

Record Request No. 16

Request:

Please provide the number of interconnection applications for CY 2016 and CY 2017 and the number in each category (simplified projects not connecting to an area or spot network electric distribution system, simplified spot and area network applications, expedited applications, expedited applications requiring a supplemental review, standard, and applications with time frames negotiated by mutual agreement). Please also provide the time (days) and average time (days) for each application to interconnection services agreement.

Response:

Please refer to the table below for the requested information.

	Total Days	Number of Applications		Average Time from Application Received to Interconnection Services Agreement	
		CY 2016	CY2017	CY 2016	CY 2017
Simplified w/no networks	20	1540	1597	3	2
Simplified w/ spot area networks	N/A - pushed to expedited	N/A		N/A	
Expedited w/o supplemental review	45	46	41	7	7
Expedited w/ supplemental review	65	0	0	N/A	N/A
Expedited w/ feasibility study	75	0	0	N/A	N/A
	Total Days	Number of Applications		Average Time from Application Received to Interconnection Services Agreement	

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket Nos. 4770/4780
Responses to Record Requests
Issued at the Commission's Evidentiary Hearing
On June 20, 2018

		CY 2016	CY 2017	CY 2016	CY 2017
Expedited w/ feasibility study and supplemental review	95	0	0	N/A	N/A
Renewable Standard w/ Study	105	27	54	91	98
Renewable Standard w/ ISRDG ¹	115	10	14	129	102
Renewable Standard w/ Study & Detail	135	0	4	N/A	83
Renewable Standard w/ ISRDG & Detail	165	0	2	N/A	136
Non-Renewable w/ Study	105	1	0	69	N/A
Non-Renewable w/ Study & Detail	135	0	0	N/A	N/A
Standard w/ mutual agreement of timeframes	N/A	0	0	N/A	N/A

¹ Impact Study for Renewable Distributed Generation (ISRDG).

Record Request No. 25

Request:

Please provide a copy of the Company's outreach and income eligible rate enrollment plan. If there is none, please describe the Company's plans.

Response:

The Company intends to implement a multi-faceted approach to identifying and educating income-eligible customers about offerings available to them, including the Company's low income rates.

Several aspects of this intended approach were highlighted in Mr. Isberg's direct testimony, including:

- Expanded use of three incremental Consumer Advocates focused on specific sub-geographies in Rhode Island in order to develop enhanced relationships with social service organizations and other agencies serving the income eligible community. The Consumer Advocates will also provide direct, one-on-one service with customers who will benefit from this level of direct engagement.
- Use of Contact Center Personalization Engine tools to provide Contact Center based representatives with enhanced access to information about programs and offerings potentially available to income-eligible customers when that staff is otherwise engaging customers who potentially meet these eligibility criteria.
- In Mr. Isberg's direct testimony, the Company presented a high level outreach and education plan that would focus on, among other areas of relevance for income-eligible customers, increasing customer awareness of and enrollment in the Company's low income rate schedules. Current spending priorities and expectations for the direct outreach and education plan remain in line with those presented in Schedule JFI-3 of the direct testimony of Mr. Isberg, summarized below.
- Additionally, the Company sees potential opportunity in partnering with Rhode Island state government agencies responsible for the administration of public assistance programs in data sharing and other collaborations that could support efficiencies and customer convenience in the company's enrollment of eligible customers in appropriate tariffs and outreach around other programs and offerings based upon the customer's receipt of public assistance. Further planning and discussion is required around potential approaches here.

Summary of Company proposed spending on Income Eligible Customer Outreach and Education
(from Direct Testimony of John Isberg, Schedule JFI-3)

<u>Item Description</u>	<u>Annual Cost</u>
Postcard development/mailing (4x per year)	\$150,000
Print advertisements in low-income area weekly newspapers (4x per year)	\$65,000
Annual outbound calling campaign (1x per year)	\$10,000
Digital (web/mobile phone) advertising campaign (ongoing)	\$40,000
Outdoor advertising at key public transportation hubs (2x per year)	\$125,000
Development/printing/distribution of CAP agency co-branded education materials	\$25,000
Translation of selected advertisements into non-English language materials	\$10,000
Total Annual Cost	\$425,000

Record Request No. 26

Request:

Please explain the Company's practice for re-enrollment of income eligible customers into the income eligible rate for the past five years and the future.

Response:

When a customer is placed on the low income rate, a Public Assistance Plan (PA Plan) is established on the customer's account.

Prior to 2016, the Company annually sent recertification letters to customers on the low income rate who had not provided proof of public assistance to the Company within the time period to re-enroll in the low income rate (18 months for Low Income Home Energy Assistance Program (LIHEAP) and 12 months for all other types of assistance). In the recertification letter, the Company requested that the customer provide proof of public assistance benefits to continue on the low income rate. Upon receiving proof of public assistance benefits from the customer, the Company created a new PA Plan on the customer's account and the customer either remained on the low income rate or, if their proof of public assistance was received after the date required in the recertification letter, was placed back on the low income rate. If the Company did not receive the requested documentation regarding the customer's proof of public assistance benefits, the Company would change the account to the appropriate non-low income rate.

Customers receiving assistance on LIHEAP are automatically placed on the low income rate through electronic files that the Company receives from the Community Action Program (CAP) agencies. The Company sends a recertification letter to customers who are not certified automatically by the CAP agency.

In 2016, the Company made enhancements to the Customer Service System to automatically generate and send a recertification letter thirty days prior to the PA Plan end date, which replaced the annual mailing process described above. The Customer Service System enhancements also change the rate at the end of the PA Plan if the Company has not received qualifying documentation from the customer by the expiration date of the PA Plan.

The Company anticipates utilizing the current practice for the re-enrollment process in the future; however, further enhancements to the Customer Service System are necessary to this process in consideration of the proposed two-tier low income discount. Additional codes and coding will need to be implemented for the Customer Service System to be able to determine which benefits a customer is receiving to apply the correct process to the customer's account not

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket Nos. 4770/4780
Responses to Record Requests
Issued at the Commission's Evidentiary Hearing
On June 25, 2018

only for the calculation of the correct amount of the low income discount, but also how the customer recertifies for the following year.

Record Request No. 27

Request:

Generally, for the various reconciliation factors (each electric and gas), if the PUC were to require a target or bandwidth around the forecasted under- or over-collection such that the Company would be required or encouraged to seek interim rate changes, what would be a reasonable measure?

Response:

The purpose of establishing an interim rate change for reconciling mechanisms is to ensure that the level of revenue billed to customers that is reflected in a current period's reconciliation is reasonably reflective of the cost (and for a Revenue Decoupling Mechanism (RDM), the target revenue) that revenue is intended to recover, so that customers are not faced with a significant reconciliation balance to be recovered or credited in the following year. Without such a trigger, annual changes in recovery from year to year as a result of unexpectedly large reconciliation balances create volatility in rates and, ultimately, customer bills, which could be mitigated with interim rate changes. In addition, an interim trigger ensures that if a company has a significant change in cost over the course of a reconciliation period, that revenue billed to customers and the resulting payments made by customers provides a representative level of cash with which a company can pay for the cost.

The Company has a variety of electric and gas reconciling mechanisms, some of which already provide for interim rate adjustments if significant over/under-recoveries of costs occur. The electric and gas reconciling mechanisms are included in the table below.

Narragansett Electric	
Provision	Interim Adjustment Provided in Tariff
Arrearage Management Program Provision	No, recovery is retrospective
Energy Efficiency Program Provision	Yes, if significant over/under-recoveries occur
Infrastructure, Safety, and Reliability Provision	No
LIHEAP Enhancement Plan Provision	No
Long-Term Contracting for Renewable Energy Provision	Yes, if significant over/under-recoveries occur

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket Nos. 4770/4780
Responses to Record Requests
Issued at the Commission's Evidentiary Hearing
On June 25, 2018

Narragansett Electric	
Provision	Interim Adjustment Provided in Tariff
Net Metering Provision	No, recovery is retrospective
Non-bypassable Transition Charge Adjustment Provision	No; rate changes at the time the wholesale Contract Termination Charge changes
Pension Adjustment Mechanism Provision	No; pension and post-retirement benefits other than pension costs are measured as annual amounts, making interim rate changes not applicable
Renewable Energy Growth Program Cost Recovery Provision	Yes, if significant over/under-recoveries occur
Revenue Decoupling Mechanism Provision	Yes, if revenue shortfall/excess exceeds ten percent of Annual Target Revenue
Standard Offer Adjustment Provision – Standard Offer Service Reconciliation	No
Standard Offer Adjustment Provision – Standard Offer Service Administrative Cost Reconciliation	Yes, if significant over/under-recoveries occur
Transmission Service Cost Adjustment Provision	Yes, if significant over/under-recoveries occur

Narragansett Gas	
Provision	Interim Adjustment Provided in Tariff
Distribution Adjustment Charge – Arrearage Management Program Provision	No, recovery is retrospective
Distribution Adjustment Charge – System Pressure	No
Distribution Adjustment Charge – Advanced Gas Technologies Fund	No; mechanism is creating a fund from which rebates are paid
Distribution Adjustment Charge – Environmental Response Costs	No, recovery is retrospective

Narragansett Gas	
Provision	Interim Adjustment Provided in Tariff
Distribution Adjustment Charge – Pension Adjustment Mechanism	No; pension and post-retirement benefits other than pension costs are measured as annual amounts, making interim rate changes not applicable
Distribution Adjustment Charge – Service Quality	No, recovery is retrospective
Distribution Adjustment Charge – Earnings Sharing Mechanism	No, recovery is retrospective
Distribution Adjustment Charge – Revenue Decoupling Mechanism Provision	No
Distribution Adjustment Charge – Infrastructure, Safety, and Reliability Provision	No
Energy Efficiency Program Provision	Yes, if significant over/under-recoveries occur
LIHEAP Enhancement Plan Provision	No
Gas Cost Recovery (GCR) Provision	Yes, if revenue shortfall/excess exceeds five percent of annual gas costs

Many of the reconciling mechanisms listed above have tariff provisions that allow an interim rate change with several electric reconciling mechanisms that permit Narragansett Electric to determine what constitutes “significant.” Two reconciling mechanisms have a quantitative threshold (ten percent in Narragansett Electric’s RDM and five percent in Narragansett Gas’ GCR). In addition, several reconciling mechanisms provide for retrospective recovery of costs, meaning that the costs are recovered after the Company has incurred them. Finally, there are a few reconciling mechanisms where the cost (or revenue in the case of Narragansett Gas’ RDM) is recovered concurrent with when the cost is incurred, but there is no tariff provision providing for an interim rate change.

The Company balances the objectives of generating revenue through customer billings at a reasonably similar level to how costs are incurred over the period during which the rate will be in effect, rate and bill stability, and preventing the risk that frequent rate changes will create customer confusion. Therefore, the Company prefers to have the discretion to weigh these objectives in evaluating whether to request an interim rate change for those reconciling mechanisms that allow for such a change. In addition, the Company must have a reasonable

basis for estimating upcoming costs in determining whether current revenue and cost through the end of the reconciliation period will generate a significant over/under-recovery. The Company, however, does not maintain a reconciliation that contains both actual and estimated cost and revenue for each reconciling mechanism listed above, as amounts may not be significant to warrant the time that would be required to create and maintain an ongoing update; data does not exist throughout the year that would allow for reasonable and supportable cost estimates; or actual cost data is not available immediately after the end of a month, but later during the month or in the subsequent month.

If all of the Company's electric and gas reconciling mechanisms contained provisions for interim rate changes, and such provisions required the Company to request an interim rate change or the threshold for initiating a request for an interim rate change was set too low, the Company would likely be submitting several additional filings throughout the year that the Public Utilities Commission (PUC) and Division of Public Utilities and Carriers would have to review, issue discovery, potentially conduct evidentiary hearings, and schedule additional open meetings for the PUC to deliberate and rule on each request. Pursuant to current rules, such requests would require pre-filed direct testimony and there would need to be sufficient time between the date of the request and the requested effective date of an interim rate change to allow for the PUC's process. This formal process is time consuming for all parties, including the PUC, the Division, and the Company.

To illustrate the manner in which a quantitative threshold could be applied in determining whether the Company should evaluate the appropriateness of an interim rate change for a reconciling mechanism where an interim rate change would be applicable, the Company would suggest a threshold calculated as a percentage of total billed revenue for delivery and supply, including imputing a proxy of supply revenue associated with those customers who obtain their supply from the electric or gas competitive markets. The significance of an over/under-recovery in a reconciling mechanism should be based on what is deemed significant to the Company, not to the reconciling mechanism. For example, if a reconciling mechanism recovers a relatively small amount of costs, using a percentage applied to those costs will result in the Company evaluating and submitting a request for an interim rate change for an equally small amount as much as using the same percentage applied to costs in a reconciling mechanism that recovers a significant level of costs, such as the GCR mechanism or Standard Offer Service. Therefore, the Company would start with a threshold established as a fixed percentage applied to total company delivery and supply revenue, including imputed supply revenue for customers taking competitive supply.

For example, a threshold could be determined that would measure an estimated over/under-recovery against an amount calculated as two percent of total delivery and supply revenue. This would be a reasonable threshold for which the Company could seek an interim rate change. A two percent guideline balances the overall objectives of minimizing the amount of costs that are

deferred for recovery from customers in a subsequent period with mitigating customer confusion and contributing to rate stability through avoiding frequent rate changes. It would also mitigate the administrative burden for the PUC, the Division, and the Company each time the Company requests an interim rate change. The two percent guideline approximates the current threshold established for Narragansett Gas¹ when evaluating the need for an interim GCR factor change and for Narragansett Electric for an interim adjustment to its RDM Adjustment Factor. The amount of total revenue against which the two percent guideline is applied could change annually.

The Company also envisions it would retain the discretion on whether to request an interim rate change, as there may other factors to be considered beyond the estimated over/under-recovery exceeding the threshold, such as the timing of an interim rate change compared to where in the reconciliation period the threshold is exceeded (very early in the period when estimates are less reliable or very late in the period when the reconciliation period is almost complete); upcoming rate changes, their magnitude, and whether the interim rate change would offset or add to the upcoming rate change; and whether an interim rate change in one reconciling mechanism would offset an interim rate change in another reconciling mechanism.

It is appropriate to have the ability to request an interim rate change to recover all or only a portion of the estimated amount of the over/under-recovery as a means to further balance the resulting bill impacts to customers and the impact the higher or lower costs have had on the Company's cash flow, such as the Company had with the recent Interim GCR Filing approved by the PUC on February 26, 2018 in Docket No. 4719.

Finally, for interim rate changes associated with reconciling mechanisms, because by nature all cost and revenue continue to be reconcilable until the annual reconciliation filing is submitted, reviewed, and resulting factors approved by the PUC, to lessen the administrative burden of reviewing these types of filings, it may be possible to develop an expedited review process with consideration given to the PUC's notice provisions and how they are applied, to achieve the objectives of allowing interim rate changes without creating significant increases in workloads for the PUC, the Division, and the Company. Requests for interim rate changes are intended to provide additional (or less) revenue to the Company, and it is in the annual filing of the final reconciliation of cost and revenue of these reconciling mechanisms where the parties are reviewing the appropriateness of the costs pursuant to the tariff provisions that allow for the recovery of those costs. An interim rate change does not eliminate the PUC's scrutiny of the costs recovered through these reconciling mechanisms, and the Company would still be required to justify and support the costs as it would have absent an interim rate change.

¹ In accordance with the GCR provision of Narragansett Gas' tariff, Narragansett Gas may request an interim GCR factor if the projected deferred balance exceeds five percent of Narragansett Gas' annual actual and estimated gas cost revenue. Because gas cost revenue is approximately 50 percent of total revenue, then five percent of gas cost revenue equals approximately 2.5 percent of total annual revenue.

REDACTED
Record Request No. 37

Request:

Please provide the amount included in Rate Year 2 and 3 in Revenue Requirement in contractual labor increases for Labor Contracts expiring during multi-year rate plan.

Response:

The amount of labor increases included in Rate Year 2 and Rate Year 3 for Labor Contracts expiring during the multi-year rate plan is \$ [REDACTED] and \$ [REDACTED], respectively.

Additionally, while the Company was preparing the response to this record request, it discovered an error in the calculation of National Grid USA Service Company, Inc. union labor charged to Narragansett Gas. The error resulted in an overstatement of \$11,434 in Rate Year 1 and \$20,664 in Rate Year 2. The Company will include this correction in its compliance filing in this proceeding.