

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

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID’S STANDARD OFFER : **DOCKET NO. 4809**
SERVICE RATES FOR THE INDUSTRIAL, RESIDENTIAL :
AND COMMERCIAL GROUPS PURSUANT TO THE :
2019 STANDARD OFFER PROCUREMENT PLAN :

ORDER

I. Introduction

On July 19, 2019, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed its proposed Standard Offer Service (SOS) Rates for the Industrial Group for the period of October 1, 2019 through December 31, 2019, and for the Residential and Commercial Groups for the winter period of October 1, 2019 through March 31, 2020.¹ On August 13, 2019, the Division of Public Utilities and Carriers (Division) filed a memorandum summarizing National Grid’s proposal and concluding that the calculations for National Grid’s proposed Residential, Commercial, and Industrial SOS rates were correctly calculated and that the filing complied with the PUC-approved 2019 SOS Procurement Plan. At an Open Meeting held on August 28, 2019, the Public Utilities Commission (PUC or Commission) approved the proposed rates, as filed.

II. National Grid’s Proposed Standard Offer Service Rates for the Winter Period

National Grid currently procures SOS supply on behalf of its customers pursuant to the 2019 SOS Procurement Plan approved by the Commission at an Open Meeting on September 6, 2018.² The procurement plan authorizes National Grid to conduct solicitations throughout the year

¹ 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/4809-NGrid-SOS-Rates\(7-19-19\).pdf](http://www.ripuc.org/eventsactions/docket/4809-NGrid-SOS-Rates(7-19-19).pdf).

² PUC Order No. 23366; [http://www.ripuc.org/eventsactions/docket/4809-NGrid-Ord23366%20\(1-3-19\).pdf](http://www.ripuc.org/eventsactions/docket/4809-NGrid-Ord23366%20(1-3-19).pdf).

for Standard Offer Service in varying contract lengths.³ Based on these solicitations, the Company files SOS rates for the Residential Group and Commercial Group twice per year and SOS rates for the Industrial Group quarterly.⁴ In this filing, National Grid proposed Residential and Commercial SOS retail rates for October 2019 through March 2020, and Industrial SOS retail rates for October 2019 through December 2019 (hereinafter, collectively, the Winter Period).⁵ The Company's proposed rates are designed to recover the cost of these procurements pursuant to R.I. Gen. Laws § 39-1-27.8. The Company derives no profit from the collection of standard offer service rates.⁶

Industrial Group Rates

The Industrial Group rate includes a current per kWh Standard Offer Adjustment Factor of \$0.00138, an Administrative Cost Factor of \$0.00233, and a Renewable Energy Charge of \$0.00063. The rates vary by each month of the quarter: \$0.08001/kWh for October; \$0.08327/kWh for November; and \$0.09985/kWh for December.⁷ The three-month average of these rates is \$0.08771, which is a 19% increase when compared with the summer rates of July 2019 through September 2019. In comparison, the average for October 2018 through December 2018 was higher at \$0.08834/kWh. The five-year average, from 2014 through 2018, for the months of October through December was \$0.07363/kWh.⁸

³ The term standard offer service refers to electric service provided to distribution customers who have elected to receive service from National Grid instead of a competitive supplier.

⁴ The proposed SOS rates include the current per kWh SOS Adjustment Factor, SOS Administrative Cost Factor, and Renewable Energy Charge.

⁵ Filing; [http://www.ripuc.org/eventsactions/docket/4809-NGrid-SOS-Rates\(7-19-19\).pdf](http://www.ripuc.org/eventsactions/docket/4809-NGrid-SOS-Rates(7-19-19).pdf).

⁶ R.I. Gen. Laws § 39-1-27.3.

⁷ Filing at Attach.2 (July 19, 2019).

⁸ Division Memo at 2-3; <http://www.ripuc.org/eventsactions/docket/4809-DIV-Memo%208-13-19.pdf>.

Residential Group Rates

The proposed Residential Group rate includes the current per kWh Standard Offer Adjustment Factor of (\$0.00223)/kWh, an Administrative Cost Factor of \$0.00233/kWh, and a Renewable Energy Charge of \$0.00063/kWh. The SOS rate proposed for the Residential Group for the Winter Period is \$0.10957/kWh,⁹ an increase of \$0.01717/kWh, or 16%, compared with the April 2019 through September 2019 SOS rate of \$0.09240/kWh.¹⁰ The bill impact for a typical A-16 residential customer using 500 kWh per month would be an increase of \$8.95, or 8.4%, over the same six month period last year.

Commercial Group Rates

The fixed-price option SOS rate proposed for the Commercial Group for the Winter Period is \$0.10248/kWh, an increase of \$0.01135/kWh, or 12%, compared with the April 2019 through September 2019 average fixed-price rate of \$0.09113/kWh. In comparison, the same six-month average was \$0.10990/kWh for the previous year and averaged \$0.09495/kWh for the 2014 through 2018 winter periods.¹¹ The proposed rate of \$0.10248/kWh is 7% lower than the rate for the same period last year.

The variable price option¹² proposed SOS rates for the Commercial Group are as follows: October 2019, \$0.07614/kWh; November 2019, \$0.08402/kWh; December 2019, \$0.10464/kWh; January 2020, \$0.12562/kWh; February 2020, \$0.12674/kWh; and March 2020, \$0.09492/kWh.

⁹ Filing at Attach 2.

¹⁰ Division Memo at 2-3.

¹¹ *Id.*

¹² Both the fixed and variable price options include the current per kWh SOS Adjustment Factor of \$0.00154, an Administrative Cost Factor of \$0.00217/kWh, and a Renewable Energy Charge of \$0.00063/kWh.

III. Division's Position

On August 13, 2019, the Division filed a memorandum summarizing National Grid's proposal and concluding that National Grid's proposed Residential, Commercial, and Industrial SOS rates were correctly calculated and that the filing complied with the PUC-approved SOS Procurement Plan.¹³ The Division noted that it had reviewed copies of the Company's June 7, 2019 Request for Proposals to solicit SOS supply, a redacted summary of the procurement process identifying key actions taken by the Company, and redacted versions of executed Transaction Confirmations for the Industrial, Residential, and Commercial Groups.

IV. Commission's Decision

At an Open Meeting on August 28, 2019, the PUC unanimously approved the Company's rates as filed, finding the same to be reasonable and in conformance with the approved procurement plan. The PUC also granted the Company's motion for protective treatment of confidential materials.

Accordingly, it is hereby

(23668) ORDERED:

1. The proposed Standard Offer Service retail rates for the Residential and Commercial Groups for the period October 2019 through March 2020 and the proposed Standard Offer Service rates for the Industrial Group for the period October 2019 through December 2019 are approved.

2. The Narragansett Electric Company d/b/a/ National Grid's Motion for Protective Treatment for Confidential Attachments 5 and 6 is hereby granted.

¹³ Division Memo. at 4

EFFECTIVE AT WARWICK, RHODE ISLAND ON OCTOBER 1, 2019 PURSUANT TO AN OPEN MEETING DECISION ON AUGUST 28, 2019. WRITTEN ORDER ISSUED SEPTEMBER 16, 2019.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran

Margaret E. Curran, Chairperson

Marion S. Gold

Marion S. Gold, Commissioner

Abigail Anthony

Abigail Anthony, Commissioner

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.