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Memorandum

To: Luly Massaro, Commission Clerk

From: John Bell, Chief Accountant *JB.*

Date: July 31, 2019

Subject: Docket No. 4770
National Grid's May 31, 2019 Compliance Filing re: Rate Year 2

On May 31, 2019, The Narragansett Electric Company d/b/a National Grid (NGrid) submitted its Rate Year 2 compliance filing in Docket 4770. The filing was made in accordance with Article II, Section C.3. of the Commission approved Amended Settlement Agreement in this docket. The filing reflects an incremental electric revenue increase of \$3.7 million. The detail of the increase is shown on Schedule 2 of the filing. The proposed increase is slightly less than the \$3.9 million increase contemplated in the Amended Settlement. The majority of the difference relates to the return on incremental rates base.

The Amended Settlement in this docket provided for a rate re-opener associated with the Advanced Meter Functionality (AMF) and Grid Modification plans. However, the plans have not yet been submitted and therefore the filing does not include a request for recoveries of the associated costs.

On July 25, 2019, NGrid made a supplemental filing and included an updated Summary of Retail Delivery Rates, RIPUC No. 2095. The updated summary included the July 1, 2019 approved rate changes and the proposed Year 2 rates effective September 1, 2019. In addition, the supplemental filing included bill impacts comparing current approved rates and the proposed rates. As shown in the filing, the impact on a residential customer using 500 kWh's is an increase in the monthly bill of \$1.04 from \$106.86 to \$107.90.

There were no changes included in gas rates as part of this filing because the Commission previously approved the Year 2 gas rates in conjunction with NGrid's May 30, 2019 second compliance filing which related to the excess deferred income tax true-up.

I reviewed the NGrid's compliance filing and found that it accurately reflects the Commission's decision in the above referenced docket. This includes the calculation of the revenue requirements, rates, and bill impacts. In conclusion, I recommend the Commission approve NGrid's May 31, 2019 compliance filing.