

September 1, 2020

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 4935 – 2020 Standard Offer Service Procurement Plan
Response to Record Request**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), enclosed please find an electronic version¹ of the Company’s response to the record request that was issued at the evidentiary hearing before the Public Utilities Commission on August 31, 2020 in this matter.

Thank you for your attention to this filing. If you have any questions concerning this matter, please do not hesitate to contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

Enclosures

cc: Docket 4935 Service List
John Bell, Division, Division
Leo Wold, Esq.
Christy Hetherington, Esq.

¹ Per practice during the COVID-19 emergency period, the Company is providing PDF versions of the enclosures. The Company will provide the Commission Clerk with hard copies and, if needed, additional hard copies of the enclosures at a later date.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4935
In Re: National Grid's Standard Offer Service Rates
For the Residential, Commercial, and Industrial Groups
Pursuant to the 2020 Standard Offer Procurement Plan
Response to a Record Request Issued at the
Commission's Evidentiary Hearing
On August 31, 2020

PUC 1-1

Request:

Why should a rate increase take place during a pandemic?

Response:

The Company remains sensitive to the hardships faced by customers in light of the COVID-19 crisis and continues to offer many programs to customers who are having difficulty paying their bills. In addition to the Company's Budget Billing Plan which helps customers mitigate bill fluctuations by estimating an annual bill amount based on prior usage and smoothing out payments over the course of that year, the Company offers additional options to assist customers with managing their bills through its COVID-19 Emergency Bill Payment & Customer Assistance Program Plan ("Customer Assistance Program Plan"), which the Company filed with the Public Utilities Commission on May 15, 2020 in Docket No. 5022. These options enable customers to spread their overdue bill amounts over 12 months (and longer terms where applicable), with no down payment required. For a full description of the payment plans and assistance programs that are currently available to customers, please see the Customer Assistance Program Plan at pages 17-24. Additionally, the Residential Low-Income Discount Rate A-60 ("Rate A-60") is available for eligible residential customers, offering a 25% or 30% discount off of a residential customer's total bill based on charges that are comparable to those of standard Residential Rate A-16 customers.¹ The Arrearage Management Program offers eligible Rate A-60 customers arrearage forgiveness to a maximum of \$1,500 upon successful completion of the program. The Company always encourages all of its customers to participate in its Energy Efficiency Program to find ways to reduce their energy use, thereby lowering their energy bills.

As highlighted by several witnesses and participants during the August 31, 2020 hearings, the Company is required by statute to provide electricity supply to its customers not receiving that supply from Non-Regulated Power Producers ("NPPs") at the cost of procuring the supply.² To satisfy its statutory obligations, the Company has procured Standard Offer Service pursuant to the approved 2020 Standard Offer Service Procurement Plan ("Procurement Plan"), and calculated the proposed rates in compliance with the Company's Tariff for Standard Offer Service, R.I.P.U.C. No. 2202 ("SOS Tariff"). The Division of Public Utilities and Carriers ("Division") concurred with the Company's compliance with the Procurement Plan and SOS

¹ Rate A-60 customers are not assessed the Low-Income Discount Recovery Factor, which provides an additional benefit.

² See R.I. Gen. Laws §39-1-27.3.

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Tariff in a memorandum filed on August 14, 2020, and recommended approval of the proposed rates.

The seasonal price volatility of electricity supply costs in the New England region has been an ongoing concern for the last five years as a result of continued gas pipeline constraints and continued reliance on gas-fired regional generators. In three prior Standard Offer Service rate proceedings, the Public Utilities Commission ("Commission") has taken steps to address this issue, including the following: (1) a 12-month Residential rate (RIPUC Docket No. 4393, Order No. 21827); (2) a change in the six-month pricing periods from January through June and July through December to the current six-month pricing periods of April through September and October through March (RIPUC Docket No. 4556, Order No. 22444); and (3) a deferral of a portion of the increased cost for the residential and small commercial rate classes for the October through March pricing period (RIPUC Docket No. 4692, Order No. 23633). The stated objectives for these decisions have varied, from mitigating bill impacts to sending a clearer and stronger price signal for customers who are shopping for their electric supply from NPPs. While the Company acknowledges the benefits of deferring a portion of the increased cost of Standard Offer Service for the October through March period, it is concerned that a deferral may have unintended consequences. Recovering deferred costs over the April through September period would result in a Standard Offer Service³ rate that is higher than what it would have been absent the deferral recovery. Also of concern is the recent filing of proposals by municipalities to secure their own electric supply via municipal aggregations that could begin sometime next year; therefore, there is a potential for reduced load for remaining Standard Offer Service customers, which could result in even higher Standard Offer Service rates and, ultimately, electric bills for customers remaining with the Company for their electric supply.

Notwithstanding the above, Standard Offer Service winter rates continue to trend downward, and the Company anticipates future winter period rates to continue this trend. As such, the Company would ask the Commission to consider these factors when reviewing the proposed rates, as well as those recommendations from the Division. Once again, the Company strongly encourages customers who are having difficulties with meeting their obligations to contact the Company via its Customer Service line, 1-800-322-3223, or via its website to explore the many options that are available to assist customers in paying their bills.

³ For ease of reference, the Company is referring to Standard Offer Service throughout this response even though, beginning January 1, 2021, the electric supply provided to customers not with NPPs will be Last Resort Service.

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.



Joanne M. Scanlon

September 1, 2020
Date

**Docket No. 4935 - National Grid – 2020 Standard Offer Service (SOS) and
2020 Renewable Energy Standard (RES) Procurement Plans
Service List updated 7/17/2020**

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