

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC COMPANY:
d/b/a NATIONAL GRID’S STANDARD OFFER : DOCKET NO. 4605
SERVICE RATES FOR THE INDUSTRIAL GROUP, :
PURSUANT TO THE 2017 STANDARD OFFER :
PROCUREMENT PLAN :

ORDER

I. Introduction

The Narragansett Electric Company d/b/a National Grid (National Grid or Company) currently procures Standard Offer Service (SOS) supply on behalf of its customers pursuant to the 2017 SOS Procurement Plan approved by the Public Utilities Commission (PUC) at an open meeting on June 27, 2016.¹ The procurement plan authorizes National Grid to conduct solicitations throughout the year for Standard Offer Service in varying contract lengths. Based on these solicitations, the Company files SOS rates for the Residential Group and Commercial Group twice per year and SOS rates for the Industrial Group quarterly.²

II. National Grid’s Proposed Standard Offer Service Rates for the Industrial Group for the period July 2017 through September 2017

On April 13, 2017, National Grid proposed the following Industrial SOS rates for the period July 2017 through September 2017:³

July 2017:	\$0.06554/kWh
August 2017:	\$0.06398/kWh
September 2017:	\$0.05926/kWh

¹ PUC Order No. 22677 (Docket No. 4605) (Jun. 27, 2016), http://www.ripuc.org/eventsactions/docket/4605-NGrid-Ord22677_2-22-17.pdf. The PUC ordered National Grid to follow the approved 2016 SOS Procurement for the 2017 procurement period of January 1, 2017 through December 31, 2017 with one minor amendment.

² The proposed SOS rates include the current per kWh SOS Adjustment Factor, SOS Administrative Cost Factor, and Renewable Energy Charge.

³National Grid’s SOS Filing at Attach. 1 (April 13, 2017); [http://www.ripuc.org/eventsactions/docket/4605-NGrid-SOS-Rates\(4-13-17\).pdf](http://www.ripuc.org/eventsactions/docket/4605-NGrid-SOS-Rates(4-13-17).pdf).

These rates include the Standard Offer Adjustment Factor of (\$0.00507/kWh), the Administrative Cost Factor of \$0.00122/kWh, and the Renewable Energy Standard Charge of \$0.00040.⁴ The three-month average of the proposed Industrial rates for the period April 2017 through June 2017 is \$0.06293/kWh. That represents a 37% increase from the three-month average rate of \$0.04589/kWh for the period July 2016 through September 2016.⁵

III. Decision

On May 1, 2017, the Division of Public Utilities and Carriers (Division) filed a memorandum concluding that the proposed SOS rates for the Industrial Group for the period July 2017 through September 2017 are in compliance with the 2016 SOS Procurement Plan as modified by the PUC at an open meeting on June 27, 2016.⁶ On May 25, 2017, based on the recommendation of the Division, the PUC voted unanimously to approve the Company's proposed SOS rates for the Industrial Group for the period July 2017 through September 2017. The Commission asked staff to address the 37% increase in rates over the same three-month period in the prior year. Staff acknowledged that the difference between the 2016 and 2017 rates for the third quarter, July through September, appeared significant. Staff pointed out, however, that the proposed average rate is in-line with the historical average rates over an eight-year period from 2012 through 2017.⁷ The Commission concurred with staff, noting that it is generally more useful to compare increasing or decreasing costs over several years.

⁴ *Id.*

⁵ Mem. of Division at 3 (May 1, 2017); http://www.ripuc.org/eventsactions/docket/4605-DPU-Memo_5-1-17.pdf.

⁶ *Id.*

⁷ See Bar Graph of Historical Average SOS Rates for the Industrial Group for the Years 2011-2017 (Docket No. 4605); [http://www.ripuc.org/eventsactions/docket/4605-Graph-Industrial_SOS_Rates_History\(5-25-%2017\).pdf](http://www.ripuc.org/eventsactions/docket/4605-Graph-Industrial_SOS_Rates_History(5-25-%2017).pdf).

Accordingly, it is hereby

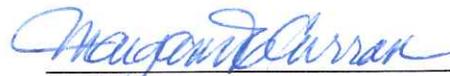
(22807) ORDERED:

The Narragansett Electric Company d/b/a National Grid's proposed Standard Offer Service rates for the Industrial Group for the period July 2017 through September 2017 are hereby approved as filed.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2017 PURSUANT TO OPEN MEETING DECISION HELD ON MAY 25, 2017. WRITTEN ORDER ISSUED JUNE 2, 2017.

PUBLIC UTILITIES COMMISSION





Margaret E. Curran, Chairperson



Herbert F. DeSimone, Commissioner



Marion S. Gold, Commissioner

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the PUC may, within seven (7) days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.