177.38	\$112.85	\$32.36	12.5%	9.8%
2,000	\$340.09	\$193.35	\$146.74	\$383.24	\$236.50	\$146.74	\$43.15	12.7%	19.1%

Present Rates

Customer Charge		\$10.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02003
Distribution Energy Charge	kWh x	\$0.03428
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.09281

Illustrative Jan. 2015 - Dec. 2015 Rates

Customer Charge		\$10.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02003
Distribution Energy Charge	kWh x	\$0.03428
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.11352

Note (1): includes the base Standard Offer Service Charge of 8.269¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 12-month base Standard Offer Service Charge of 10.340¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers**

Hours Use: 200

Monthly Power		Present Rates			Illustrative Jan. 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	4,000	\$743.01	\$386.71	\$356.30	\$829.30	\$473.00	\$356.30	\$86.29	11.6%
50	10,000	\$1,722.32	\$966.77	\$755.55	\$1,938.05	\$1,182.50	\$755.55	\$215.73	12.5%
100	20,000	\$3,354.51	\$1,933.54	\$1,420.97	\$3,785.97	\$2,365.00	\$1,420.97	\$431.46	12.9%
150	30,000	\$4,986.70	\$2,900.31	\$2,086.39	\$5,633.89	\$3,547.50	\$2,086.39	\$647.19	13.0%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.09281

Illustrative Jan. 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.11352

Note (1): includes the base Standard Offer Service Charge of 8.269¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 12-month base Standard Offer Service Charge of 10.340¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers

Hours Use: 300

Monthly Power		Present Rates			Illustrative Jan. 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	6,000	\$986.74	\$580.06	\$406.68	\$1,116.18	\$709.50	\$406.68	\$129.44	13.1%
50	15,000	\$2,331.65	\$1,450.16	\$881.49	\$2,655.24	\$1,773.75	\$881.49	\$323.59	13.9%
100	30,000	\$4,573.15	\$2,900.31	\$1,672.84	\$5,220.34	\$3,547.50	\$1,672.84	\$647.19	14.2%
150	45,000	\$6,814.67	\$4,350.47	\$2,464.20	\$7,785.45	\$5,321.25	\$2,464.20	\$970.78	14.2%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039

Illustrative Jan. 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge (1) kWh x \$0.09281

Standard Offer Charge (2) kWh x \$0.11352

Note (1): includes the base Standard Offer Service Charge of 8.269¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 12-month base Standard Offer Service Charge of 10.340¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers**

Hours Use: 400

Monthly Power		Present Rates			Illustrative Jan. 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	8,000	\$1,230.47	\$773.42	\$457.05	\$1,403.05	\$946.00	\$457.05	\$172.58	14.0%
50	20,000	\$2,940.97	\$1,933.54	\$1,007.43	\$3,372.43	\$2,365.00	\$1,007.43	\$431.46	14.7%
100	40,000	\$5,791.80	\$3,867.08	\$1,924.72	\$6,654.72	\$4,730.00	\$1,924.72	\$862.92	14.9%
150	60,000	\$8,642.64	\$5,800.63	\$2,842.01	\$9,937.01	\$7,095.00	\$2,842.01	\$1,294.37	15.0%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.09281

Illustrative Jan. 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.11352

Note (1): includes the base Standard Offer Service Charge of 8.269¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 12-month base Standard Offer Service Charge of 10.340¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers**

Hours Use: 500

Monthly Power		Present Rates			Illustrative Jan. 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	10,000	\$1,474.20	\$966.77	\$507.43	\$1,689.93	\$1,182.50	\$507.43	\$215.73	14.6%
50	25,000	\$3,550.29	\$2,416.93	\$1,133.36	\$4,089.61	\$2,956.25	\$1,133.36	\$539.32	15.2%
100	50,000	\$7,010.44	\$4,833.85	\$2,176.59	\$8,089.09	\$5,912.50	\$2,176.59	\$1,078.65	15.4%
150	75,000	\$10,470.60	\$7,250.78	\$3,219.82	\$12,088.57	\$8,868.75	\$3,219.82	\$1,617.97	15.5%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.09281

Illustrative Jan. 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.11352

Note (1): includes the base Standard Offer Service Charge of 8.269¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 12-month base Standard Offer Service Charge of 10.340¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

**Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to G-02 Rate Customers**

Hours Use: 600

Monthly Power		Present Rates			Illustrative Jan. 2015 - Dec. 2015 Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	12,000	\$1,717.93	\$1,160.13	\$557.80	\$1,976.80	\$1,419.00	\$557.80	\$258.87	15.1%
50	30,000	\$4,159.61	\$2,900.31	\$1,259.30	\$4,806.80	\$3,547.50	\$1,259.30	\$647.19	15.6%
100	60,000	\$8,229.10	\$5,800.63	\$2,428.47	\$9,523.47	\$7,095.00	\$2,428.47	\$1,294.37	15.7%
150	90,000	\$12,298.58	\$8,700.94	\$3,597.64	\$14,240.14	\$10,642.50	\$3,597.64	\$1,941.56	15.8%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (1)	kWh x	\$0.09281

Illustrative Jan. 2015 - Dec. 2015 Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Proposed Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW	kW x	\$4.92
Distribution Energy Charge	kWh x	\$0.00574
Proposed Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00941
Renewable Energy Distribution Charge	kWh x	\$0.00039
Gross Earnings Tax		4.00%
Standard Offer Charge (2)	kWh x	\$0.11352

Note (1): includes the base Standard Offer Service Charge of 8.269¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes the illustrative 12-month base Standard Offer Service Charge of 10.340¢/kWh, the Standard Offer Service Adjustment Charge of 0.370¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.162¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C. Docket No. 4393
2014 Standard Offer Service Rates
Period of January – June 2015 For Residential and Commercial
And Period January – March 2015 For Industrial
Responses to the Lt. Governor Elect Daniel McKee's First Set of Data Requests
Issued on December 3, 2014

Lt. Governor Elect
Daniel McKee 1-2

Request:

Assuming the proposed 6-month Commercial Standard Offer rate is approved and also assuming the rates are adjusted again for the 6-month period July to December 2015, what is the total expected standard offer service cost for all kWh deliveries for the 12-month period January to December 2015. Please be sure to include the impact of interest on any under or over recovery during the period.

Response:

The estimated total Commercial SOS expense for the period January through December 2015 is \$89,073,580. The estimated monthly expense is calculated by multiplying the average monthly contract prices by the forecasted Commercial SOS kWh deliveries for that month. As noted in the Company's response to McKee 1-1(a), for the period July 2015 through December 2015, only 30% of the Commercial load is currently under contract. Interest accruing in the SOS reconciliation is based upon the average balance of the beginning and ending balances of the reconciliation for the reconciliation period. In this scenario, the two six-month base Commercial SOS rates are designed to fully recover the estimated Commercial SOS expense by December 31, 2015, the end of the reconciliation period. Therefore, if the balance at both the beginning and end of the reconciliation period is assumed to be zero, then no interest would accrue on the average balance, regardless of level of monthly deferral balances.

The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C. Docket No. 4393
2014 Standard Offer Service Rates
Period of January – June 2015 For Residential and Commercial
And Period January – March 2015 For Industrial
Responses to the Lt. Governor Elect Daniel McKee's First Set of Data Requests
Issued on December 3, 2014

Lt. Governor Elect
Daniel McKee 1-3

Request:

Assuming a 12-month Commercial Standard Offer rate is approved for the period January to December 2015, what is the total expected standard offer service cost for all kWh deliveries for the 12-month period January to December 2015? Please be sure to include the impact of interest on any over recovery during the period.

Response:

The estimated total Commercial SOS expense for the period January through December 2015 is \$89,073,580. The estimated monthly expense is calculated by multiplying the average monthly contract prices by the forecasted Commercial SOS kWh deliveries for that month. As noted in the Company's response to McKee 1-1(a), for the period July 2015 through December 2015, only 30% of the Commercial load is currently under contract. Interest accruing in the SOS reconciliation is based upon the average balance of the beginning and ending balances of the reconciliation for the reconciliation period. In this scenario, the 12-month base Commercial SOS rates are designed to fully recover the estimated Commercial SOS expense by December 31, 2015, the end of the reconciliation period. Therefore, if the balance at both the beginning and end of the reconciliation period is assumed to be zero, then no interest would accrue on the average balance, regardless of level of monthly deferral balances.