

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

**IN RE: THE NARRAGANSETT ELECTRIC)
COMPANY)**

DOCKET NO. 3628

**THE DIVISION OF PUBLIC UTILITIES AND CARRIERS' RESPONSES TO
COMMISSION'S FIRST SET OF DATA REQUESTS**

REQUEST NO. 3. Please provide a justification as to why the Coastal district and Capital district should be combined for service quality purposes if historically there is a difference in reliability performance between the two districts.

RESPONSE 3. When the Original Plan was adopted, the Company had two separate operating areas: capital and coastal. Since 2000 Narragansett has changed the way in which it operates the distribution system, from a capital and coastal basis to a total company basis. The Settlement combines the districts so that the measurement of reliability reflects the way in which the system is currently operated.

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REQUEST NO. 4. Has the Commission adopted the proposed new methodology (logarithmic data) in any other service quality plan?

RESPONSE 4. We are not aware that the Commission has adopted the use of logarithmic data in any other service quality plan.

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REQUEST NO. 5. Please explain in detail the statistical superiority and benefit of the proposed new methodology (logarithmic data) over the statistical methodology utilized in the service quality plan adopted in Docket No. 2930.

RESPONSE 5. As shown in Narragansett's response to Division Data Request 1-18, analysis of the available data show that SAIDI and SAIFI are log-normally distributed. Introduction of the new methodology allows the log normal distribution of SAIDI and SAIFI to be reflected in the Reliability Standards. Formulation of standards based on the actual distribution of the underlying historic data helps to ensure that the historic data is used in a reasonable and appropriate fashion.

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REQUEST NO. 6. Please explain why the new methodology (logarithmic data) was proposed for reliability standards but not for customer service standards and in the alternative, why the old methodology is not being utilized for the reliability standards.

RESPONSE 6. There is no evidence that the measurements upon which the Customer Standards are based—percent satisfied and percent of calls answered within 20 seconds—are log-normally distributed. Since the new methodology is only appropriate for measurements which are log-normally distributed, it was not proposed for the Customer Standards.

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REQUEST NO. 9. Is the Division satisfied that Narragansett Electric has properly interpreted and applied the term “extraordinary events” during the rate freeze period (2000-2004) to exclude certain data from being covered by the current service quality plan? If the answer is affirmative, please indicate the facts upon which this opinion is based.

RESPONSE 9. The Division did not conduct an independent analysis of the Company’s application of the term “extraordinary event.” Upon further consideration, the Division believes that more timely reporting by the Company of the occurrence of extraordinary events would be beneficial and appropriate.

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REQUEST NO. 10. Please explain, in detail, why the proposed benchmarks should include years during the rate freeze period (2000-2004) in which Narragansett Electric received the maximum penalty (i.e., the reliability data for duration in the capital district in 2001, call response data for 2001, and customer satisfaction data for 2002 and likely 2004).

RESPONSE 10. As discussed in Dr. Stutz's testimony and documented in his Exhibit JS-3, expansion of the historical data used to set the Customer Contact Standard has little effect on the mean and standard deviation upon which the operation of this standard depends. This being the case, it is reasonable to include all of the available data when updating this standard.

With respect to SAIDI, it is the Division's position that, in selecting historic data, one should consider Company-wide data, not data for the districts. In deciding what years to include, one needs to strike a balance, excluding years where there is very poor performance while including enough recent years to reflect the Company's new data collection procedures, discussed in Division Data Response 1-15. For the reasons discussed in Dr. Stutz's testimony, 1995 to 2002 is a reasonable choice.

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REQUEST NO. 12. Would the parties accept the benchmarks produced by data request No. 12? If not, please provide a ratemaking rationale why the Commission should not adopt these benchmarks.

RESPONSE 12. (The Division assumes this question refers to No. 11, not No. 12.)
The Division believes the benchmarks included in the settlement are reasonable and so recommends their adoption. This being said, the Division would accept whatever benchmarks the Commission finds most appropriate.