



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION
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Chairperson Margaret E. Curran
Commissioner Paul J. Roberti
Commissioner Herbert F. DeSimone, Jr.

MEMORANDUM

To: Stakeholders
From: Cynthia Wilson-Frias, Deputy Chief of Legal Services
Date: May 5, 2015
Re: Docket No. 4545 – Review of Electric Rate Issues in Anticipation of 2015 Rate Design Review – May 14, 2014 Meeting

Agenda

9:30 A.M. – Presentation by Acadia Center followed by New England Clean Energy Council of each group's goals and objectives for the revenue neutral rate design proceeding.

10:30 A.M. – National Grid presentation

National Grid will run a few scenarios looking at the impact on customers of whether costs for a certain program (e.g., Volt Var Optimization) are recovered through the ISR mechanism or through the energy efficiency charge. Do some classes of customers pay more if the costs are recovered through one charge versus the other. The way these costs are charged to customers differs.

- Costs that flow through the ISR are "rate designed" to customers such that some are in the customer charge, some in demand charge (for customers that have demand charges) and some in kWh charge.
- Costs that flow through the energy efficiency charge are paid in a kWh charge.

So the question is whether a large industrial customer would pay more or less for a VVO program if the costs flow through ISR (where only some costs would be in kWh charge) versus if the costs flow through energy efficiency charge (with all costs in a kWh charge).

Depending on the results of the scenario analysis, it may suggest to us that it matters for customers whether the costs of grid mod or smart meters or something else are recovered through the ISR or a kWh charge. Is there an issue with respect to equity across classes?

Noon – break

1:00 P.M. – National Grid update on Tiverton System Reliability Projects