

November 6, 2015

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4568 – The Narragansett Electric Company d/b/a National Grid
Review of Electric Distribution Rate Design Pursuant to R.I. Gen. Laws § 39-26.6-24
Supplemental Response to OER 3-1**

Dear Ms. Massaro:

On behalf of National Grid¹, I enclose ten (10) copies of the Company's supplemental response to OER 3-1, which was the only question issued within the set, issued by the Office of Energy Resources on September 18, 2015 in the above-referenced docket.

Thank you for your attention to this transmittal. If you have any questions concerning this filing, please contact me at 781-907-2153.

Very truly yours,



Celia B. O'Brien

Enclosures

cc: Docket 4568 Service List
Leo Wold, Esq.
Karen Lyons, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

Supplemental
OER 3-1

Request:

Please confirm that National Grid (the “Company”) will notify on or before September 24, 2015, by email and regular mail all Distributed Generation Standard Contracts (“DGSC”) and Renewable Energy Growth (“RE G”) standalone facility owners who were awarded DGSC contracts and REG tariffs between 2011 and 2015 and also all Net-Metered (“NM”) standalone facility owners with the following information:

- a) The Docket information (Docket # 4568 – Review of The Narragansett Electric Company d/b/a National Grid (NGrid) – Review of Electric Distribution Design Pursuant to R.I. Gen. Laws 39-26.6-24) for the Rhode Island Public Utility Commission (“Commission”) proceeding;
- b) The Company is proposing an “Access Fee” to standalone owners in its Rate Design filing before the Commission;
- c) The Company’s proposed formula to assess the “Access Fee” to standalone distributed generation facilities; and
- d) The Company’s projected “Access Fee” costs for the forty-four (44) distributed generation standalone facilities (submitted to the Commission under *PUC 1-18, Responses to Public Utilities Commission First Set of Data Requests Issued on August 12, 2015.*)

Response:

As noted in the Company’s original response to OER 3-1, to avoid customer confusion, the Company delayed notifying affected customers of the information specified above until after the PUC had ruled on the motions for summary disposition filed by Green Development, LLC d/b/a Wind Energy Development, LLC and jointly by Acadia Center, Conservation Law Foundation, New England Clean Energy Council and The Alliance for Solar Choice. On October 16, 2015, the PUC denied, without prejudice, the motions for summary disposition. On October 30, 2015, the Company filed a letter notifying the PUC that it was considering a proposal to grandfather certain stand-alone DG facilities, which was discussed at a meeting on November 2, 2015 among the Company, the Division of Public Utilities and Carriers, and the interveners. In addition, on November 3, 2015, the Company filed a supplemental response to PUC 1-18 with the capacity availability factors for wind (30%) and hydro (10%) and revised calculations of the proposed

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4568
In Re: Review of Electric Distribution Rate Design
Pursuant to R.I. Gen. Laws § 39-26.6-24
Responses to Office of Energy Resources' Third Set of Data Requests
Issued on September 18, 2015

Supplemental
OER 3-1, page 2

Access Fee for the projects listed in that response. The Company subsequently updated the letter template provided as Attachment OER 3-1 in its initial response to OER 3-1 to include the capacity availability factors for wind and hydro with revised Access Fee calculations and to indicate that the Company was considering a proposal to grandfather certain stand-alone DG facilities. On November 5, 2015, the Company sent the updated letter to the designated point of contact for each of the stand-alone DG facilities listed in the Company's response to PUC 1-18. A copy of the updated letter template is provided as Attachment OER 3-1 Supp.

November 5, 2015

VIA U.S. MAIL & ELECTRONIC MAIL

[Name]
[Company Name]
[Street]
[City, State, Zip Code]

Dear [Name]:

On July 31, 2015, National Grid¹ filed a revenue-neutral electric distribution rate design proposal with the Rhode Island Public Utilities Commission (PUC) as required by Chapter 26.6 of Title 39 the Rhode Island General Laws (the Renewable Energy Growth Program). The PUC docketed the Company’s filing as Docket 4568. As you may be aware, as part of its proposal, the Company has proposed a fixed monthly charge applicable to stand-alone distributed generators, which are units, like yours, that are directly connected to the distribution system and have on-site load that is associated with providing station service only. *This letter is to make you aware that the Company is considering a proposal to “grandfather” existing stand-alone distributed generators, like yours, with respect to this proposed charge, referred to as an Access Fee.*

Proposed Fixed Monthly Charge Applicable to Stand-Alone Distributed Generators

The Access Fee proposal contained in the Company’s filing is based upon the size of the facility and the voltage level at which the facility is connected (primary or secondary) to the Company’s distribution system. This proposed fixed monthly charge is designed so that customers who utilize the distribution system for the purpose of delivering electricity to the energy market contribute toward the support for the distribution system that the facility relies upon for movement of generated energy. The proposed Access Fee also ensures that the customer is contributing towards ongoing operation, maintenance, and replacement costs of interconnection equipment at your location.

How the Proposed Access Fee Would be Assessed

The proposed Access Fee is \$5.00 per kW per month for units connected at primary voltage and \$7.25 per kW per month for units connected at secondary voltage. Monthly kW demand would be determined as the unit’s nameplate capacity multiplied by a factor that reflects the unit’s expected coincidence with the distribution system peak. This availability factor represents the likelihood that the unit will be generating at the time of the distribution system peak. The factor for each generation technology is: 40% for solar, 30% for wind, and 10% for hydro. For anaerobic digestion, the factor is still being developed and will be proposed at a later date; for now, the Company is using 40% as a proxy.

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

[Name]
November 5, 2015
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As mentioned above, the Company is considering a proposal to “grandfather” certain existing stand-alone distributed generators that may include your facility, and is currently developing the details of that proposal, which would be filed with the PUC for approval. To provide you with an example of how the Access Fee would be calculated for projects that are ultimately determined to be subject to the Access Fee, based on a nameplate capacity of [X] kW for a [type of generation] like yours at [project address], the Access Fee that would be applicable to the project would be \$[0.00] per month, if approved by the PUC, calculated as follows:

Nameplate Capacity (X) x [40%/30%/10%] x [\$5.00/\$7.25] = \$[0.00] per month.

Where You Can Find Documents Associated With Docket 4568

The Company’s rate re-design proposal, including the proposed Access Fee, is subject to the review and approval of the PUC. The Company’s filing and the procedural schedule are posted on the PUC’s website at <http://www.ripuc.org/eventsactions/docket/4568page.html>. Initial estimates of the Access Fee for existing stand-alone DG facilities are available at: [http://www.ripuc.org/eventsactions/docket/4568-NGrid-DR-PUC1-18Supp\(11-3-15\).pdf](http://www.ripuc.org/eventsactions/docket/4568-NGrid-DR-PUC1-18Supp(11-3-15).pdf). A decision on the Company’s proposal is expected on or before March 1, 2016. If approved by the PUC, the approved rates will be implemented on or after April 1, 2016.

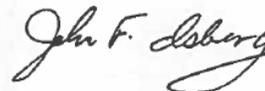
For Further Information

If you have questions or would like further information, please contact either Tim Roughan at 781-907-1628 or John Isberg at 401-784-7516.

Sincerely,



Timothy R. Roughan
Director of Energy and
Environmental Policy



John F. Isberg
Director of Community and
Customer Management

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

Paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.

Joanne M. Scanlon

November 6, 2015

Date

**Docket No. 4568 National Grid's Rate Design Pursuant to R.I. Gen. Laws Sec 39-26.6-24
Service List updated 10/29/15**

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