



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903

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*Peter F. Kilmartin, Attorney General*

March 29, 2011

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

RE: RI ENERGY EFFICIENCY AND RESOURCE  
MANAGEMENT COUNCIL'S PROPOSED ELECTRIC  
AND NATURAL GAS EFFICIENCY SAVINGS TARGETS  
DOCKET NO. 4202

Dear Ms. Massaro,

Enclosed please find for filing with the Commission an original and (11) copies of the Division's Responses to Commission's Data Requests Directed to the Division in the above-captioned matter.

Thank you for your attention in this matter.

Very truly yours,

Jon Hagopian  
Special Assistant Attorney General

JGH/dmm

Encls.

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PUBLIC UTILITIES COMMISSION

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: RI ENERGY EFFICIENCY AND RESOURCE  
MANAGEMENT COUNCIL'S PROPOSED ELECTRIC  
AND NATURAL GAS EFFICIENCY SAVINGS TARGETS

DOCKET NO. 4202

**COMMISSION'S DATA REQUEST**  
**DIRECTED TO THE DIVISION**

**March 17, 2011**

**(Please reply by March 29, 2011)**

1. Please provide the dates of any contact with the R.I. General Assembly or any members thereof, concerning least cost procurement, decoupling or energy efficiency legislation proposed in the 2010 legislative session. For purposes of this request, the term "contact" shall mean written or verbal correspondence or attendance at any legislative hearings, caucuses, debates or meetings of any kind. Please include in your response the following:
  - a. copies of written testimony, if any, provided to the R.I. General Assembly regarding the above referenced legislation;
  - b. a brief summary of the testimony provided, if no written testimony was provided;
  - c. the name of the individual(s) who testified or otherwise had contact with the R.I. General Assembly concerning the above referenced legislation.

RESPONSE: 1-a. The Division hereby objects to the request as it seeks information that is neither relevant to nor calculated to assist in the PUC's analysis or disposition of the issues here. Without waiving said objection, to the extent that the data request refers to 2010 H-8082 and S-2841 the Division is not aware of any contact with the General Assembly. The Division was aware of the attached correspondence the Commission had with the General Assembly.

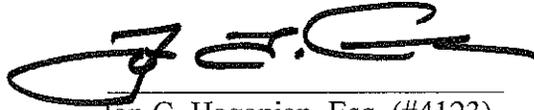
RESPONSE: 1-b. The Division hereby objects to the request as it seeks information that is neither relevant to nor calculated to assist in the PUC's analysis or disposition of the issues here. Without waiving said objection, see, Division Response to Data request 1-a. which it incorporates herein.

RESPONSE: 1-c. The Division hereby objects to the request as it seeks information that is neither relevant to nor calculated to assist in the PUC's analysis or disposition of the issues here. Without waiving said objection, see, Division Response to Data request 1-a. which it incorporates herein.

Prepared by Division Staff and Counsel

Thomas Ahern, Administrator  
State of Rhode Island  
Division of Public Utilities and  
Carriers

By his attorney,



Jon G. Hagopian, Esq. (#4123)  
Special Assistant Attorney General  
State of Rhode Island  
Department of Attorney General  
150 South Main Street  
Providence, R.I. 02903  
Tel.: 401-274-4400

Dated: March 29, 2011

### CERTIFICATION OF SERVICE

I hereby certify that on the 29th day of March, 2011, that I transmitted an electronic copy of the within Data Requests to the attached service list and to Luly Massaro, Division Clerk via electronic mail and regular mail.



**Docket No. 4202 – RI Energy Efficiency and Resource Management Council  
("EERMC") – Energy Savings Target  
Service List updated on 12/2/10**

Name/Address	E-mail Distribution List	Phone/FAX
R. Daniel Prentiss, P.C. (for EERMC) Prentiss Law Firm One Turks Head Place, Suite 380 Providence, RI 02903	<a href="mailto:dan@prentisslaw.com">dan@prentisslaw.com</a>	401-824-5150 401-824-5181
Samuel P. Krasnov (for EERMC) 203 S. Main Street Providence, RI 02903	<a href="mailto:skrasnow@env-ne.org">skrasnow@env-ne.org</a> <a href="mailto:aanthony@env-ne.org">aanthony@env-ne.org</a>	

S. Paul Ryan (for EERMC)	<a href="mailto:spryan@eplaw.necoxmail.com">spryan@eplaw.necoxmail.com</a>	
Thomas R. Teehan, Esq. National Grid 280 Melrose St. Providence, RI 02907	<a href="mailto:Thomas.teehan@us.ngrid.com">Thomas.teehan@us.ngrid.com</a>	401-784-7667
	<a href="mailto:Joanne.scanlon@us.ngrid.com">Joanne.scanlon@us.ngrid.com</a>	401-784-4321
	<a href="mailto:Jeremy.newberger@us.ngrid.com">Jeremy.newberger@us.ngrid.com</a>	
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	<a href="mailto:Sscialabba@ripuc.state.ri.us">Sscialabba@ripuc.state.ri.us</a>	
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Bob Fagan Synapse Energy Economics 22 Pearl Street Cambridge, MA 02139	<a href="mailto:rfagan@synapse-energy.com">rfagan@synapse-energy.com</a>	617-661-3248 617-661-0599
<b>Original &amp; 11 copies to be filed w/:</b> Luly E. Massaro, Commission Clerk  <b>Public Utilities Commission</b> 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2107
	<a href="mailto:Adalessandro@puc.state.ri.us">Adalessandro@puc.state.ri.us</a>	401-941-1691
	<a href="mailto:Anault@puc.state.ri.us">Anault@puc.state.ri.us</a>	
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Glenn Mitchell, Dept. of Navy	<a href="mailto:glenn.h.mitchell@navy.mil">glenn.h.mitchell@navy.mil</a>	
Bill Ferguson, Executive Director TEC-RI	<a href="mailto:BFerguson@thielsch.com">BFerguson@thielsch.com</a>	



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION  
89 Jefferson Boulevard  
Warwick Rhode Island 02888  
(401) 941-4500

Commissioner Mary E. Bray  
Commissioner Paul J. Roberti

May 4, 2010

The Honorable V. Susan Sosnowski, Chairperson  
Senate Committee on Environment & Agriculture  
Rhode Island State House  
Providence, Rhode Island 02903

Dear Senator Sosnowski:

We are writing in regard to Senate Bill 2841, which states that "the General Assembly finds and declares that electricity and gas revenues shall be fully decoupled from sales." Should S-2841 be passed into law as written, it would essentially require the Public Utilities Commission ("Commission") to approve decoupling proposals submitted by electric distribution companies and gas distribution companies<sup>1</sup> through an extremely narrow scope of review. Any resulting costs from the implementation of revenue decoupling would be passed on to the state's electric and gas service customers without the extensive, independent regulatory review traditionally granted to utility matters of this magnitude.

The approval process specified in this bill leaves little, if any, ability for the Commission to conduct a thorough regulatory review of the cost impacts that this revenue decoupling mechanism will have on service quality and the rates paid by consumers. In fact, it seeks to implement revenue decoupling mechanisms that are similar to those already rejected by the Commission in two separate regulatory proceedings: Docket 3943 (National Grid Gas) and Docket 4065 (National Grid Electric).<sup>2</sup>

These proceedings included the intervention, expert witness testimony, and opportunity for cross-examination from numerous parties representing a wide spectrum of interests. For example, in Docket 4065, intervening parties included representatives of the state's business community (i.e. Tec-RI, United States Navy); environmental organizations (i.e. Conservation Law Foundation, Environment North East); the Attorney General's office; the state's ratepayer advocate (Division of Public Utilities & Carriers); and the George Wiley Center, a low-income advocacy group. As is the Commission's practice, all proceedings were conducted in a fully transparent manner, consistent with the law and established rules and regulations; open to the public and subject of several public comment hearings held at various locations throughout Rhode Island; subject to appeal by intervening parties; and decided on by an independent regulatory body that examined all of the evidence on record, including the impact of such proposals on service reliability and the potential cost impacts on the state's ratepayers – residents and businesses alike.

<sup>1</sup> The bill specifies a "gas distribution company" as one which has greater than 100,000 customers. In effect, this refers to National Grid.

<sup>2</sup> The Commission voted 2-1 against the proposed revenue decoupling mechanisms in both of these proceedings.

As individual commissioners, we often reach different outcomes in our proceedings after carefully weighing all of the evidence on specific issues. On this very matter, for instance, the current Commission voted two-to-one against revenue decoupling for electric service.<sup>3</sup> However, it is our belief that complicated regulatory matters such as this should be addressed in quasi-judicial regulatory proceedings such as that described above. A regulatory mechanism such as decoupling cannot be implemented in a vacuum and it may have serious implications and various cost impacts on the entire regulatory scheme already in place. These impacts will likely touch every ratepayer – individuals, families, small entrepreneurs, large industry, and government entities – differently, and they all must be explored, examined, and weighed carefully as part of a much larger picture.

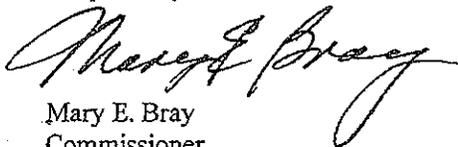
For this very reason we always encourage any qualified party to intervene in our dockets; to provide expert testimony; to cross-examine witnesses; and to issue data requests and other means of discovery so that the Commission has access to as much relevant data as possible on any one issue. Moreover, we always allow members of the public – concerned citizens and organized interests – to participate at public comment hearings and to attend evidentiary hearings. In our proceedings, we take great care to ensure that all potential ratemaking mechanisms are reviewed on their own merits, as well as how their implementation impacts the entire regulatory scheme. In doing so, we strive to balance our just and reasonable standard with fairness to those ratepayers who ultimately must pay the bill.

We are attaching for your review electronic copies of the decisions from the two aforementioned independent regulatory proceedings. While they are very lengthy in nature, a review of these documents for matters pertaining to revenue decoupling may provide your Committee with additional insight into the proposed mechanism and the potential risks or benefits associated with it should it be mandated.

Please know that all witness testimony and discovery (not provided confidential treatment) related to the aforementioned proceedings is available on our website at: [www.ripuc.org](http://www.ripuc.org).

We thank you for your consideration of this matter.

Respectfully,



Mary E. Bray  
Commissioner



Paul J. Roberti  
Commissioner

cc: Committee Members  
Senators Miller, Walaska, Bates, and Lanzi, co-sponsors  
Thomas F. Ahern, Administrator, DPUC

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<sup>3</sup> We note that in the Commission's 2-1 vote in Docket 4065 against National Grid's proposed revenue decoupling mechanism, Chairman Elia Germani dissented from the majority. His written dissent discussing this and other matters in that case is expected to be issued shortly.