



**State of Rhode Island and Providence Plantations**  
Office of the Lieutenant Governor

Daniel J. McKee  
*Lieutenant Governor*

To: Public Utilities Commission

From: Lieutenant Governor Daniel J. McKee

Date: August 15, 2018

Subject: Position Memorandum regarding National Grid's Proposed Standard Offer Rate Increase in Docket 4692

I appreciate the opportunity to provide this Position Memorandum in Docket 4692.

On July 18, 2018, National Grid ("the Company") filed its proposed six-month Standard Offer rates for the period from October 2018 through March 2019 for the Residential and Commercial group customer classes.

On August 8<sup>th</sup>, I moved intervene as a full party in Docket 4692 to represent the public interest, in particular the interests of our small businesses in Rhode Island. Our small businesses employ over 50% of the private labor force in our state.

The Company is proposing a 45% increase in the standard offer for the Commercial Group: from 8.190 cents per kWh to 11.876 cents per kWh. The Company is proposing a 43% increase for the Residential Group customers.

The proposed increase to the commercial group standard offer will increase the total electric bill for a C-06 customer using 1,000 kWh per month by 20.8%.

Compounding the problem, the distribution rates are slated to increase in September 1, 2018.

The distribution rate increase for that same C-06 customer is projected to be an additional 4.8 % of the total bill.

In the space of one month, a small business customer using 1.000 kWh per month would see its total electric bill jump up by 25.6%!

Sudden price increases of such magnitude are unreasonable. They would cause significant harm to our residential and small business customers.

Small business customers have no good options to mitigate the impact of much higher bills on their own.

They have a small margin of error in managing their operational budgets.

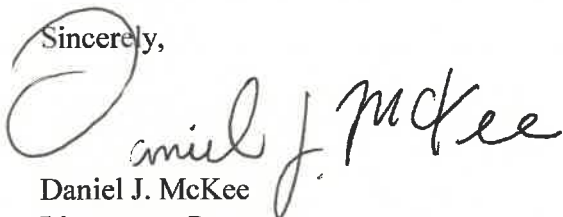
They do not have enough time to take corrective actions given the size of the increase.

Small business customers are at a disadvantage in negotiating more favorable rates with third party suppliers at this time.

As a result, the rate increase as filed will put an unacceptable burden on our small businesses and residential customers.

It is my position that the proposed rate increase is much too high and the Commission must find a way to significantly reduce it.

Sincerely,

A handwritten signature in cursive script that reads "Daniel J. McKee". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Daniel J. McKee  
Lieutenant Governor