



State of Rhode Island  
Division of Public  
Utilities & Carriers

Accounting Section  
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**To:** Luly Massaro, Commission Clerk  
Rhode Island Public Utilities Commission

**From:** Joel A. Munoz, Rate Analyst  
Rhode Island Division of Public Utilities & Carriers

**Date:** November 13, 2019

**Subject:** Docket No.: 4809 – Standard Offer Service Procurement Plan

On October 17, 2019, Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) filed with the Public Utilities Commission (“Commission”) proposed Standard Offer Service rates for the Industrial Group for the months of January 2020 through March 2020 and the results of the most recent Standard Offer procurement.<sup>1</sup> The Company submitted a Request for Confidential Treatment covering the detailed bid results. The Company submitted these confidential materials to the Division of Public Utilities and Carriers (“Division”) for its review and analysis. As with prior Standard Offer Rate filings, the Division has reviewed the Company’s filings and has prepared this memo for the Commission’s consideration.

Included in the Company’s filings were:

- A calculation of the Standard Offer Service (“SOS”) retail rates for the Industrial Group for the applicable service period;
- A Summary of Rates tariff for SOS reflecting the proposed Industrial Group rates for the period of January 2020 through March 2020;
- The typical bill analysis for the Industrial Group;
- A copy of the Request for Proposals (“RFPs”) issued by the Company on September 6, 2019, to solicit SOS supply for the Residential Group for the period

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<sup>1</sup> The October 17, 2019 filings were entitled: Proposed Standard Offer Service Rates for the Industrial Group for the Months of January 2020 through March 2020, and Results of Competitive Procurement for the Months of April 2020 through September 2020 for the Residential Group, April 2020 through September 2020 for the Commercial Group, and January 2020 through March 2020 for the Industrial Group and Request for Confidential Treatment.

April 2020 through September 2020, for the Commercial Group for the period April 2020 through September 2020, and for the Industrial Group for the period January 2020 through March 2020;

- A redacted summary of the procurement process identifying the key actions taken by the Company to procure SOS for its customers; and
- Redacted versions of the executed Transaction Confirmation for the period April 1, 2020 through September 30, 2020 for the Residential Group, April 1, 2020 through September 30, 2020 for the Commercial Group and January 1, 2020 through March 31, 2020 for the Industrial Group.

Unredacted versions of the Procurement Summary and Transaction Confirmation have been supplied under separate cover.

### **Standard Offer Service Proposed Rates and Trends for Industrial Group**

The SOS rates proposed for the Industrial Customer Group for the January 2020 through March 2020 period, including the current per-kWh Standard Offer Adjustment Factor of \$0.00138, the Administrative Cost Factor of \$0.00233, and the Renewable Energy Charge of \$0.00063 are:

- January 2020: \$0.12487/kWh
- February 2020: \$0.12371/kWh
- March 2020: \$0.09818/kWh

The three-month average of the proposed January 2020 through March 2020 Industrial Group SOS rate is \$0.11559, which results in a 25% increase when compared with the October 2019 through December 2019 Industrial Group SOS rate of \$0.08771. In comparison, the same three-month average rate was \$0.13198 the previous year. Additionally, the Industrial SOS average was \$0.11579 for the January through March period for the 5 years from 2015 to 2019.

### **Division Conformation of Compliance**

After review, the Division is of the opinion that the proposed Standard Offer rates contained in the filing for the Industrial Standard Offer are correctly calculated and comply with the PUC-approved standard offer procurement plan as directed in Order No. 23366 issued in the Standard Offer Procurement Plan, Docket 4809, written order dated January 3, 2019. The Division is also of the opinion that the power supply procurements undertaken by National Grid in the Docket reporting period comply with the Standard Offer Procurement Plan approved by the Commission. Therefore, the Division recommends approval of the Industrial Group SOS rate as proposed.