

December 10, 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

Supplemental Responses to Lt. Governor Elect Daniel McKee's Data Requests – Set 1

Dear Ms. Massaro:

National Grid¹ discovered an error in the estimated total Commercial SOS expense for the period January through December 2015 included in the Company's responses to Lt. Governor Elect Daniel McKee's Data Request 1-2 and 1-3 filed on December 9, 2014 in the above-referenced docket. As a result, National Grid is providing the enclosed supplemental responses to Lt. Governor Elect Daniel McKee's Data Request 1-2 and 1-3 to reflect this correction.

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).

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
Supplemental 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-Supplemental

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 \$124,679,249. 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
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Supplemental Responses to the Lt. Governor Elect Daniel McKee's First Set of Data Requests
Issued on December 3, 2014

Lt. Governor Elect <u>Daniel McKee 1-3-Supplemental</u>

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 \$124,679,249. 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.

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	Date
for sant	December 10, 2014

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

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