



# Rhode Island League of Cities and Towns

August 17, 2017

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

RE: Docket No. 4605 – National Grid’s Proposed Standard Offer Service Rates Pursuant to 2017 Service Procurement Plan

Dear Ms. Massaro:

Please find enclosed comments from the Rhode Island League of Cities and Towns regarding Docket 4605 – National Grid’s Proposed Standard Offer Service Rates Pursuant to 2017 Service Procurement Plan. Our memorandum references submissions from Lieutenant Governor Daniel J. McKee and the Rhode Island Business Coalition, as presented to the Commission.

If you have any questions, please do not hesitate to contact me at 401-272-3434. Thank you.

Sincerely,

/s/

Brian M. Daniels  
Executive Director



# Rhode Island League of Cities and Towns

TO: The Rhode Island Public Utilities Commission  
FROM: Brian Daniels, Executive Director, Rhode Island League of Cities & Towns  
DATE: August 17, 2017  
SUBJECT: Docket No. 4605 – National Grid’s Proposed Standard Offer Service Rates Pursuant to 2017 Service Procurement Plan

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The Rhode Island League of Cities and Towns wishes to echo the comments and concerns of both Lieutenant Governor Daniel J. McKee and the Rhode Island Business Coalition regarding the impact of National Grid’s proposed increase in standard offer service rates on Rhode Island residents and businesses.

The cost of living in New England is relatively high compared to other areas of the country, with property taxes and energy costs as two contributing factors. In recent years, local officials in Rhode Island have sought to constrain property tax growth in order to keep our communities affordable to residents and to encourage economic development. Overall property tax collections rose 2.2 % statewide in Fiscal Year 2017, 2.1% in FY 2016, and 1.6% in FY 2015. Coupled with the motor vehicle tax repeal effort enacted by the General Assembly this year, these cost containment efforts will help improve the state’s affordability ranking for property tax, making Rhode Island a better place to raise a family or run a business.

By contrast, National Grid is proposing an increase of 53% for residential electricity users (16% higher than the comparable period from the prior year) and an increase of 52% for commercial users (11% higher than the previous year). While National Grid argues that the proposed prices are the result of constrained supply during peak usage periods, Lt. Gov. McKee correctly noted in his testimony that electricity prices offered by several companies on the Empower RI website are more competitive than the National Grid’s proposed standard offer over a comparable period. The League agrees that the PUC should examine National Grid’s procurement practices to ensure that they are receiving the most competitive bids possible.

With electricity costs a substantial portion of household and business budgets, Rhode Island should be doing everything within our power to keep our communities affordable. We hope that the PUC approves a standard offer rate for National Grid that recognizes the challenges of the regional electricity marketplace while not unduly burdening our residents and businesses.