

August 6, 2014

BY HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4483 – In Re: Petition of Wind Energy Development, LLC and
ACP Land, LLC Relating to Interconnection
National Grid Comments to Procedural Memorandum dated August 1, 2014**

Dear Ms. Massaro:

Relating to the above-referenced docket, National Grid¹ submits the following comments on the Public Utilities Commission's ("PUC") procedural memorandum dated August 1, 2014.

I. Procedural Schedule

National Grid has no objection to the Petitioners' request that the procedural schedule indicate that a hearing will only be necessary if the PUC concludes that it wants to hear legal argument on the issues briefed.

II. Summary of Issues For Briefing

The procedural memorandum identifies the following issues for briefing:

1. Does the PUC have jurisdiction to determine the reasonableness of the pass through interconnection taxes charged by National Grid to Petitioners.
2. Should the parties obtain a private letter ruling (PLR) related to the specific projects that are the subject of this dispute? If yes, who should pay for the PLR?
3. Should National Grid perform an automatic final accounting when interconnection costs exceed \$5,000?
4. Are interconnection study fees owed to either party and if so, how much?

¹ The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

National Grid respectfully requests that the PUC reframe the issues as follows:

1. Does the PUC have jurisdiction to determine whether the Petitioners are liable for payment of taxes related to their interconnection projects?
2. Does the PUC have jurisdiction to determine the reasonableness of the pass through interconnection taxes charged by National Grid to Petitioners?
3. Does the PUC have the authority to require either the Petitioners or National Grid to seek a private letter ruling (“PLR”) from the IRS to determine whether taxes are owed by the Petitioners related to their interconnection projects? If so, does the PUC have the authority to determine whether the costs associated with seeking the PLR should be borne by the Petitioners?
4. Should National Grid perform an automatic final accounting when the costs in the impact study exceed \$5,000?

The PUC may remove issue number four from its August 1 list of issues (regarding whether interconnection study fees are owed to either party).

III. Confirmation of Agreements

The PUC’s memorandum identified the following six agreements between the parties:

1. National Grid will conduct an accepted projects conference following each distributed generation (DG) enrollment.
2. National Grid will notify customers of the accepted projects conference upon transmittal of the executed DG standard contract.
3. National Grid will conduct a routine scoping meeting with all DG enrollees.
4. National Grid will inform customers of their right to request a final accounting on the billing invoice and interconnection service agreement.
5. National Grid will initiate a working group to discuss proposed tariff revisions within a 60-day time frame. (In terms of priority, the working group is considered secondary to a resolution of the issues noted in Paragraph I; therefore, the timing of said working group, i.e. when it should be convened, is purposely omitted.)
6. National Grid will perform a final accounting for the North Kingstown Green project and provide a copy of same to the PUC.

Petitioners are correct that, as noted in their August 4 letter, these agreements apply to all interconnections, including net metering interconnections.

National Grid agrees with the PUC's description of agreements numbers 1-4 and 6. National Grid requests that agreement number five should be amended as stated below to be consistent with what National Grid stated in its May 14, 2014 response to the PUC's summary and recommendations in this docket:

5. National Grid is willing to convene a working group of parties expressing interest in meeting on a regular basis to discuss the tariff provisions and determine whether modifications to the tariff should be proposed to the PUC. If parties express interest in doing so, the Company will establish a schedule of regular meetings to be held at the Company's Melrose Street, Providence office during a three-month period. The Company would subsequently report to the PUC on the outcome of those meetings, which would include proposed agreed upon tariff modifications to be filed with the PUC for its review and/or unresolved issues raised by the parties during the three-month period.

Among other things, recent changes to ISO-NE operating procedure 14 (OP14) and the recently-enacted Renewable Energy Growth legislation will require the Company to make modifications and additions to its DG interconnection tariff. Therefore, after the Company completes these required modifications, around mid-September, it anticipates convening a series of meetings with interested parties to discuss whether additional modifications to the DG interconnection tariff are required. The Company would then plan on filing a modified tariff for the PUC's around early November 2014.

IV. National Grid's Response to Petitioners' Proposal Concerning a Private Letter Ruling

In their August 4, 2014 letter filing in this docket, Petitioners state that their settlement offer is as follows:

Petitioners' settlement offer is that it will prepare a request for a private letter ruling applicable to its projects and to be filed by National Grid and intended for general application to its customers' similarly situated projects. Petitioners will provide a draft of the letter request for PUC review and comment prior to filing. If the letter ruling resolves that the tax is not owed by such projects, National Grid will refund to Petitioners' any interconnection tax they paid and the full cost of obtaining the private letter ruling.

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National Grid's Response:

National Grid requires additional time to consider this proposal and will provide Petitioners and the PUC with its response on August 12, 2014.

Sincerely,

A handwritten signature in blue ink, appearing to read "Raquel Webster", with a horizontal line underneath.

Raquel J. Webster

cc: Docket 4483 Service List
Leo Wold, Esq.
Steve Scialabba, Division

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Copies of this filing will be hand delivered to the RI Public Utilities Commission and to the RI Division of Public Utilities and Carriers.



August 6, 2014

Joanne M. Scanlon

**Docket No. 4483 – Wind Energy Development LLC & ACP Land, LLC –
Petition for Dispute Resolution Relating to Interconnection
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