

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

In Re: The Narragansett Electric Company d/b/a National Grid’s Application to Change Electric and Gas Base Distribution Rate – Docket No. 4770; and In Re: The Narragansett Electric Company d/b/a National Grid’s Proposed Power Sector Transformation (PST) Vision and Implementation Plan – Docket No. 4780.

NOTICE OF PUBLIC HEARINGS

Pursuant R.I. Gen. Laws § 39-3-11, the Public Utilities Commission (PUC) will conduct public hearings commencing on **Tuesday, June 12, 2018 @ 9:30 a.m.** in Hearing Room A of the Rhode Island Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. The hearings will continue on **Thursday, June 14, 2018 @ 9:30 a.m.** and then from day to day, during which the PUC will consider a Settlement Agreement filed by The Narragansett Electric Company d/b/a National Grid which resolves all issues within Docket Nos. 4770 and 4780 with all parties to those dockets. The Settlement sets forth rates, terms, and conditions for a three-year rate plan for Narragansett Electric and Narragansett Gas, including the costs of authorized Power Sector Transformation (PST) initiatives. The hearing will be streamed live at <http://www.ustream.tv/channel/WqQyXw296dg>.

The hearing on June 12, 2018 will be to address administrative and procedural matters including identifying exhibits, ruling on National Railroad Passenger Corporation’s Motion for Late Intervention, and ruling on outstanding Motions for Confidential and/or Proprietary treatment. The hearing on June 14, 2018 will commence review of the Settlement Agreement through sworn testimony of parties’ witnesses.

Under the Settlement, for Narragansett Electric, the proposed rates would increase the Company’s operating revenue by approximately \$31.3 million, or 11.2 percent over the three years of the rate plan, with an increase of \$19.4 million, or 7.0 percent, in year 1; \$8.0 million, or 2.7 percent, in year 2; and \$3.9 million, or 1.3%, in year 3, resulting in varying impacts on individual customer bills. The monthly bill impacts for each of the three years of the rate plan will vary as follows:

An electric residential customer and residential low income customer, each using 500 kWh per month:

	Residential		Low Income Residential	
	Increase	Percent	Increase (Decrease)	Percent
Year 1	\$4.27	4.1%	(\$14.60)	(15.7%)
Year 2 v Year 1	\$0.80	0.7%	\$2.16	2.8%
Year 3 v Year 2	\$0.39	0.4%	\$1.85	2.3%

The monthly bill impact on electric commercial and industrial customers will range during the term of the rate plan as shown below.

	Commercial & Industrial Bill Increases	
	From	To
Year 1	1.4%	5.0%
Year 2 v Year 1	0.1%	0.8%
Year 3 v Year 2	0.1%	0.4%

Under the Settlement, for Narragansett Gas, the proposed rates will increase the Company's annual operating revenue by approximately \$16.8 million, or 7.8 percent over the three years of the rate plan, with an increase of \$6.9 million, or 3.3 percent, in year 1; \$6.0 million, or 2.7 percent, in year 2; and \$3.9 million, or 1.3%, in year 3, resulting in, with varying impacts on individual customer bills. The annual bill impact for each of the three years of the rate plan will vary as follows:

A residential gas heating customer and residential low income gas heating customer, each consuming 845 therms annually:

	Residential Heating		Low Income Residential Heating	
	Increase (Decrease)	Percent	Increase (Decrease)	Percent
Year 1	(\$2.01)	(0.2%)	(\$260.73)	(22.3%)
Year 2 v Year 1	\$18.13	1.5%	\$13.60	1.5%
Year 3 v Year 2	\$10.91	0.9%	\$8.18	0.9%

The annual bill impact on gas commercial and industrial customers will range during the term of the rate plan as shown below.

	Commercial & Industrial Bill Increases	
	From	To
Year 1	(7.2%)	2.1%
Year 2 v Year 1	0.5%	1.5%
Year 3 v Year 2	0.3%	0.8%

In addition to setting base distribution rates, the Settlement Agreement establishes a plan for the Company to invest in new programs and initiatives described in the PST Plan to modernize the electric distribution system and enable technologies that will reduce greenhouse gas emissions and help to control costs for Rhode Island customers. These investments are: (1) Grid Modernization Foundational Investments; (2) Grid Modernization Plan; (3) development of an updated Advanced Meter Functionality business case; (4) an Electric Transportation Program; (5) an Electric Heat Program; (6) a Strategic Electrification Marketing Fund; and (7) an Energy Storage Program. The Settlement Agreement also provides for performance incentives associated with clean energy investments, which are revised from those originally proposed by the Company in its PST Plan, as well as a capital efficiency mechanism associated with capital investments. The Settlement Agreement provides a three-year path to recover base revenue requirements for Narragansett

Electric and Narragansett Gas, including the costs of authorized PST initiatives, with rate changes occurring in Rate Year 1, Rate Year 2, and Rate Year 3. The Settlement Agreement addresses cost allocation and rate design issues, and encompasses a series of customer protections and sets provisions for rate changes at the end of the three-year term of the Rate Plan. Additional details of the PST-related settlement terms are included in the PST Settlement Testimony and in the Settlement Agreement.

The proposals are available for examination at the PUC's office. The proposals can also be accessed at <http://www.ripuc.org/eventsactions/docket/4770page.html> and <http://www.ripuc.org/eventsactions/docket/4780page.html>. Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island 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 780-2107 seventy-two hours in advance of hearing date.

Luly Massaro, Commission Clerk
June 7, 2018