

Amy D'Alessandro, Esq.
RI Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

August 4, 2014

Re: Docket No. 4483 – In re. In re. Petition of Wind Energy Development, LLC and ACP Land, LLC Relating to Interconnection

Dear Ms. D'Alessandro:

I write to respond to your memo distributed on Friday.

I. Procedure

Petitioners ask that the procedural schedule indicate that a hearing will only be necessary if the PUC wants to hear legal argument on the issues briefed and before them. Otherwise, the PUC can just issue its decision as soon as possible upon completion of any briefing.

The memo 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?

Petitioners submit the questions should be reframed as follow:

1. Has the Internal Revenue Service decided whether a pass through interconnection tax is owed on Petitioners' projects and projects like them such that the PUC can undertake an investigation pursuant to R.I.G.L. §39-4-13 in order to determine whether the tax is an unjust, unreasonable, insufficient, preferential, unjustly discriminatory action pursuant to R.I.G.L. §39-3-13.1, an unreasonable rate of a public utility pursuant to R.I.G.L. §§39-4-3 and 39-4-13, an unreasonable and unjust practice pursuant to R.I.G.L. §39-4-10, or a violation of the Narragansett Electric Company's Standards for Interconnecting Distributed Generation, RIPUC #2078?
2. If the Internal Revenue Service has not already decided this issue, does the PUC have jurisdiction to order any one or both of the parties to seek clarification from the Internal Revenue Service that will resolve whether the tax was owed on these projects and will be owed on projects like them in the future?
3. If the PUC has such jurisdiction, what should such an Order require and why?
4. If the actual cost of an impact study exceeds the statutory cap for a commercial project, must National Grid provide a final accounting of those excess costs when it bills them to the interconnecting customer?

5. Must National Grid perform a final accounting of its actual interconnection costs and refund any excess estimated interconnection costs upon project completion?

The question related to whether impact study fees are currently owed can be removed from the list.

Petitioners submit that the filing of any request for additional IRS guidance (eg, a request for a private letter ruling) will not be necessary if the PUC decides question 1 by resolving that the IRS has decided this matter. Therefore, Petitioners suggest that the PUC first rule on question 1 as expeditiously as possible based on the written arguments submitted to the moderator and the PUC thus far and the moderator's recommendation (and any additional briefing the PUC may require), and then we can address Petitioners settlement proposal and questions 2 and 3 if/as necessary.

II. Confirmation of Agreements

These agreements were intended to be applicable to all interconnections (including net metering interconnections), not just those enrolled in the Distributed Generation Standard Contract program or its recently passed successor. The language should reflect that.

There is no reason that the review and improvement of the interconnection tariff can or should not proceed simultaneously with the resolution of the disputes at issue in this petition. Delay is detrimental to pending projects.

Petitioners propose to amend the description of agreement Number 4 as follows:

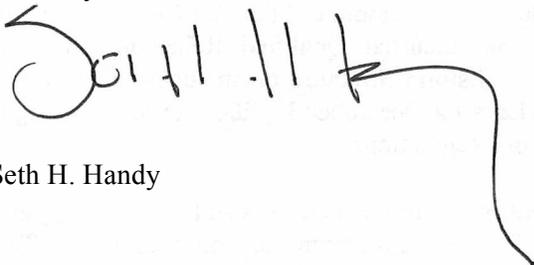
National Grid will inform customers of their right to request a final accounting of actual interconnection costs on the billing invoice and interconnection service agreement.

III. Petitioner's proposal

To be clear, 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.

Thank you for considering these comments.

Sincerely,



Seth H. Handy

cc. Service List