

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

<b>IN RE: THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID'S 2017 ELECTRIC RETAIL RATE FILING</b>	: : : : :	<b>DOCKET NO. 4691</b>
<b>IN RE: THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID'S 2017 RENEWABLE ENERGY STANDARD CHARGE AND RECONCILIATION</b>	: : : : :	<b>DOCKET NO. 4605</b>

**REPORT AND ORDER**

**I. National Grid's Proposed 2017 Electric Retail Rate Filing**

On February 16, 2017, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed its 2017 Electric Retail Rate Filing with the Public Utilities Commission (Commission or PUC).<sup>1</sup> The retail rate filing proposed rate adjustments pertaining to the reconciliation of the Company's Standard Offer Service (SOS) related costs, transition costs, transmission related charges, the Net Metering charge, and the Long-Term Contracting for Renewable Energy Recovery factor. In this docket, the Company also projects costs of transmission, transition, and net metering over the twelve-month period commencing April 1, 2017.

On March 24, 2017, the Company filed revised schedules and testimony after errors were found in the original filing.<sup>2</sup> Specifically, the Company made four corrections that reflected changes to the SOS Adjustment Factors, Transmission Service Cost Adjustment Factors, and Transmission Service Uncollectable Factors.<sup>3</sup> The overall combined impact

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<sup>1</sup> National Grid's 2017 Electric Retail Rate Filing (Feb. 16, 2017). All filings in this docket are available at the PUC offices, located at 89 Jefferson Boulevard, Warwick, Rhode Island, or at <http://www.ripuc.org/eventsactions/docket/4691page.html>.

<sup>2</sup> Transmittal letter from Raquel J. Webster, Esq. (Mar. 24, 2017); [http://www.ripuc.org/eventsactions/docket/4691-NGrid-RevRetailRate\(3-24-17\).pdf](http://www.ripuc.org/eventsactions/docket/4691-NGrid-RevRetailRate(3-24-17).pdf).

<sup>3</sup> *Id.*

of the Revised Filing rate changes on a typical residential customer using 500 kWh per month is an increase of \$1.57, or approximately 1.7%.<sup>4</sup>

#### **A. Standard Offer Service Adjustment Factors**

The proposed 2017 SOS adjustment factors are designed to credit a total over-recovery of \$16.4 million from the Company's three customer groups for the period January 1, 2016 through December 31, 2016.<sup>5</sup> This total balance is the sum of over- and/or under-recoveries for each of the three customer groups. For the Industrial Group, the Company reported an over-recovery of \$1.2 million.<sup>6</sup> For the Commercial Group, the Company reported an over-recovery of \$3.0 million. And for the Residential Group, the Company reported an over-recovery of \$12.3 million.<sup>7</sup> The proposed factor for each group is calculated based on the projected sales for that group in the upcoming twelve-month period.

#### **B. Standard Offer Service Administrative Cost Factors**

The Company is authorized to collect its administrative costs associated with arranging, administering, and providing SOS.<sup>8</sup> The administrative costs that the Company is allowed to recover as part of this adjustment factor include the cost of working capital; administrative costs of complying with the Renewable Energy Standard; the costs of creating the environmental disclosure label; the costs associated with the New England

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<sup>4</sup> Sch. ASC-19 Revised at 1. *See also* Adam S. Cray Rev. Test. at 4 (Mar. 29, 2017).

<sup>5</sup> Sch. ASC-3 Revised at 1. The Company proposed the following SOS rate adjustment factors for the Industrial, Commercial, and Residential Groups: Industrial Group \$0.00507 credit; Commercial Group \$0.00304 credit; Residential Group \$0.00507 credit.

<sup>6</sup> Sch. ASC-2 Revised at 4. Reconciliation balances include interest. The Industrial Group is comprised of rates G-32, G-62, and X-1.

<sup>7</sup> Sch. ASC-2 Revised at 2-3. The Commercial Group is comprised of rates C-06, G-02, and all outdoor lighting rates, S-05, S-06, S-10, and S-14. The Residential Group comprises rates A-16 and A-60.

<sup>8</sup> Cray Revised Test. at 9-10.

Power Pool's (NEPOOL) Generation Information System (GIS) attributable to SOS; costs pertaining to the issuance of requests for bids, contract negotiation, execution, and administration; costs of notifying SOS customers of the rates for SOS; costs associated with updating rate changes in the Company's billing system; and an SOS-related uncollectible expense.<sup>9</sup> National Grid estimated administrative expenses for the twelve-month period of April 1, 2017 through March 31, 2018, at \$321,006 in the Industrial Group; \$1.42 million in the Commercial Group; and \$4.1 million in the Residential Group.<sup>10</sup> These amounts are recovered through the base SOS administrative cost factor for each customer class.<sup>11</sup>

The proposed SOS administrative cost reconciliation factors are designed to credit ratepayers with over-recoveries for the twelve-month period ending December 31, 2016: \$35,429 from the Industrial Group; \$235,708 to the Commercial Group; and \$194,094 to the Residential Group.<sup>12</sup> The factors for each class were calculated by dividing the respective over-collections (plus interest) by the forecasted kWh sales for each respective customer group for the twelve-month period ending March 31, 2018.<sup>13</sup> Both the estimated administrative costs for calendar year 2017 and the over-collection of 2016 administrative

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<sup>9</sup> *Id.* at 10. Sch. ASC-4 at 1.

<sup>10</sup> Sch. ASC-4 at 1. These amounts included the estimated commodity-related uncollectible expense for 2017.

<sup>11</sup> The Company proposed the following SOS administrative cost factors designed to recover the SOS-related administrative costs for each group: Industrial Group \$0.00137; Commercial Group \$0.00146; and Residential Group \$0.00155. ASC-4 at 3.

<sup>12</sup> Sch. ASC-7 at 2. The Company proposed the following SOS administrative cost reconciliation adjustment factors, which are included within the SOS administrative cost factors: Industrial Group \$0.00015 credit; Commercial Group \$0.00024 credit; Residential Group \$0.00007 credit.

<sup>13</sup> Crary Test. at 13. For the period ending March 31, 2018, the Company forecasted kWh deliveries of 232,943,007 for the Industrial Group; 972,590,232 for the Commercial Group; and 2,641,130,580 for the Residential Group. Sch. ASC-7 at 1.

costs are divided by the forecasted SOS kWh sales by customer group to calculate the SOS administrative cost factor for each group.<sup>14</sup>

### **C. Transition Adjustment Factors**

National Grid is authorized to charge electric distribution customers a base transition charge to recover contract termination fees paid by National Grid to wholesale power suppliers as a result of electricity restructuring.<sup>15</sup> The 2017 base transition charge is a weighted average base transition charge reflecting the individual contract termination fees paid by National Grid in 2017 and estimated gigawatt-hour sales for The Narragansett Electric Company,<sup>16</sup> and the former Blackstone Valley Electric and Newport Electric.<sup>17</sup> The total proposed transition charge for the period April 1, 2017 through March 31, 2018, including base transition charge and transition adjustment factors, is a charge of \$0.00057/kWh.<sup>18</sup>

### **D. Transmission Adjustment Factors**

National Grid is authorized to collect transmission-related costs billed to it by the Independent System Operator of New England (ISO-NE), New England Power, and any other transmission service provider that is authorized to bill the Company directly for transmission services.<sup>19</sup> Similar to other retail charges, the transmission charge comprises a base transmission charge and a transmission adjustment factor.<sup>20</sup> The base transmission

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<sup>14</sup> The Company proposed the following SOS administrative cost factors for the period ending March 31, 2018: Industrial Group \$0.00122; Commercial Group \$0.00122; and Residential Group \$0.00148. Sch. ASC-4 at 1.

<sup>15</sup> R.I. Gen. Laws § 39-1-27.4 (a)-(e).

<sup>16</sup> The use of Narragansett Electric is important here because the contract termination charges resulting from restructuring were different for The Narragansett Electric Company and the Eastern Utilities companies, which included Blackstone Valley Electric Company and Newport Electric Company.

<sup>17</sup> Crary Test. at 17; Sch. ASC-9 at 2.

<sup>18</sup> Crary Test. at 19; Sch. ASC-9 at 1.

<sup>19</sup> R.I.P.U.C. No. 2115; Crary Test. at 20.

<sup>20</sup> *Id.* The transmission charge includes a transmission related uncollectible expense.

charge is a forecast of upcoming transmission expenses for the period April 1, 2017 through March 31, 2018. The forecasted amount of transmission expense for 2017 is then allocated to each rate class using a coincident peak demand allocation factor.<sup>21</sup> The base transmission charge is largely controlled by the provisions of the ISO-NE Transmission, Markets, and Services Tariff (ISO/RTO Tariff). National Grid, like other electric distribution companies in New England, receives transmission-related services from ISO-NE, including regional and local transmission service, as well as transmission scheduling and market administration services.<sup>22</sup>

National Grid forecasted transmission expenses of \$212.7 million for 2017. That forecast was approximately \$34.6 million, or 19.4%, above the 2016 forecast. Of the total 2017 forecast, \$32.7 million is attributable to the Block Island Transmission System Surcharge.<sup>23</sup> The Block Island Transmission System Surcharge recovers the Company's allocated share of the costs for the Block Island Cable and related facilities associated with construction of the Block Island Wind Farm, including the undersea cable connecting the island to the mainland.<sup>24</sup> The remaining transmission expense is the result of an increase in pool transmission costs, designed to allocate and recover costs associated with transmission additions.<sup>25</sup>

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<sup>21</sup> The allocation factor is calculated by first taking customers' coincident peak data from years 2008 and 2011 (years with relatively normal weather) and then multiplying these load factors by each class's weather normalized forecasted kilowatt-hours for the period April 1, 2016 through March 31, 2017. Crary Test. at 20-21.

<sup>22</sup> ISO-NE charges also include charges billed to ISO-NE by the New England States Commission on Electricity (NESCOE). NESCOE is a committee comprised of Governor-appointed individuals from the New England states tasked with promoting a regional electric system that ensures the lowest reasonable costs for customers while maintaining reliable service and environmental qualify. Tiffany M. Forsyth Test. at 8.

<sup>23</sup> Forsyth Test. at 12-13; Sch. TMF-1 at 2.

<sup>24</sup> R.I. Gen Laws §39-26.1-7; Forsyth Test. at 12.

<sup>25</sup> *Id.* at 17; Sch. TMF-1 at 2. Pool transmission facilities (PTF) are, "generally speaking, any transmission facility operating at 69 kV or higher and connected to other transmission lines or transmission systems .... PTF falls under the authority of ISO New England and the construction of new PTF facilities is generally

National Grid reported a net over-recovery of transmission related revenue and expenses of approximately \$6.8 million for the reconciliation period from January 2016 through December 2016.<sup>26</sup> In order to return the \$6.8 transmission service reconciliation balance, as well as recover transmission-related uncollectible expenses, the Company proposed separate per-kWh transmission charges allocated by customer rate class, including the base transmission charge, the transmission adjustment factor, and the transmission uncollectible factor.<sup>27</sup>

#### **E. Net Metering Charge and Reconciliation**

National Grid is authorized to collect a uniform, per kWh Net Metering charge from all distribution customers to recover net metering credits paid to eligible net metering customers, less any payments received from ISO-NE for sales of excess generation. The charge also includes the difference, whether positive or negative, between the payments made to Renewable Generation Qualifying Facilities and the payments received from ISO-NE for energy sold into the wholesale market from those projects.<sup>28</sup> The Company proposed a net metering charge of \$0.00023/kWh to collect a 2016 net under-recovery of \$1.7 million.<sup>29</sup>

#### **F. Long-Term Contracting for Renewable Energy Recovery Reconciling Factor**

The Long-Term Contracting for Renewable Energy Recovery factor is designed to compensate National Grid for the costs associated with the Company's Long-Term

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funded through the ISO on a load ratio share basis among its member utilities.” Vermont Electric Power Company glossary, <http://www.velco.com/about/learning-center/glossary>, (last visited Mar. 24, 2017).

<sup>26</sup> Crary Test. at 24; Sch. ASC-12 Revised at 1.

<sup>27</sup> Sch. ASC-11 at 1 (base transmission charge); Sch. ASC-13 Revised (transmission adjustment factor); Sch. ASC-14 Revised (transmission uncollectible factor); Sch. ASC-1 Revised (Summary of Proposed Rate Changes).

<sup>28</sup> Crary Test. at 32-33.

<sup>29</sup> *Id.* at 33, Sch. ASC-16 at 1.

Contracts for Renewable Energy, net of the proceeds received by National Grid from the sale of the energy, capacity, and/or Renewable Energy Certificates (RECs) resulting from those contracts. The factor is set semi-annually for effect in January and July.<sup>30</sup> National Grid proposed a Long-Term Contracting for Renewable Energy Recovery Reconciling Factor for effect on April 1, 2017 of \$0.00654/kWh to collect an under-recovery from 2016 of \$7.6 million.<sup>31</sup>

## **II. National Grid's 2017 Renewable Energy Standard Charge and Reconciliation**

National Grid is authorized to collect a Renewable Energy Standard (RES) charge from distribution customers to recover the estimated costs associated with National Grid's annual compliance with the RES. On February 27, 2017, National Grid filed a proposed RES charge of \$0.00040/kWh for effect on April 1, 2017, a decrease from the then-current RES charge of \$0.00288/kWh.<sup>32</sup> The bill impact of a proposed RES charge on a typical residential customer consuming 500/kWh per month is a decrease of \$1.29 or 1.4%.<sup>33</sup>

The proposed RES charge is based on National Grid's estimated costs for the 2017 RES obligation year and remaining costs from the 2016 RES obligation year. National Grid projected a net over-collection for 2016 of approximately \$8.6 million.<sup>34</sup> The Company estimated the 2016 incremental RES cost to be \$2.48/MWh using a market-

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<sup>30</sup> R.I. Gen. Laws §39-26.1-5(f). National Grid is statutorily required to enter into long-term contracts with newly developed renewable energy resources for a total, aggregate capacity of 90 MW by December 30, 2014. R.I. Gen. Laws §39-26.1-2 and §39-26.1-3. In addition, the Company is authorized to recover 2.75% of the total payments made under each contract as remuneration. R.I. Gen. Laws §39.26.1-4.

<sup>31</sup> Cray Test. at 35-36; Sch. ASC-18 at 1. The under-recovery of \$7.6 million includes interest of \$75,245. Sch. ASC-18 at 1.

<sup>32</sup> Attach. 1 to filing at 1.

<sup>33</sup> Attach. 3 to filing at 1.

<sup>34</sup> Attach. 1 to filing at 2. The 2016 RES obligation year ends June 15, 2017. Transmittal letter from Raquel J. Webster at 2, (Feb. 24, 2017); [http://www.ripuc.org/eventsactions/docket/4605-NGrid-RESReconciliation\(2-24-17\).pdf](http://www.ripuc.org/eventsactions/docket/4605-NGrid-RESReconciliation(2-24-17).pdf).

based, estimated REC cost of \$25.88 and the 2017 RES new renewable resource obligation of 9.5%.<sup>35</sup>

### **III. Division of Public Utilities and Carriers**

The Division of Public Utilities and Carriers (Division) reviewed National Grid's 2017 Retail Rate Filing, March 24 Revised Retail Rate Filing, and 2017 Renewable Energy Standard Charge and Reconciliation Filing, and all supporting documentation. On March 21, 2017, the Division filed a memorandum identifying issues regarding the Block Island Transmission System carrying charge and the increased overall cost of the Block Island Cable project.<sup>36</sup> As of the filing of the memorandum, the Division was waiting for more detailed information about these issues to review the reasonableness of the transmission service charge. Aside from the transmission service charges, the Division found the proposed charges to be reasonable and consistent with applicable tariffs, as well as consistent with underlying data provided to the Division. Noting that the transmission service charge is established through reconcilable factors, the Division recommended that the PUC approve the transmission service charge subject to further review and possible adjustment in next year's filing.

### **IV. Hearing**

At the hearing held on March 29, 2017, National Grid presented its proposed 2017 electric retail rates and 2017 RES charge and reconciliation. The Company presented the sworn testimony of Adam S. Crary, Senior Analyst for Electric Pricing; Tiffany Forsyth,

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<sup>35</sup> Attach. 1 to filing at 1; R.I. Gen. Laws §39-26-4(a).

<sup>36</sup> Mem. of Richard Hahn, Matthew Loiacono, and Carlo Bencomo-Jasso (Mar. 21, 2017); [http://www.ripuc.org/eventsactions/docket/4691-4605-DPU-Memo\(3-21-17.pdf](http://www.ripuc.org/eventsactions/docket/4691-4605-DPU-Memo(3-21-17.pdf).

Director in Regulation and Pricing; and James Ruebenacker, Manager of Wholesale Electric Supply New England.<sup>37</sup>

Mr. Crary explained that the March 24 revised filing made four corrections to the Company's original filing, resulting in a net increase of \$0.03 for a typical Standard Offer Service customer.<sup>38</sup> Mr. Crary explained that the first error occurred when a FERC-ordered disgorgement credit was incorrectly reflected as a reduction in the spot market purchased power expenses.<sup>39</sup> A second error incorrectly calculated the 2014 Transmission Service Adjustment Factor revenues for the Streetlight rate class for the month of April 2016, resulting in an overstatement of revenue totaling \$268,548.<sup>40</sup> A data entry error for kWh deliveries resulted in an incorrect calculation of Transmission Service Uncollectible Revenues for certain commercial and industrial rate classes.<sup>41</sup> A final data entry error incorrectly reflected actual transmission service revenue billed to customers for 2015 instead of 2016, resulting in an increase to 2016 transmission uncollectible expense.<sup>42</sup>

In response to cross-examination by the Commission, Mr. Crary stated that, with additional time to compile the instant docket, three of the four errors would not have occurred.<sup>43</sup> The error relating to the spot market was an interdepartmental communications

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<sup>37</sup> Attorney Raquel J. Webster appeared on behalf of National Grid. Assistant Attorney General Leo Wold, Department of Attorney General, appeared on behalf of the Division of Public Utilities and Carriers. Linda D. George represented the PUC.

<sup>38</sup> Hr'g Tr. at 10-11.

<sup>39</sup> Hr'g Tr. at 21-23. The error resulted in an understatement of Standard Offer Service expense for the residential group of \$136,178, and for the commercial group of \$53,618. Webster letter at 1 (Feb. 24, 2017).

<sup>40</sup> Hr'g Tr. at 23-24. The error occurred when revenue for April 2016 was calculated using a Transmission Service Cost Adjustment Factor of \$0.10620 per kWh instead of the correct rate of \$0.01062 per kWh. Webster letter at 2 (Feb. 24, 2017); Sch. ASC-12 Revised at 6.

<sup>41</sup> Hr'g Tr. at 23-24. This error impacted rate classes G-02, B-32/G/32 and B-62/X-01. The net effect of the correction was a reduction of Transmission Service Uncollectible Revenues of \$2,238, and a reduction in Base Transmission Revenues of \$1,825. Sch. ASC-12 Revised at 3; Webster letter at 2 (Feb. 24, 2017).

<sup>42</sup> Hr'g Tr. at 22-24. The increase to 2016 transmission uncollectible expense totaled \$57,000. Webster letter at 2-3 (Feb. 24, 2017); Sch. ASC-15 Revised.

<sup>43</sup> Hr'g Tr. at 36-38.

issue which would not have been corrected with more time.<sup>44</sup> Mr. Crary confirmed that the PUC's 2016 Order included an expectation that the underlying data in support of the Retail Rate Filing would be provided to the Division at the time of filing with the PUC.<sup>45</sup> Mr. Crary acknowledged that there was a delay in providing the supporting documented to the Division, but stated that there was nothing preventing the Company from providing the documentation simultaneously with the filing.

The Company presented Mr. Ruebenacker to identify the reasons for the decrease of the RES charge. First, the reduced charge was mostly driven by an over-recovery of \$11.6 million for RES expenses in 2016.<sup>46</sup> The 2016 expense was based on an estimated Renewable Energy Credit (REC) cost of approximately \$47, but the actual cost was about \$30 per REC. According to Mr. Ruebenacker, another reason for the decrease in REC prices for 2016 was due to an oversupply of RECs in 2015 which were "banked" for that year and used to satisfy the Company's 2016 RES obligation.<sup>47</sup> An additional contributing factor was that 2016 load decreased 2% from 2015. This created less demand for RECs and, consequently, lowered their price.<sup>48</sup>

The Company presented Ms. Forsyth to answer questions regarding the ratepayer impact of the Block Island project. Ms. Forsyth stated that transmission costs totaled approximately \$23.0 million annually for the useful life of the infrastructure or approximately 40 years.<sup>49</sup> This amount excludes costs of future upgrades which may further extend the life of the transmission facilities. In addition, the above-market costs

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<sup>44</sup> *Id.* at 37.

<sup>45</sup> *See* PUC Order 22650, Docket No. 4599 (Jan. 11, 2017).

<sup>46</sup> Hr'g Tr. at 45.

<sup>47</sup> *Id.*

<sup>48</sup> *Id.* at 45-46.

<sup>49</sup> Hr'g Tr. at 33-34.

associated with the twenty-year purchase power agreement totaled approximately \$20.8 million annually. Moreover, going forward, those costs will rise the contract escalator of 3.5%, and vary with the changing the market prices of energy and renewable energy credits.<sup>50</sup>

The Commission, in cross-examination, asked Ms. Forsyth why the Company sought to recover seventeen months of transmission expenses related to the Block Island Transmission System over the twelve-month period from January 2017 to December 2017. Ms. Forsyth explained that the Block Island project had been operational since November 2016, but the Company had not charged ratepayers for the transmission costs associated with the project.<sup>51</sup> Accordingly, Ms. Forsyth said the Company proposed to recover in this docket the transmission costs from the entire seventeen-month period beginning November 1, 2016, a total of \$32.0 million.<sup>52</sup>

The Division presented its consultant Mr. Mathew Loiacono of Daymark Energy Advisors. When asked to comment on the Company's filings, and in particular, the number of corrections made to the original filing, Mr. Loiacono stated that while the revisions would require amending the figures in his memorandum, they would not affect recommendation that the PUC approve the 2017 Retail Rate Filing, as revised.<sup>53</sup> Mr. Loiacono indicated that he would, however, file a revised memorandum.<sup>54</sup>

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<sup>50</sup> The Company's costs associated with the Power Purchase Agreement are recovered through the Long Term Contracting Recovery Factor. The Company's costs associated with the Block Island Transmission System are recovered through the Transmission Service Charge.

<sup>51</sup> Hr'g Tr. at 33-34.

<sup>52</sup> *Id.*

<sup>53</sup> Hr'g Tr. at 48-49

<sup>54</sup> *Id.* at 49.

Addressing the 18.42% carrying charge for the Block Island Transmission System, Mr. Loiacono noted that the Company had provided additional documentation.<sup>55</sup> Based on that additional information, the Division found the carrying charge to be reasonable.<sup>56</sup> Mr. Loiacono also indicated that the Company had failed to provide any detailed documentation about the increased overall costs of the Block Island Cable project. Nevertheless, he recommended approval of the transmission charge, subject to further review and possible adjustment over the next year.<sup>57</sup>

Mr. Loiacono remarked that the review process would be expedited - -and the Division would have sufficient time to prepare its memoranda - - if the Company provided its schedules and workpapers at the same time it files with the Commission. Here, the Division received no supporting documentation until approximately two weeks after the matter was filed. And, the Company provided no working papers when the revised schedules were filed on March 24.<sup>58</sup>

Noting that the Retail Rate Filing is filed only about forty-five days prior to the effective date of the rates, Mr. Loiacono suggested the period be extended. The additional time would likely reduce the Company's error rate as well as allow the Division to complete a thorough audit.<sup>59</sup> The Company agreed to continue discussions with the Division and to jointly present any suggested timing changes to the Commission.<sup>60</sup>

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<sup>55</sup> *Id.* at 50.

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* at 79.

<sup>58</sup> *Id.* at 52-53. In later testimony, Mr. Loiacono stated that it would also be helpful to receive the underlying work papers, hard coded data and excel spreadsheets that support the Company's RES charge and reconciliation filing.

<sup>59</sup> *Id.* at 53-55.

<sup>60</sup> *Id.* at 58-59.

## **V. Commission Findings**

At the March 29, 2017 hearing, the PUC approved the Company's proposed 2017 Electric Retail Rate Filing made February 16, 2017, as revised March 24, 2017, and the proposed 2017 RES Charge and Reconciliation. The PUC's ruling was based on the Division's position, that, aside from the transmission charge, the proposed revised rates, were properly calculated. The PUC also agreed with Mr. Loiacono that further review of the transmission service charge with respect to the Block Island Transmission System is warranted. Noting that this charge is recovered through reconcilable factors, the PUC approved the proposed transmission service charge, subject to further review and possible adjustment in a subsequent year.

The PUC further found that to enable the Division to provide the PUC with all necessary information, the Division must receive the Company's underlying information in a timely manner. Therefore, with the goal of improving the review process going forward, the PUC directed National Grid to submit all supporting spreadsheets and underlying work papers, including hard coded data, to the Commission and the Division in electronic form, with all formulas intact, at the same time it makes its Retail Rate Filing and Renewable Energy Standard Charge and Reconciliation Filing. The PUC further directed that, should any revisions need to be made, the Company shall submit the additional supporting work papers to both the Commission and the Division at the time those revisions are filed.

Accordingly, it is hereby

(23337) ORDERED:

1. The Narragansett Electric Company d/b/a National Grid's proposed 2017 Electric Retail Rates in Docket No. 4691, as filed on February 16, 2017; revised on March 24, 2017; set forth in Schedule ASC-1 Revised; and hereto attached as Exhibit A are approved for effect on April 1, 2017.
2. The Narragansett Electric Company d/b/a National Grid's transmission charge proposed in the 2017 Electric Retail Rates, in Docket No. 4691, as filed on February 16, 2017, and revised on March 24, 2017, is approved for effect on April 1, 2017, subject to further review and adjustment in 2018, if warranted.
3. The Narragansett Electric Company d/b/a National Grid shall provide to the Commission and the Division simultaneously with its Retail Rate Filing and the Renewable Energy Charge and Reconciliation Filing, all supporting work papers, including but not limited to spread sheets and hard-coded data, in electronic form, with all formulas intact. In the event of filing any revisions, the Company shall simultaneously provide to the Commission and the Division all supporting work papers, including but not limited to spread sheets and hard-coded data.
4. The Narragansett Electric Company d/b/a National Grid's proposed 2017 Renewable Energy Standard charge of \$0.00040/kWh in Docket No. 4605 is approved for effect on April 1, 2017.

EFFECTIVE AT WARWICK, RHODE ISLAND ON APRIL 1, 2017  
PURSUANT TO A BENCH DECISION ON MARCH 29, 2017. WRITTEN ORDER  
ISSUED NOVEMBER 19, 2018.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson

Marion S. Gold, Commissioner

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\*Herbert DeSimone, Commissioner

\*Commissioner DeSimone concurred with the decision, but is unavailable for signature.

**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.

EXHIBIT A

The Narragansett Electric Company  
Summary of Proposed Rate Changes for April 1, 2017

Rate Class	Standard Offer Adjustment Factor (1) (a) Schedule ASC-3 Revised	Standard Offer Service Administrative Cost Factor (1) (b) Schedule ASC-4	Transition Charge (d) Schedule ASC-9	Transition Adjustment Charge (e) Schedule ASC-9	Net Transition Charge (f) (d) + (e)
(1) A-16	(\$0.00465)	\$0.00148	\$0.00009	\$0.00048	\$0.00057
(2) A-60	(\$0.00465)	\$0.00148	\$0.00009	\$0.00048	\$0.00057
(3) C-06	(\$0.00304)	\$0.00122	\$0.00009	\$0.00048	\$0.00057
(4) G-02 per kWh	(\$0.00304)	\$0.00122	\$0.00009	\$0.00048	\$0.00057
(5) G-32/B-32 per kWh	(\$0.00507)	\$0.00122	\$0.00009	\$0.00048	\$0.00057
(6) G-62/B-62 per kWh	(\$0.00507)	\$0.00122	\$0.00009	\$0.00048	\$0.00057
(7) Streetlights	(\$0.00304)	\$0.00122	\$0.00009	\$0.00048	\$0.00057
(8) X-01 per kWh	(\$0.00507)	\$0.00122	\$0.00009	\$0.00048	\$0.00057

  

Rate Class	Base Transmission Charge (g) Schedule ASC-11	Transmission Adjustment Factor (Credit) (h) Schedule ASC-13 Revised	Transmission Uncollectible Factor (i) Schedule ASC-14 Revised	Net Transmission Charge (j) (g) + (h) + (i)	Net Metering Surcharge (k) Schedule ASC-16	LTCRER Charge (l) Schedule ASC-18
(9) A-16	\$0.03169	(\$0.00029)	\$0.00039	\$0.03179	\$0.00023	\$0.00654
(10) A-60	\$0.03169	(\$0.00029)	\$0.00039	\$0.03179	\$0.00023	\$0.00654
(11) C-06	\$0.03183	(\$0.00380)	\$0.00035	\$0.02838	\$0.00023	\$0.00654
(12) G-02 per kWh	\$0.01269	(\$0.00205)	\$0.00032	\$0.01096	\$0.00023	\$0.00654
(13) G-02 per kW	\$4.37			\$4.37		
(14) G-32/B-32 per kWh	\$0.01172	(\$0.00079)	\$0.00030	\$0.01123	\$0.00023	\$0.00654
(15) G-32/B-32 per kW	\$4.69			\$4.69		
(16) G-62/B-62 per kWh	\$0.01426	\$0.00066	\$0.00032	\$0.01524	\$0.00023	\$0.00654
(17) G-62/B-62 per kW	\$3.40			\$3.40		
(18) Streetlights	\$0.01447	\$0.00774	\$0.00028	\$0.02249	\$0.00023	\$0.00654
(19) X-01 per kWh	\$0.01426	\$0.00066	\$0.00032	\$0.01524	\$0.00023	\$0.00654
(20) X-01 per kW	\$3.40			\$3.40		

(1) To be included with Standard Offer Service rate for billing purposes