

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 Data Requests – Set 5**

Dear Ms. Massaro:

Enclosed are National Grid's<sup>1</sup> responses to the Public Utilities Commission's Fifth Set of Data Requests in the above-referenced docket.

In this transmittal, the Company is providing its responses to COMM 5-3 and COM 5-4. The Company's responses to COMM 5-1 and COMM 5-2 will be forthcoming shortly.

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

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<sup>1</sup> 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.



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**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  
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  
Responses to the Commission’s Fifth Set of Data Requests  
Issued on December 3, 2014

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COMM 5-3

Request:

If the Commission were to apply the proposed residential SOS rate over the 12 month period from January to December 2015, will this potentially increase the amount of billing adjustments applied to customers choosing to leave standard offer service? Please quantify, if possible, the effect that a 12-month residential SOS rate would have on billing adjustments by giving illustrative examples of the billing adjustments that would apply to a residential customer leaving SOS in the end of March 2015 and September of 2015. Also, compare those billing adjustments to the billing adjustment that would apply if the Company’s 6- month residential SOS rate is approved as filed.

Response:

If the Commission were to approve a 12-month base Residential SOS rate of \$0.09922 as calculated in Company’s response to COMM 3-1, the SOS billing adjustment applied to customers choosing to leave SOS could be either larger or smaller than the adjustment that would be calculated over the applicable six-month period under the SOS rate structure currently in place. Attachment COMM 5-3, Table 1, shows the calculation of the SOS billing adjustment based upon a 12-month base Residential SOS rate for a 500 kWh residential customer that would be applied in each month if that customer chose to leave SOS at the end of each of those months. Table 2 shows the same calculation but is based upon the proposed six-month rate for the period January 2015 through June 2015 and the estimated six-month rate for the period July 2015 through December 2015. As shown in the attachment, a customer choosing to leave SOS at the end of the March 2015 billing period would be assessed an SOS billing adjustment of \$82.17 if a 12-month SOS rate were in effect, as compared to \$52.51 if the proposed six-month rate were in effect. A customer choosing to leave SOS at the end of the September 2015 billing period would receive an SOS billing adjustment *credit* of \$0.82 if a 12-month SOS rate were in effect, as compared to a *credit* of \$15.84 if the proposed six-month rate were in effect.

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 an 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.

The Narragansett Electric Company  
Standard Offer Service Billing Adjustment Calculation

TABLE 1. Illustrative: 12-month SOS Rate

Month	SOS Fixed Charge (a)	SOS Variable Charge (b)	kWhs (c)	Amount Billed (d)	Actual Cost (e)	Monthly Difference (f)	Billing Adjustment (g)
Jan-2015	\$0.09922	\$0.18345	500	\$49.61	\$91.73	\$42.12	\$42.12
Feb-2015	\$0.09922	\$0.17444	500	\$49.61	\$87.22	\$37.61	\$79.73
Mar-2015	\$0.09922	\$0.10410	500	\$49.61	\$52.05	\$2.44	\$82.17
Apr-2015	\$0.09922	\$0.07743	500	\$49.61	\$38.72	(\$10.90)	\$71.27
May-2015	\$0.09922	\$0.06598	500	\$49.61	\$32.99	(\$16.62)	\$54.65
Jun-2015	\$0.09922	\$0.07438	500	\$49.61	\$37.19	(\$12.42)	\$42.23
Jul-2015	\$0.09922	\$0.07477	500	\$49.61	\$37.39	(\$12.23)	\$30.01
Aug-2015	\$0.09922	\$0.07265	500	\$49.61	\$36.33	(\$13.29)	\$16.72
Sep-2015	\$0.09922	\$0.06415	500	\$49.61	\$32.08	(\$17.54)	(\$0.82)
Oct-2015	\$0.09922	\$0.06554	500	\$49.61	\$32.77	(\$16.84)	(\$17.66)
Nov-2015	\$0.09922	\$0.08237	500	\$49.61	\$41.19	(\$8.43)	(\$26.08)
Dec-2015	\$0.09922	\$0.12995	500	\$49.61	\$64.98	n/a	n/a

- (a) Based on 12-month Residential Base SOS calculated per Attachment COMM 3-1
- (b) Docket No. 4393, Attachment 1, page 3 for January through June; July through Dec estimated per Attachment COMM 3-1
- (c) Illustrative
- (d) Column (a) x Column (c)
- (e) Column (b) x Column (c)
- (f) Column (e) - Column (d)
- (g) Column (f) + prior month Column (g)

TABLE 2. Illustrative Comparison: Proposed Base SOS Rate and Estimated Base SOS Rate for July 2015 through December 2015

Month	SOS Fixed Charge (a)	SOS Variable Charge (b)	kWhs (c)	Amount Billed (d)	Actual Cost (e)	Monthly Difference (f)	Billing Adjustment (g)
Jan-2015	\$0.11899	\$0.18345	500	\$59.50	\$91.73	\$32.23	\$32.23
Feb-2015	\$0.11899	\$0.17444	500	\$59.50	\$87.22	\$27.73	\$59.96
Mar-2015	\$0.11899	\$0.10410	500	\$59.50	\$52.05	(\$7.45)	\$52.51
Apr-2015	\$0.11899	\$0.07743	500	\$59.50	\$38.72	(\$20.78)	\$31.73
May-2015	\$0.11899	\$0.06598	500	\$59.50	\$32.99	(\$26.51)	\$5.23
Jun-2015	\$0.11899	\$0.07438	500	\$59.50	\$37.19	n/a	n/a
Jul-2015	\$0.08108	\$0.07477	500	\$40.54	\$37.39	(\$3.15)	(\$3.15)
Aug-2015	\$0.08108	\$0.07265	500	\$40.54	\$36.33	(\$4.22)	(\$7.37)
Sep-2015	\$0.08108	\$0.06415	500	\$40.54	\$32.08	(\$8.47)	(\$15.84)
Oct-2015	\$0.08108	\$0.06554	500	\$40.54	\$32.77	(\$7.77)	(\$23.61)
Nov-2015	\$0.08108	\$0.08237	500	\$40.54	\$41.19	\$0.65	(\$22.96)
Dec-2015	\$0.08108	\$0.12995	500	\$40.54	\$64.98	n/a	n/a

- (a) Based on proposed Residential Base SOS for Jan-Jun and estimated Base SOS charge for Jul-Dec per Attachment COMM 3-1.
- (b) Docket No. 4393, Attachment 1, page 3 for January through June; July through Dec estimated per Attachment COMM 3-1
- (c) Illustrative
- (d) Column (a) x Column (c)
- (e) Column (b) x Column (c)
- (f) Column (e) - Column (d)
- (g) Column (f) + prior month Column (g)

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COMM 5-4

Request:

Referring to Confidential Attachment COMM 3-1, assuming a 12 month residential SOS rate, please explain why there is no expected interest cost on any mid-year deferral balances.

Response:

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. The 12-month base SOS rate calculated in Attachment COMM 3-1 is designed to fully recover the estimated Residential 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.