

December 8, 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 Commission's Data Requests – Set 4**

Dear Ms. Massaro:

Enclosed are National Grid's¹ responses to the Public Utilities Commission's Fourth 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 8, 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
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COMM 4-1

Request:

If a 12-month rate is ordered, how much of the Company's costs will be deferred into the recovery period July through December 2015? Also, please show the bill impacts for the A-16 and A-60 rate classes assuming a 12-month rate.

Response:

If the PUC approves a 12-month rate for the period January 2015 through December 2015, approximately \$28.2 million of the estimated SOS expense expected to be incurred during the period January 2015 through June 2015 will be recovered during the period July 2015 through December 2015. Attachment COMM 4-1 includes a typical bill analysis for Rates A-16 and A-60, comparing monthly bills based on current rates, including the current base Residential SOS rate, to monthly bills based on a 12-month base Residential SOS rate of \$0.09922 per kWh as calculated in the response to data request COMM 3-1(b).

Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to A-16 Rate Customers

Monthly kWh	Present Rates Standard			Illustrative Jan. 2015 - Dec. 2015 Rates Standard			Increase/(Decrease)		Percentage of Customers
	Total	Offer	Delivery	Total	Offer	Delivery	Amount	% of Total	
150	\$30.15	\$13.06	\$17.09	\$33.85	\$16.76	\$17.09	\$3.70	12.3%	13.7%
300	\$54.34	\$26.13	\$28.21	\$61.73	\$33.52	\$28.21	\$7.39	13.6%	17.5%
400	\$70.46	\$34.83	\$35.63	\$80.33	\$44.70	\$35.63	\$9.87	14.0%	11.8%
500	\$86.58	\$43.54	\$43.04	\$98.92	\$55.88	\$43.04	\$12.34	14.3%	10.8%
600	\$102.70	\$52.24	\$50.46	\$117.51	\$67.05	\$50.46	\$14.81	14.4%	9.4%
700	\$118.82	\$60.95	\$57.87	\$136.10	\$78.23	\$57.87	\$17.28	14.5%	7.7%
1,000	\$167.18	\$87.07	\$80.11	\$191.86	\$111.75	\$80.11	\$24.68	14.8%	15.0%
2,000	\$328.41	\$174.15	\$154.26	\$377.76	\$223.50	\$154.26	\$49.35	15.0%	14.1%

Present Rates

Customer Charge		\$5.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.03821
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	\$0.08359

Illustrative Jan. 2015 - Dec. 2015 Rates

Customer Charge		\$5.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.03821
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	\$0.10728

Note (1): includes the base Standard Offer Service Charge of 7.553¢/kWh, the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes an illustrative 1-year base Standard Offer Service Charge of 9.922¢/kWh, the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Calculation of Monthly Typical Bill
Total Bill Impact of Illustrative
Rates Applicable to A-60 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	
150	\$22.84	\$13.06	\$9.78	\$26.54	\$16.76	\$9.78	\$3.70	16.2%	10.7%
300	\$44.91	\$26.12	\$18.79	\$52.32	\$33.53	\$18.79	\$7.41	16.5%	23.2%
400	\$59.64	\$34.83	\$24.81	\$69.51	\$44.70	\$24.81	\$9.87	16.5%	14.9%
500	\$74.36	\$43.54	\$30.82	\$86.70	\$55.88	\$30.82	\$12.34	16.6%	12.2%
600	\$89.07	\$52.24	\$36.83	\$103.88	\$67.05	\$36.83	\$14.81	16.6%	9.6%
700	\$103.79	\$60.95	\$42.84	\$121.07	\$78.23	\$42.84	\$17.28	16.6%	7.3%
1,000	\$147.95	\$87.07	\$60.88	\$172.63	\$111.75	\$60.88	\$24.68	16.7%	12.3%
2,000	\$295.14	\$174.15	\$120.99	\$344.49	\$223.50	\$120.99	\$49.35	16.7%	9.8%

Present Rates

Customer Charge		\$0.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.02474
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	\$0.08359

Illustrative Jan. 2015 - Dec. 2015 Rates

Customer Charge		\$0.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.02474
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	\$0.10728

Note (1): includes the base Standard Offer Service Charge of 7.553¢/kWh, the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes an illustrative 1-year base Standard Offer Service Charge of 9.922¢/kWh, the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

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COMM 4-2

Request:

Please resubmit the calculation of a typical monthly bill for the A-16 and A-60 rate classes (similar to Attachment 3, pages 1 and 2 of 18) assuming the Company defers recovery of 5% and 10% of the costs shown on line 9 of Attachment 1, page 3 of 5 (Residential SOS Cost), into the following six month period.

Response:

Attachment COMM 4-2-1, page 1, shows the calculation of the base Residential SOS rates for the period January 2015 through June 2015 and the period July 2015 through December 2015 assuming that 5% of the estimated Residential SOS expense for the period January 2015 through June 2015 is recovered during the period July 2015 through December 2015. As shown on Line 2 of Attachment COMM 4-2-1, page 1, approximately \$8.3 million of the Residential SOS expense expected to be incurred during the January through June period would be deferred for recovery in the July to December period. The January through June base Residential SOS rate would be \$0.11305 per kWh under this scenario, as compared to the proposed rate of \$0.11899 per kWh, a difference of \$0.00594 per kWh. Assuming a base Residential SOS rate of \$0.11305 per kWh is implemented for the period January 2015 through June 2015, the estimated base Residential SOS rate for the period July 2015 through December 2015 would be increased by \$0.00546 per kWh to \$0.08654 per kWh in order to recover both the estimated expense for the period July 2015 through December 2015 based upon the Residential SOS contracts currently executed for Residential SOS supply for the period July 2015 through December 2015 as well as the deferred amount of \$8.3 million. Attachment COMM 4-2-2, pages 1 and 2, include the typical bill analysis for Rates A-16 and A-60, comparing monthly bills based on rates currently in effect to monthly bills based on a base Residential SOS rate of \$0.11305 per kWh.

Attachment COMM 4-2-1, page 2, shows the calculation of the base Residential SOS rates for the period January 2015 through June 2015 and the period July 2015 through December 2015 assuming that 10% of the estimated Residential SOS expense for the period January 2015 through June 2015 is recovered during the period July 2015 through December 2015. As shown on Line 2 of Attachment COMM 4-2-1, page 2, approximately \$16.7 million of the Residential SOS expense expected to be incurred during the January through June period would be deferred for recovery in the July to December period. The January through June base Residential SOS rate would be \$0.10710 per kWh under this scenario, as compared to the proposed rate of \$0.11899 per kWh, a difference of \$0.01189 per kWh. Assuming a base Residential SOS rate of \$0.10710 per kWh is implemented for the period January 2015 through June 2015, the estimated

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COMM 4-2, page 2

base Residential SOS rate for the period July 2015 through December 2015 would be increased by \$0.01092 per kWh to \$0.09200 per kWh in order to recover both the estimated expense for the period July 2015 through December 2015 based upon the Residential SOS contracts currently executed for Residential SOS supply for the period July 2015 through December 2015 as well as the deferred amount of \$16.7 million. Attachment COMM 4-2-2, pages 3 and 4, include the typical bill analysis for Rates A-16 and A-60, comparing monthly bills based on rates currently in effect to monthly bills based on a base Residential SOS rate of \$0.10710 per kWh.

**Estimated Base Residential SOS Rate
Assuming 5% Expense Deferral for period January 2015-June 2015**

1 Estimated SOS Costs	\$166,536,793
2 Deferral - 5%	\$8,326,840
3 Estimated kWh (Jan - Jun)	1,399,568,662
4 Estimated per kWh Reduction	\$0.00594
5 Estimated kWh (Jul - Dec)	1,524,533,647
6 Estimated per kWh Deferral	\$0.00546
<u>Jan 2015 - June 2015</u>	
7 Proposed 6-Month base Residential Rate	\$0.11899
8 Deferral of Increase	<u>\$0.00594</u>
9 Capped 6-Month base Residential Rate	\$0.11305
10 SOS Adjustment Charge (Residential)	\$0.00171
11 SOS Administrative Cost (Residential)	\$0.00155
12 Renewable Energy Standard Charge	<u>\$0.00480</u>
13 Standard Offer Service Charge (Including RES)	\$0.12111
<u>Jul 2015 - Dec 2015</u>	
14 Estimated 6-Month base Residential Rate	\$0.08108
15 Deferral from Jan-June	<u>\$0.00546</u>
16 Adjusted 6-Month base Residential Rate	\$0.08654
17 SOS Adjustment Charge (Residential)	\$0.00171
18 SOS Administrative Cost (Residential)	\$0.00155
19 Renewable Energy Standard Charge	<u>\$0.00480</u>
20 Standard Offer Service Charge (Including RES)	\$0.09460

- 1 Page 3, Line 9
- 2 Line 1 x 5%
- 3 Page 3, Line 6
- 4 Line 2 ÷ Line 3, truncated to five decimal places
- 5 Attachment COMM 3-1, Line 16 column (b)
- 6 Line 2 ÷ Line 5, truncated to five decimal places
- 7 Page 3, Line 10
- 8 Line 4
- 9 Line 7 - Line 8
- 10 per R.I.P.U.C. Tariff No. 2096, Column B
- 11 per R.I.P.U.C. Tariff No. 2096, Column C
- 12 per R.I.P.U.C. Tariff No. 2096, Column E
- 13 Line 9 + Line 10 + Line 11+ Line 12
- 14 Attachment COMM 3-1, Line 16 column (d)
- 15 Line 6
- 16 Line 14 + Line 15
- 17 per R.I.P.U.C. Tariff No. 2096, Column B
- 18 per R.I.P.U.C. Tariff No. 2096, Column C
- 19 per R.I.P.U.C. Tariff No. 2096, Column E
- 20 Line 16 + Line 17 + Line 18+ Line 19

**Estimated Base Residential SOS Rate
Assuming 10% Expense Deferral for period January 2015-June 2015**

1 Estimated SOS Costs	\$166,536,793
2 Deferral - 10%	\$16,653,679
3 Estimated kWh (Jan - Jun)	1,399,568,662
4 Estimated per kWh Reduction	\$0.01189
5 Estimated kWh (Jul - Dec)	1,524,533,647
6 Estimated per kWh Deferral	\$0.01092
<u>Jan 2015 - June 2015</u>	
7 Proposed 6-Month base Residential Rate	\$0.11899
8 Deferral of Increase	<u>\$0.01189</u>
9 Capped 6-Month base Residential Rate	\$0.10710
10 SOS Adjustment Charge (Residential)	\$0.00171
11 SOS Administrative Cost (Residential)	\$0.00155
12 Renewable Energy Standard Charge	<u>\$0.00480</u>
13 Standard Offer Service Charge (Including RES)	\$0.11516
<u>Jul 2015 - Dec 2015</u>	
14 Estimated 6-Month base Residential Rate	\$0.08108
15 Deferral from Jan-June	<u>\$0.01092</u>
16 Adjusted 6-Month base Residential Rate	\$0.09200
17 SOS Adjustment Charge (Residential)	\$0.00171
18 SOS Administrative Cost (Residential)	\$0.00155
19 Renewable Energy Standard Charge	<u>\$0.00480</u>
20 Standard Offer Service Charge (Including RES)	\$0.10006

- 1 Page 3, Line 9
- 2 Line 1 x 10%
- 3 Page 3, Line 6
- 4 Line 2 ÷ Line 3, truncated to five decimal places
- 5 Attachment COMM 3-1, Line 16 column (b)
- 6 Line 2 ÷ Line 5, truncated to five decimal places
- 7 Page 3, Line 10
- 8 Line 4
- 9 Line 7 - Line 8
- 10 per R.I.P.U.C. Tariff No. 2096, Column B
- 11 per R.I.P.U.C. Tariff No. 2096, Column C
- 12 per R.I.P.U.C. Tariff No. 2096, Column E
- 13 Line 9 + Line 10 + Line 11 + Line 12
- 14 Attachment COMM 3-1, Line 16 column (d)
- 15 Line 6
- 16 Line 14 + Line 15
- 17 per R.I.P.U.C. Tariff No. 2096, Column B
- 18 per R.I.P.U.C. Tariff No. 2096, Column C
- 19 per R.I.P.U.C. Tariff No. 2096, Column E
- 20 Line 16 + Line 17 + Line 18 + Line 19

The Narragansett Electric Company
d/b/a National Grid
Residential Group Standard Offer Service Charge
(Rates A-16 and A-60)
Based on Weighted Average Effective Standard Offer Service Prices
January 2015 through June 2015

Section 1: Percentage of Residential Customer kWhs Attributable to Standard Offer Service

(1) Residential Group Standard Offer Service kWhs - October 2014	201,385,002
(2) Total Residential Group kWhs - October 2014	215,970,281
(3) Percentage of Residential Group Standard Offer Service kWhs to Total Residential Customer kWhs	93.25%

Section 2: Projected Residential Group Standard Offer Service kWhs

	2015 January (a)	February (b)	March (c)	April (d)	May (e)	June (f)	Total (g)
(4) Projected Total Company Residential Group kWhs	299,959,328	275,445,855	258,243,786	237,435,495	204,812,678	224,980,780	1,500,877,923
(5) kWhs	93.25%	93.25%	93.25%	93.25%	93.25%	93.25%	
(6) Projected Residential Group Standard Offer Service kWhs	279,712,073	256,853,260	240,812,331	221,408,599	190,987,822	209,794,577	1,399,568,663

Section 3: Weighted Average Residential Group Standard Offer Service Charge

(7) Projected Residential Group Standard Offer Service kWhs	279,712,073	256,853,260	240,812,331	221,408,599	190,987,822	209,794,577	1,399,568,663
(8) Estimated Residential Group Standard Offer Service Price per kWh	\$0.18345	\$0.17444	\$0.10410	\$0.07743	\$0.06598	\$0.07438	
(9) Projected Residential Group Standard Offer Service Cost	\$51,313,180	\$44,805,483	\$25,068,564	\$17,143,668	\$12,601,377	\$15,604,521	<u>\$166,536,793</u>
(10) Weighted Average Residential Group Base Standard Offer Service Charge							\$0.11899
(11) Monthly and Weighted Average Standard Offer Service Base Price per kWh	\$0.18345	\$0.17444	\$0.10410	\$0.07743	\$0.06598	\$0.07438	\$0.11899
(12) Standard Offer Service Administrative Cost Factor	\$0.00155	\$0.00155	\$0.00155	\$0.00155	\$0.00155	\$0.00155	\$0.00155
(13) Standard Offer Adjustment Factor	<u>\$0.00171</u>	<u>\$0.00171</u>	<u>\$0.00171</u>	<u>\$0.00171</u>	<u>\$0.00171</u>	<u>\$0.00171</u>	<u>\$0.00171</u>
(14) Total Estimated Residential Group Standard Offer Service Price per kWh	\$0.18671	\$0.17770	\$0.10736	\$0.08069	\$0.06924	\$0.07764	\$0.12225
(15) Currently Effective Residential Group Standard Offer Service Charge							\$0.07879
(16) Proposed Increase/(Decrease) to Residential Group Standard Offer Service Charge							\$0.04346

Line Descriptions:

(1) Per Company revenue reports (Rates A-16 and A-60) - October 2014	(9)	Line (7) x Line (8)
(2) Per Company revenue reports (Rates A-16 and A-60) - October 2014	(10)	Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(3) Line (1) ÷ Line (2), rounded to four decimal places	(11)	Line (8) for monthly prices and Line (10) for weighted average price
(4) Per Company forecast for Residential Group rates	(12)	Per current tariff
(5) Line (3)	(13)	Per current tariff
(6) Line (4) x Line (5)	(14)	Line (11) + Line (12) + Line (13)
(7) Line (6)	(15)	Per current tariff
(8) Attachment 1, Page 1 (truncated to 5 decimal places)	(16)	Line (14) total - Line (15)

Based Upon a 5% Deferral

The Narragansett Electric Company
d/b/a National Grid

RIPUC Docket No. 4393

2014 Standard Offer Service Rates

Period of January – June 2015 For Residential and Commercial

And Period January – March 2015 For Industrial

Attachment COMM 4-2-2

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Calculation of Monthly Typical Bill Total Bill Impact of Illustrative Rates Applicable to A-16 Rate Customers

Monthly kWh	Present Rates Standard			Illustrative Jan. 2015 - June 2015 Rates Standard			Increase/(Decrease)		Percentage of Customers
	Total	Offer	Delivery	Total	Offer	Delivery	Amount	% of Total	
150	\$30.15	\$13.06	\$17.09	\$36.02	\$18.93	\$17.09	\$5.87	19.5%	13.7%
300	\$54.34	\$26.13	\$28.21	\$66.05	\$37.84	\$28.21	\$11.71	21.5%	17.5%
400	\$70.46	\$34.83	\$35.63	\$86.09	\$50.46	\$35.63	\$15.63	22.2%	11.8%
500	\$86.58	\$43.54	\$43.04	\$106.12	\$63.08	\$43.04	\$19.54	22.6%	10.8%
600	\$102.70	\$52.24	\$50.46	\$126.16	\$75.70	\$50.46	\$23.46	22.8%	9.4%
700	\$118.82	\$60.95	\$57.87	\$146.18	\$88.31	\$57.87	\$27.36	23.0%	7.7%
1,000	\$167.18	\$87.07	\$80.11	\$206.27	\$126.16	\$80.11	\$39.09	23.4%	15.0%
2,000	\$328.41	\$174.15	\$154.26	\$406.57	\$252.31	\$154.26	\$78.16	23.8%	14.1%

Present Rates

Customer Charge		\$5.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.03821
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	\$0.08359

Illustrative Jan. 2015 - June 2015 Rates

Customer Charge		\$5.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.03821
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	\$0.12111

Note (1): includes the base Standard Offer Service Charge of 7.553¢/kWh, the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes an illustrative 6-month base Standard Offer Service Charge of 11.305¢/kWh (Proposed \$0.11899 per kWh - 5% deferred cost of \$0.00594 per kWh), the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Based Upon a 5% Deferral

The Narragansett Electric Company
d/b/a National Grid
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Attachment COMM 4-2-2
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Calculation of Monthly Typical Bill Total Bill Impact of Illustrative Rates Applicable to A-60 Rate Customers

Monthly kWh	Present Rates			Illustrative Jan. 2015 - June 2015 Rates			Increase/(Decrease)		Percentage of Customers
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
150	\$22.84	\$13.06	\$9.78	\$28.70	\$18.92	\$9.78	\$5.86	25.7%	10.7%
300	\$44.91	\$26.12	\$18.79	\$56.64	\$37.85	\$18.79	\$11.73	26.1%	23.2%
400	\$59.64	\$34.83	\$24.81	\$75.27	\$50.46	\$24.81	\$15.63	26.2%	14.9%
500	\$74.36	\$43.54	\$30.82	\$93.90	\$63.08	\$30.82	\$19.54	26.3%	12.2%
600	\$89.07	\$52.24	\$36.83	\$112.52	\$75.69	\$36.83	\$23.45	26.3%	9.6%
700	\$103.79	\$60.95	\$42.84	\$131.15	\$88.31	\$42.84	\$27.36	26.4%	7.3%
1,000	\$147.95	\$87.07	\$60.88	\$187.04	\$126.16	\$60.88	\$39.09	26.4%	12.3%
2,000	\$295.14	\$174.15	\$120.99	\$373.30	\$252.31	\$120.99	\$78.16	26.5%	9.8%

Present Rates

Customer Charge		\$0.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.02474
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	\$0.08359

Illustrative Jan. 2015 - June 2015 Rates

Customer Charge		\$0.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.02474
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	\$0.12111

Note (1): includes the base Standard Offer Service Charge of 7.553¢/kWh, the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes an illustrative 6-month base Standard Offer Service Charge of 11.305¢/kWh (Proposed \$0.11899 per kWh - 5% deferred cost of \$0.00594 per kWh), the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Based Upon a 10% Deferral

The Narragansett Electric Company
d/b/a National Grid

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2014 Standard Offer Service Rates

Period of January – June 2015 For Residential and Commercial

And Period January – March 2015 For Industrial

Attachment COMM 4-2-2

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Calculation of Monthly Typical Bill Total Bill Impact of Illustrative Rates Applicable to A-16 Rate Customers

Monthly kWh	Present Rates Standard Offer			Illustrative Jan. 2015 - June 2015 Rates Standard Offer			Increase/(Decrease)		Percentage of Customers
	Total	Delivery		Total	Delivery		Amount	% of Total	
150	\$30.15	\$13.06	\$17.09	\$35.08	\$17.99	\$17.09	\$4.93	16.4%	13.7%
300	\$54.34	\$26.13	\$28.21	\$64.20	\$35.99	\$28.21	\$9.86	18.1%	17.5%
400	\$70.46	\$34.83	\$35.63	\$83.61	\$47.98	\$35.63	\$13.15	18.7%	11.8%
500	\$86.58	\$43.54	\$43.04	\$103.02	\$59.98	\$43.04	\$16.44	19.0%	10.8%
600	\$102.70	\$52.24	\$50.46	\$122.44	\$71.98	\$50.46	\$19.74	19.2%	9.4%
700	\$118.82	\$60.95	\$57.87	\$141.84	\$83.97	\$57.87	\$23.02	19.4%	7.7%
1,000	\$167.18	\$87.07	\$80.11	\$200.07	\$119.96	\$80.11	\$32.89	19.7%	15.0%
2,000	\$328.41	\$174.15	\$154.26	\$394.18	\$239.92	\$154.26	\$65.77	20.0%	14.1%

Present Rates

Customer Charge		\$5.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.03821
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	\$0.08359

Illustrative Jan. 2015 - June 2015 Rates

Customer Charge		\$5.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.03821
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	\$0.11516

Note (1): includes the base Standard Offer Service Charge of 7.553¢/kWh, the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes an illustrative 6-month base Standard Offer Service Charge of 10.710¢/kWh (Proposed \$0.11899 per kWh - 10% deferred cost of \$0.01189 per kWh), the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Based Upon a 10% Deferral

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Calculation of Monthly Typical Bill Total Bill Impact of Illustrative Rates Applicable to A-60 Rate Customers

Monthly kWh	Present Rates Standard Offer			Illustrative Jan. 2015 - June 2015 Rates Standard Offer			Increase/(Decrease)		Percentage of Customers
	Total	Delivery		Total	Delivery		Amount	% of Total	
150	\$22.84	\$13.06	\$9.78	\$27.77	\$17.99	\$9.78	\$4.93	21.6%	10.7%
300	\$44.91	\$26.12	\$18.79	\$54.78	\$35.99	\$18.79	\$9.87	22.0%	23.2%
400	\$59.64	\$34.83	\$24.81	\$72.79	\$47.98	\$24.81	\$13.15	22.0%	14.9%
500	\$74.36	\$43.54	\$30.82	\$90.80	\$59.98	\$30.82	\$16.44	22.1%	12.2%
600	\$89.07	\$52.24	\$36.83	\$108.81	\$71.98	\$36.83	\$19.74	22.2%	9.6%
700	\$103.79	\$60.95	\$42.84	\$126.81	\$83.97	\$42.84	\$23.02	22.2%	7.3%
1,000	\$147.95	\$87.07	\$60.88	\$180.84	\$119.96	\$60.88	\$32.89	22.2%	12.3%
2,000	\$295.14	\$174.15	\$120.99	\$360.91	\$239.92	\$120.99	\$65.77	22.3%	9.8%

Present Rates

Customer Charge		\$0.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.02474
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	\$0.08359

Illustrative Jan. 2015 - June 2015 Rates

Customer Charge		\$0.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge	kWh x	\$0.02474
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	\$0.11516

Note (1): includes the base Standard Offer Service Charge of 7.553¢/kWh, the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

Note (2): includes an illustrative 6-month base Standard Offer Service Charge of 10.710¢/kWh (Proposed \$0.11899 per kWh - 10% deferred cost of \$0.01189 per kWh), the Standard Offer Service Adjustment Charge of 0.171¢/kWh, the Standard Offer Service Administrative Cost Factor of 0.155¢/kWh and the Renewable Energy Standard Charge of 0.480¢/kWh

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Issued on December 2, 2014

COMM 4-3

Request:

What is the projected incremental per kilowatt-hour cost in the July through December 2015 period associated with a 5% and 10% deferral and a 12-month rate.

Response:

Please see the response to COMM 4-2 for the incremental per kilowatt-hour cost in the July 2015 through December 2015 period associated with a 5% and 10% deferral. The projected incremental per kilowatt-hour cost in the July 2015 through December 2015 period associated with a 12-month rate is \$0.01814 per kWh (calculated as the 12-month base Residential SOS rate of \$0.09922 per kWh vs. the estimated six-month base Residential SOS rate of \$0.08108 per kWh, both shown in the response to data request COMM 3-1).

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COMM 4-4

Request:

What are the total interest costs for each of these scenarios (5%, 10% deferral and a 12-month rate)?

Response:

The SOS reconciliation is a 12-month reconciliation for the calendar year. 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 each of the illustrative scenarios, the base Residential SOS rate is designed to fully recover the estimated Residential SOS expense by 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.

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COMM 4-5

Request:

What is the projected SOS rate in July through December assuming the 5% and 10% deferrals?

Response:

Please see the response to COMM 4-2.