

# Memorandum

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PUBLIC UTILITIES COMMISSION

To: L. Massaro  
Commission Clerk

From: D. R. Stearns  
S. Scialabba  
Division of Public Utilities & Carriers

Date: 11/27/2013

Re: Narragansett Electric – Long Term Contracting for Renewable Energy Recovery  
Factor  
Docket 4412

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On November 15, 2013 Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) filed with the Commission its Long-Term Contracting for Renewable Energy Recovery (“LTCRER”) factor filing for the period January 1 through June 30, 2014 (“Pricing period”).

The LCTRER provision, R.I.P.U.C. No. 2127, was approved by the Commission in Docket 4338, and allows for the recovery of payments made to projects under long-term contracts and distributed generation (“DG”) standard contracts executed pursuant to R.I.G.L. 39-26-1 and R.I.G.L. 39-26-2, respectively.

The Company’s proposed factor is intended to recover estimated above-market costs associated with National Grid’s power purchase agreements (“PPA”) less the proceeds from the sale of energy, capacity, Renewable Energy Certificates, or other attributes. The proposed factor, a credit of \$(0.00007), is calculated by combining the estimated above market costs of \$15,879,153 to be incurred during the pricing period and the estimated recovery during the current period of \$16,168,568. The net amount, an estimated over recovery of \$289,415, is divided by estimated sales during the pricing period, 3,742,920,095 kWh. An adjustment of 1.25% for uncollectibles is applied, but since the factor is truncated to five places, it has no effect. The result is the proposed credit factor of \$(0.00007) per kWh. This is a decrease of \$0.00004 compared with the current credit factor of \$(0.00003) per kWh. The effect on a typical 500 kWh monthly residential bill is a decrease of \$0.02.

Having reviewed the LCTRER factor filing, the Division believes the calculations are in accordance with the Commission’s order in docket 4338, the docket by which the Commission approved the LCTRER Provision.

The Division therefore recommends approval of the proposed LTCRER credit factor of \$(0.00007) per kWh, effective January 1, 2014.

Cc: Thomas Ahern,  
Administrator, Division of Public Utilities and Carriers