

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETTY ELECTRIC D/B/A NATIONAL GRID
DISTRIBUTION ADJUSTMENT CLAUSE FILING – DOCKET NO. 4573
GAS COST RECOVERY FILING – DOCKET NO. 4576

NOTICE OF PUBLIC HEARING

Pursuant to R.I. Gen. Laws §§ 39-3-11, the Public Utilities Commission (PUC) will conduct a public hearing on **Monday, October 26, 2015 @ 10:00 A.M.** in Hearing Room A of the PUC's office located at 89 Jefferson Blvd, Warwick, Rhode Island. In these dockets, the PUC will examine the propriety of filings submitted by National Grid seeking to implement revised rates and charges effective November 1, 2015.

In Docket No. 4573, National Grid filed to amend the Distribution Adjustment Clause (DAC) rate. The DAC is designed to provide for the recovery and reconciliation of the costs of identifiable special programs. It includes an annual System Pressure factor, an Advanced Gas Technology factor, a Low Income Assistance Program factor, an Environmental Response Cost factor, a Pension Adjustment factor, an On-System Margin Credit factor, a Service Quality Performance factor, an Earnings Sharing Mechanism factor, a Revenue Decoupling Adjustment factor, and rate class specific Infrastructure, Safety, and Reliability factors (previously approved in Docket No. 4540) and new this year, a Firm Revenue Credit Factor. The proposed DAC factors on a per therm cost basis for each rate class are: \$0.0731 per therm for Residential Non-Heating and Residential Non-Heating Low Income, \$0.0269 per therm for Residential Heating and Residential Heating Low Income; \$0.0225 per therm for Small Commercial & Industrial (C&I); \$0.0061 for Medium C&I; \$0.0436 for Large Low Load Factor; \$0.0424 for Large High Load Factor; \$0.0106 for Extra Large Low Load Factor; and \$0.0100 for Extra Large High Load Factor. For the average residential heating customer using 846 therms annually, this represents an increase of \$4.18 or 0.3 percent from the currently effective DAC rates.

In Docket No. 4576, National Grid filed to amend the Gas Cost Recovery (GCR) charge for all customer classes. The GCR charge allows the Company to reconcile and recover its estimated costs for gas supplies for the period November 1, 2015 through October 31, 2016. The proposed GCR factors on a per therm cost basis are: \$0.5446 per therm for Residential Heating customers, Small C&I customers, Medium C&I customers, Large Low-Load Factor customers, and Extra Large Low Load Factor customers; \$0.5174 per therm for Residential Non-Heating customers, Large High Load Factor customers, and Extra Large High Load Factor customers; and \$8.8817 per MDCQ dekatherm for FT-1 Storage and Peaking rate for firm transportation customers eligible for Transition Sales Service (TSS) of \$0.0694 per therm. For the average residential heating customer using 846 therms annually, this represents a decrease of \$124.27 or 9.9 percent from the currently effective GCR rates.

The combined net bill impact of the GCR and DAC charges on a typical residential heating customer using 846 therms per year represents an annual bill reduction of approximately \$120.09 or 9.6 percent from \$1,249.69 to \$1,129.60. The PUC may approve different rates that may be higher or lower than those proposed by National Grid. The PUC may rule immediately at the conclusion of the hearing.

The filings may be examined at the PUC's office. The filings can also be accessed on the Commission's Docket Menu at www.ripuc.org, Dockets 4576 & 4573. Reference is made to Chapters 39-1, 39-3 & 42-35 of the RI General Laws.

The Public Utilities Commission is accessible to the handicapped. Individuals requesting interpreter services for the hearing impaired must notify the Commission Clerk's office at 401-780-2107, seventy-two hours in advance of hearing date.

Luly E. Massaro, Commission Clerk
October 16, 2015