

February 17, 2017

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4513 – In Re: Proceeding to Establish a Pilot Metering Proposal for
Municipal-Owned Streetlights
National Grid and the Municipalities' Joint Report**

Dear Ms. Massaro:

I have enclosed for filing in the above-referenced docket the Joint Report of National Grid¹ and the Municipalities, represented by the RI League of Cities and Towns and the Partnership for RI Streetlight Management (PRISM). After the status conference on January 17, 2017, the parties conferred in person and over the phone, and collaborated generally on the report. In the Joint Report, National Grid drafted each of the subsections entitled “National Grid,” and the Municipalities drafted each of the subsections entitled “The Municipalities.”

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7415.

Very truly yours,



Robert J. Humm

Enclosure

cc: Docket 4513 Service List
Leo Wold, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid.

Docket No. 4513
Proceeding to Establish a Pilot Metering Proposal for Municipal-Owned Streetlights

Joint Report of National Grid and Municipalities

On January 17, 2017, the Rhode Island Public Utilities Commission (PUC) requested that the parties in the above-referenced docket meet and develop a joint report to the PUC addressing where consensus or lack of consensus exists on developing and implementing a revised work plan designed to achieve the goals set forth in the PUC Order establishing this docket. National Grid¹ and the Municipalities, represented by the RI League of Cities and Towns and the Partnership for RI Streetlight Management (PRISM), hereby submit this joint report to the PUC concerning the following topics.

1. Phase 1 – Stage 1

National Grid:

Laboratory testing and the physical application set up for the planned end-to-end (meter farm) testing is complete. Progress on the actual meter farm testing has been delayed because certain issues with a network service provider are still being resolved. Additionally, PUC approval is necessary for the additional testing costs, as presented in National Grid's Status Report No. 2 dated December 21, 2016, at Exhibit 5. National Grid has given the Municipalities supplemental information regarding LED luminaires to be used during testing and illustrations representing various test operating schedules so that the Municipalities can provide feedback prior to the commencement of testing. The Municipalities agree with this approach and have offered the Company contact information to assist with the resolution of the network service provider matter.

The Municipalities: Agreed.

2. Phase 1 – Stage 2

National Grid:

On February 8, 2017, the Rhode Island Department of Transportation (DOT) provided a copy of the signed Memorandum of Understanding (MOU) for National Grid to conduct field testing. National Grid is now reviewing the originally proposed testing plans and objectives given the conditions established through the executed MOU. National Grid will work with the DOT to develop and adopt an action plan to accomplish the testing expeditiously to fulfill the

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

intent of the originally approved proposal. The Municipalities are in general agreement with the in-service application with the DOT, as originally proposed.

The Municipalities: Agreed.

3. Costs of Information Systems (IS) Studies

National Grid:

The PUC specifically requested that National Grid give serious consideration and present ways that the information gleaned and lessons learned from the IS studies could be used to inform other dockets and other applications. Various business groups within National Grid have engaged in discussions regarding the PUC's request. However, National Grid has had a difficult time identifying other existing customer classes who are likely to benefit from the IS studies in this pilot. The success of the pilot is still unknown at this time; therefore, it is not clear whether any of the IS studies will benefit other customer classes, especially given that applying the IS costs to other dockets would need to be reasonably certain to meet the standard for National Grid to achieve cost recovery in those dockets.

The PUC has requested, to the extent possible, that National Grid identify the costs that will achieve the current metered billing conditions (customer-owned metering as it currently exists), with the residual or incremental costs excluded because they do not apply until National Grid can definitively determine their involvement in this technology. In its discussions regarding this issue, National Grid has been unable to identify the minimum requirements necessary to achieve customer metered billing at this time. Nonetheless, National Grid believes that the IS cost increase identified in Status Report No. 2 is reasonable and necessary to provide a full and complete assessment of the IS metering initiative, as required by the PUC order establishing this docket.

National Grid disagrees with many of the Municipalities' comments in Sections 3 and 4 of this joint status report. In particular, some of the Municipalities' comments oversimplify and mischaracterize the issues involving the pilot (as described by National Grid in its December 21, 2016 status report), mischaracterize the nature of the IS costs, and mischaracterize facts regarding whether the metering at issue in this docket is being used elsewhere. Rather than respond to each and every comment and mischaracterization in this report, National Grid will address the Municipalities' comments during the upcoming status conference with the PUC.

Municipalities:

The Municipalities strenuously object to the scope and cost of this add-on for four reasons: 1) it is wholly inconsistent with a budget submitted by National Grid to the PUC and approved by the PUC; 2) it is not demonstrated as necessary to test the provision of metered streetlight service to those municipalities that would be charged for the pilot; 3) the expanded scope of possible scenarios contemplated for the testing would be better addressed through system commissioning with direct cost allocation if/when ever adopted, and 4) the cost to assess billing system changes to service company-owned streetlights is premature since (a) the company did not propose using meters in its recent filing in Docket 4685 and (b) because the design of company-owned metering devices requires substantially more IS/billing resources (a separate account for each streetlight) and changes than the control system tested for customer-owned lights (which provide billing data aggregated by existing account numbers well below NGRID's 100 account per customer limit).

The Municipalities maintain their position that this pilot and its costs are unwarranted, for all the reasons previously presented (see 10/30/14 and 3/25/15 Objections; Testimony of 1/7/15). Without rehashing old, decided issues, the substance of that concern was fundamentally that metering chips like in streetlight controllers have been tested across the country and around the world in streetlights and other applications and the IS implications for prevalent applications are, therefore, well understood.

The proposal that the PUC now accept cost increases that have already been incurred without prior approval (incurred IS costs up from \$45,000 approved to \$96,453 incurred) and to expand the originally approved budget for IS studies from \$45,000 to \$222,000 is impossible for the municipalities to accept and for PRISM to justify to its members. Just this IS increase alone would add to every communities streetlight bill by unbudgeted amounts like for Providence over \$32,700, mid-size communities like North Providence \$7,500, and smaller towns like Charlestown \$600. The explanation for the increased cost to the IS systems in the company's second status report is that the scope of the systems impacted has been larger and more diverse than expected and that thus the solutions for integration are more complicated. Exhibit 3 ("Key Observations") adds that the number of systems impacted is greater than anticipated because the Company must assess all scenarios without knowing who will own the meter. Since municipalities all over Rhode Island already own their metering controls, this proposal would force the municipalities that will not be using the IS capacity pay for National Grid's cost of integrating its own IS system with its own metering controls, if it ever chooses to offer them. At the January status meeting National Grid estimated that half the IS increase was due to the design of a company-owned system and not needed for the type of aggregating systems commonly chosen by municipalities. The second status report says that if the PUC approves the Company's "necessary costs," then the company will explore opportunities to shift costs to other customers

in other rates. That does not give the Municipalities or the commission sufficient detail to conclude that added costs or cost allocations are warranted. Nor does the Company's write up in this report. The commission shared the Municipalities' interests in investigating whether the scope could be narrowed or the necessary scope/costs could be allocated to other dockets and applications. The Municipalities appreciate National Grid's consideration of these concerns but still do not understand why the company resolved that the added IS scope is necessary and the cost allocation is appropriate. This docket was created in the PUC Order for Docket 4442, which dealt only with customer-owned streetlights. Throughout this proceeding, the Municipalities have raised concerns that many of the applications contemplated in this study are specific to company-owned meters and are, therefore, not necessary for this scope, could be addressed through system commissioning if/when ever adopted and are, therefore, not properly recovered from municipalities that own their meters as part of this pilot. The Municipalities were very specific in their response to each individual element of the proposed testing in their March 2, 2015 comments on the proposed pilot that are attached for the PUC's benefit. The company's very recent filing in docket 4685 indicates that the company does not intend to offer metered service for company-owned streetlights. For the company to propose in this docket to charge municipalities even more for IS contingencies required only for company-owned streetlights that are not contemplated or authorized is unreasonable and inappropriate.

There is a fundamental difference between what the company is proposing to test for its own, company-owned lights/meters, and that required for customer-owned lights/meters. For integration with the company's billing system, the company states its data needs are "granular," which means that each individual light controller must have a separate account. Customer owned lights/meters are entirely different—the control and network software are designed for and can easily be customized to report to National Grid all lights aggregated into the company's current accounts. This is simpler and cannot require hundreds of thousands of dollars simply to "study."

In sum, the municipalities still do not believe this pilot or its scope or costs are warranted. Now that the pilot has been approved and is proceeding, the Municipalities ask that it be conducted and managed within budget, that costs be included that are appropriate only to those devices that are contemplated, and that costs to be "recovered" be paid only for studying that which is appropriate to customer-owned lighting. A properly designed and implemented pilot should be much smaller in scope and better aligned with the immediate and prevalent applications and, therefore, much cheaper. This pilot should leave outlier scenarios, such as individually metered company-owned lights that are not even proposed yet by the company for the company to address through system commissioning if/as those scenarios are adopted with the costs then allocated more directly and appropriately.

4. Costs of Project Management

National Grid:

The PUC also requested that National Grid consider if any of the activities in the project management category could be transferable to other dockets and other applications. The project management assigned to this pilot is the only element of the pilot that maintains consistent focus and forward progress to achieve the established objectives on each of the multiple tasks set forth in the approved scope of work for the pilot. National Grid believes that, to date, the project management costs have been reasonable and necessary. Moreover, the current project manager is familiar with and provides value to the pilot. National Grid further believes that the estimated project management costs identified in Status Report No. 2 are also reasonable and necessary to complete the project. The project management costs are directly attributable to the performance of each task function in the pilot, which, in several cases, has been significantly delayed. Based on National Grid's review of the project management functions, these costs are specific to this pilot and do not appear to be transferable to other regulatory dockets. In recognition of the necessary increased costs, National Grid has provided, and will continue to provide, continuous oversight of the prudent spending of project management time throughout the entire project duration. This effort will continue so as to minimize these costs while continuing to provide competent project management to complete the project.

As noted in more detail Section 3, above, National Grid disagrees with many of the Municipalities' comments in Sections 3 and 4 of this joint status report. Rather than respond to each and every comment and mischaracterization in this report, National Grid will address the Municipalities' comments during the upcoming status conference with the PUC.

The Municipalities:

The Municipalities object to these costs for some of the same reasons provided in response to item number 3 above. The PUC approved National Grid's budget of \$246,000. It now proposes to recover \$450,000 before any proposed budget increase, and asks for a new budget of \$667,000. It is common practice to maintain a budget and request increases only if/as necessary for unforeseen and uncontrollable circumstances before the budget is exceeded. It violates the public trust to request such a huge increase after the fact. If a nonprofit like WCRPC/PRISM, or any private company working for a municipality ever exceeded a budget without prior explanation of unforeseen and uncontrollable circumstances and approval, cost "recovery" would be denied as a matter of course. We ask that the PUC treat National Grid no differently.

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.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Robert Humm

February 17, 2017

Date

**Docket No. 4513 - National Grid – Streetlight Metering Pilot Proposal
Service List updated 1/20/17**

Name/Address	E-mail Distribution	Phone
Raquel Webster, Esq. National Grid 280 Melrose Street Providence, RI 02907	Raquel.Webster@nationalgrid.com;	781-907-2121 401-784-7288
	celia.obrien@nationalgrid.com;	
	Robert.Humm@nationalgrid.com;	
	Joanne.scanlon@nationalgrid.com;	
	Jeanne.lloyd@nationalgrid.com;	
	John.walter@nationalgrid.com;	
Leo Wold, Esq Dept. of Attorney General 150 South Main St. Providence, RI 02903	Lwold@riag.ri.gov;	401-274-4400 Ext. 2218
	Jmunoz@riag.ri.gov;	
	dmacrae@riag.ri.gov;	
	joseph.shilling@dpuc.ri.gov;	
	Al.contente@dpuc.ri.gov;	
	Steve.scialabba@dpuc.ri.gov;	
Richard Hahn Daymark Energy Advisors One Washington Mall, 9 th floor Boston, MA 02108	rhahn@daymarkea.com;	
Seth H. Handy, Esq. (for RILCT / WCRPC) HANDY LAW, LLC 42 Weybosset Street Providence, RI 02903	seth@handylawllc.com;	401-626-4839
	lightsmart@tds.net;	
Brian Daniels, Executive Director RI League of Cities and Towns (RILCT) One State St., Suite 502 Providence, RI 02908	bdaniels@rileague.org ;	401-272-3434
	peder@rileague.org;	
Jeff Broadhead, Executive Director Washington County Regional Planning Council (WCRPC) 344 Main St., Suite 202 Wakefield, RI 02879	jb@wcrpc.org;	401-792-9900
Chris Kearns, Chief Program Development RI Office of Energy Resources (OER) One Capitol Hill, 4 th Fl.	Christopher.Kearns@energy.ri.gov;	401-574-9113
	Nicholas.Ucci@energy.ri.gov;	
	Danny.Musher@energy.ri.gov ;	

Providence, RI 02808	George.Sfinarolakis@energy.ri.gov ;	
Andrew S. Marcaccio, Esq. (for OER) RI Dept. of Administration Division of Legal Services One Capitol Hill, 4 th Fl. Providence, RI 02908	Andrew.marcaccio@doa.ri.gov ;	401-222-3417
Marisa Desautel, Esq. (for EERMC) Law Office of Marisa Desautel, LLC 55 Pine St. Providence, RI 02903	marisa@desautelesq.com;	401-477-0023
S. Paul Ryan (EERMC)	spryan@eplaw.necoxmail.com;	401-289-0184
File an original & 10 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov;	401-780-2017
	Cynthia.WilsonFrias@puc.ri.gov;	
	Todd.bianco@puc.ri.gov;	
	Alan.nault@puc.ri.gov;	