

November 1, 2016

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Tariffs - RIPUC No. 2114 and RIPUC NG-GAS No. 101-B
Compliance Filing**

Dear Ms. Massaro:

In accordance with PUC Order 21767,¹ I have enclosed clean and marked copies of National Grid's² Energy Efficiency Program Provision (RIPUC No. 2114) and Gas Tariff (RIPUC NG-GAS No. 101-B). The Company revised the electric and gas tariffs to reflect that, although the Company will file its EEP Charge on or before October 15 of each year, in any year in which the Company is required to file a triennial Energy Efficiency Procurement Plan, the Company will file the EEP Charge by November 1. The Company also made a few minor revisions to the electric and gas tariffs, as reflected in the enclosed marked copies.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Leo Wold, Esq.
Steve Scialabba, Division

¹ See Order No. 21767 at p. 26, paragraph 3.

² The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

THE NARRAGANSETT ELECTRIC COMPANY
ENERGY EFFICIENCY PROGRAM PROVISION

All Customers receiving Retail Delivery Service from The Narragansett Electric Company (Company) will be charged for the Company's cost effective Energy Efficiency Program (EEP) pursuant to R.I. Gen. Laws Section 39-1-27.7. The charge for the Company's EEP will be a uniform per kWh charge applicable to all rate classes (EEP Charge).

The Company will file its EEP Charge on or before October 15 of each year. In any year in which the Company is required to file a triennial Energy Efficiency Procurement Plan, the Company will file the EEP Charge by November 1. The EEP Charge shall be effective on the following January 1.

The EEP Charge will be designed to collect the estimated incremental costs of the Company's upcoming EEP that are not otherwise funded through other sources, plus any projected over or under funding of the current program year's expenditures, including interest earned at the rate in effect for customer deposits. The EEP Charge shall be adjusted to include an allowance for the Company's uncollectible accounts receivables associated with amounts billed through the EEP Charge at the rate of 1.25%. Other funding sources will include (1) revenue generated by ISO-New England's Forward Capacity Market; (2) revenue generated through Regional Greenhouse Gas Initiative permit auctions; and (3) other funding as approved by the Commission. The EEP shall also reconcile actual and projected costs incurred by the Company for the current plan period against actual and projected funding received from all sources (including the EEP Charge). Any projected amounts included in the annual EEP Charge filing are subject to reconciliation to actual amounts and any difference will be reflected in a future annual EEP Charge filing. The Company may file to change the EEP Charge at any time should significant over- or under-recoveries occur.

Each adjustment of the prices under the Company's applicable rates shall be in accordance with a notice filed with the Commission setting forth the amount of the increase or decrease and the new EEP Charge.

This provision is applicable to all Retail Delivery Service rates of the Company.

Effective Date: November 1, 2016

THE NARRAGANSETT ELECTRIC COMPANY
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The Company will file its EEP Charge on or before October 15~~November 1~~ of each year. In any year in which the Company is required to file a triennial Energy Efficiency Procurement Plan, the Company will file the EEP Charge by November 1. The EEP Charge shall be for effective on the following January 1, ~~coincident with the filing of its cost effective EEP plan for the upcoming calendar year.~~

The EEP Charge will be designed to collect the estimated incremental costs of the Company’s upcoming EEP that are not otherwise funded through other sources, plus any projected over or under funding of the current program year’s expenditures, including interest earned at the rate in effect for customer deposits. The EEP Charge shall be adjusted to include an allowance for the Company’s uncollectible accounts receivables associated with amounts billed through the EEP Charge at the rate of 1.25%. Other funding sources will include (1) revenue generated by ISO-New England’s Forward Capacity Market; (2) revenue generated through Regional Greenhouse Gas Initiative permit auctions; and (3) other funding as approved by the Commission. The EEP shall also reconcile actual and projected costs incurred by the Company for the current plan period against actual and projected funding received from all sources (including the EEP Charge). Any projected amounts included in the annual EEP Charge filing are subject to reconciliation to actual amounts and any difference will be reflected in a future annual EEP Charge filing. The Company may file to change the EEP Charge at any time should significant over- or under-recoveries occur.

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1, 2013

Effective Date: November 1, 2016 ~~February~~

TAXES AND SURCHARGES**1.0 RHODE ISLAND GROSS EARNINGS TAX:**

Unless otherwise indicated, all rates exclude an amount necessary for the payment of Rhode Island Gross Earnings Tax. An amount necessary for the payment of Rhode Island Gross Earnings Tax will be separately identified on bills rendered to customers.

2.0 GROSS EARNINGS TAX REDUCTION FOR MANUFACTURERS:

Consistent with the gross earnings tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be billed the applicable Rhode Island Gross Earnings Tax (GET). The Customer is responsible for providing to the Company in writing its tax exemption number and other appropriate documentation. If the Company collected any taxes or assessments from the Customer and is later informed by the Customer that the Customer is exempt from such taxes, it shall be the Customer's responsibility to obtain any refund from the appropriate governmental taxing agency.

Eligible manufacturing customers are those Customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30 (7) of Rhode Island General Laws) indicating the Customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a Customer, the Customer will be required to reimburse the Company in the amount of the credits provided to such Customer which were disallowed, including any interest required to be paid by the Company to such authority.

The Division of Taxation has indicated that it will generally deem 95% of manufacturer's volumes to be for "manufacturing use" eligible for the reduced manufacturer's Gross Earnings Tax rate. Thus, unless usage is separately metered for manufacturing only, 95% of billed amounts for qualified customers will be deemed to be for manufacturing purposes and eligible for the manufacturer's GET credit, whereas the remaining 5% of the billed amount will be subject to the standard GET rate. If usage is separately metered for manufacturing use only, the entire amount will be subject to the reduced manufacturing GET rate.

No other use of gas will be included in this rate for billing purposes.

3.0 OTHER RHODE ISLAND TAXES:

Where applicable at rate or rates in effect from time-to-time.

TAXES AND SURCHARGES**4.0 ENERGY EFFICIENCY SURCHARGE:**

As provided for in Section 39-1-27.7 and Section 39-2-1.2 of Rhode Island General Laws, a charge per dekatherm (Dt) designed to recover the costs of the Company's gas Energy Efficiency Program (EEP).

With the filing of the Company's EEP plan for the upcoming calendar year, the Company will file its EEP per Dt charge on or before October 15 of each year. In any year in which the Company is required to file a triennial Energy Efficiency Procurement plan, the Company will file the EEP Charge by November 1. The EEP Charge shall be effective on the following January 1. The EEP charge will be designed to collect the estimated costs of the Company's EEP plan for the upcoming calendar year plus a full reconciliation of all costs and revenues for the current year including a reconciliation of forecasted revenue and costs for months of the current year for which actual data is not available at the time of the filing. Any projected amounts included in the EEP charge filing are subject to reconciliation to actual amounts and any difference will be reflected in a future EEP charge filing. Upon approval by the PUC, such a charge (adjusted for the uncollectible percentage approved in the most recent rate case proceeding) shall become effective with usage on or after the effective date.

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