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VIA FEDEX AND ELECTRONIC MAIL

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

June 5, 2018

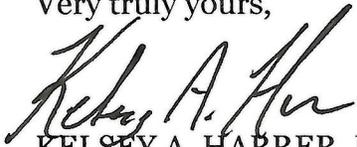
Re: DOCKET NO. 4770, IN RE: THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID – ELECTRIC AND GAS DISTRIBUTION RATE FILING AND DOCKET NO. 4780, IN RE: THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID – PROPOSED POWER SECTOR TRANSFORMATION (PST) VISION AND IMPLEMENTATION PLAN

Dear Ms. Massaro:

Enclosed for filing in the above-referenced dockets, please find an original and ten (10) copies of Ali Al-Jabir's Testimony in Support of the Settlement Agreement, filed on behalf of the Department of the Navy and Federal Executive Agencies.

Please call me at (757) 322-4119 if you have any questions or concerns regarding this filing. Thank you for your attention to this matter.

Very truly yours,


KELSEY A. HARRER, ESQ.
Assistant Counsel
Department of the Navy
Filing on Behalf of the
Federal Executive Agencies

cc: Service List for Docket No. 4770 and 4780

Enclosure

**BEFORE THE
RHODE ISLAND PUBLIC UTILITIES COMMISSION**

THE NARRAGANSETT ELECTRIC)	
COMPANY D/B/A NATIONAL GRID)	
– APPLICATION FOR APPROVAL)	DOCKET NO. 4770
OF A CHANGE IN ELECTRIC AND)	
GAS BASE DISTRIBUTION)	
RATES)	
)	
THE NARRAGANSETT ELECTRIC)	DOCKET NO. 4780
COMPANY D/B/A NATIONAL GRID)	
– PROPOSED POWER SECTOR)	
TRANSFORMATION VISION AND)	
IMPLEMENTATION PLAN)	

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Testimony of Ali Al-Jabir
In Support of the Settlement Agreement**

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BEFORE THE
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IMPLEMENTATION PLAN)	

Testimony of Ali Al-Jabir
In Support of the Settlement Agreement

1 **Introduction**

2 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A My name is Ali Al-Jabir and my business address is 5151 Flynn Parkway, Suite 412
4 C/D, Corpus Christi, Texas, 78411.

5 **Q ARE YOU THE SAME ALI AL-JABIR WHO PREVIOUSLY FILED DIRECT**
6 **TESTIMONY IN THESE PROCEEDINGS?**

7 A Yes.

1 **Q ON WHOSE BEHALF ARE YOU TESTIFYING IN THESE PROCEEDINGS?**

2 A I am testifying on behalf of the United States Department of the Navy (“Navy”). The
3 Navy is a large consumer of electricity in the service territory of the Narragansett
4 Electric Company d/b/a National Grid (“National Grid” or “Company”) and takes service
5 from the Company primarily on Rate Schedule G-62. I am also testifying on behalf of
6 the United States Army as part of the Navy’s role in representing the Federal Executive
7 Agencies (“FEA”) in this proceeding.

8 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY IN SUPPORT OF THE**
9 **SETTLEMENT AGREEMENT?**

10 A My testimony sets forth the reasons that the Navy and the FEA support the Settlement
11 Agreement (“Settlement”) in these proceedings that was submitted to the Rhode Island
12 Public Utilities Commission (“Commission”) on June 5, 2018.

13 **Q PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS.**

14 A My conclusions and recommendations can be summarized as follows:

- 15 1. The Settlement provides a reasonable resolution of the issues that the Navy and
16 the FEA contested in these proceedings.
17
- 18 2. Taken together, the Settlement provisions that reduce the total distribution revenue
19 requirement, modify the definition of transmission voltage in the class cost
20 allocation and restructure the High Voltage Delivery (“HVD”) credit under Rate G-32
21 reasonably mitigate the class revenue allocation, rate class consolidation and rate
22 impact concerns for the Navy that I described in my direct testimony in Docket
23 No. 4770.
- 24 3. The Settlement provisions that permit the Fox Point Hurricane Barrier (“Barrier”) to
25 obtain a waiver of the Rate G-32 on-peak demand ratchet reasonably mitigate the
26 harm that currently results from the application of the ratchet and the optional
27 determination of demand provisions in Rate G-32 to the Barrier.

1 **Support for the Settlement**

2 **Q PLEASE SUMMARIZE THE CONCERNS YOU RAISED IN YOUR DIRECT**
3 **TESTIMONY REGARDING THE COMPANY'S INITIAL FILING IN DOCKET**
4 **NO. 4770.**

5 A In my direct testimony, I discussed the Navy's concerns with National Grid's proposed
6 revenue allocation, the Company's proposal to consolidate the Rate G-32 and Rate
7 G-62 classes and the very significant rate impact of these proposals on the Navy's
8 electricity costs under Rate G-62. I also discussed the concerns of the United States
9 Army Corps of Engineers ("USACE") with respect to the rate impact of the on-peak
10 demand ratchet and optional determination of demand provisions in Rate G-32 on the
11 Barrier.

12 **Q WHY DOES THE SUBSTANCE OF THE SETTLEMENT SATISFY THE INTERESTS**
13 **OF THE NAVY AND FEA?**

14 A The Settlement is acceptable to the Navy and the FEA because it contains provisions
15 that satisfactorily address the concerns that I raised in my direct testimony regarding
16 the Company's initial filing in Docket No. 4770.

17 **Q PLEASE DISCUSS THE PROVISIONS OF THE SETTLEMENT AGREEMENT THAT**
18 **ADDRESS YOUR CONCERNS WITH RESPECT TO THE DISTRIBUTION SERVICE**
19 **THAT THE NAVY TAKES UNDER RATE G-62.**

20 A First, the Settlement reflects the results of a revised class cost of service study
21 ("CCOSS") that recognizes that all service taken at voltage levels of 69 kV and above
22 should be treated as transmission voltage level service. Under the Company's initial
23 filing, the voltage threshold for transmission level service had been set at 115 kV.

1 Given that the Company serves a portion of Rate G-62 customers at the 69 kV
2 transmission voltage level, this change in voltage level definitions under the Settlement
3 reduces the allocation of primary voltage level distribution service costs to the Rate
4 G-62 class in the Company's CCOSS.

5 Second, the Settlement CCOSS is based on a negotiated distribution revenue
6 requirement that results in a lower overall electric distribution service rate increase for
7 the September 1, 2018 – August 31, 2019 rate year ("Rate Year 1") relative to the
8 increase that National Grid proposed in its initial filing in this proceeding.

9 Third, the Company recalculated the HVD credit for Rate G-32 (and the
10 companion Rate B-32) such that the credit now applies to Rate G-32 customers who
11 take service at voltage levels of 69 kV and above, rather than 115 kV and above as
12 specified in the existing Rate G-32 tariff. This change in the rate structure of the HVD
13 credit renders the Navy's Rate G-62 account eligible to receive this credit under the
14 consolidation of Rates G-32 and Rate G-62, whereas the Navy currently does not
15 benefit from the HVD credit.

16 **Q DO THESE CHANGES REASONABLY ADDRESS THE CONCERNS YOU**
17 **EXPRESSED IN YOUR DIRECT TESTIMONY REGARDING THE COMPANY'S**
18 **REVENUE ALLOCATION AND RATE CLASS CONSOLIDATION PROPOSALS AS**
19 **THEY IMPACT THE NAVY?**

20 **A** Yes. Taken together, the Settlement Agreement provisions with respect to reducing
21 the total distribution revenue requirement, modifying the definition of transmission
22 voltage in the class cost allocation and restructuring the HVD credit under Rate G-32
23 combine to reasonably mitigate the class revenue allocation, rate class consolidation
24 and rate impact concerns for the Navy that I described in my direct testimony.

1 **Q PLEASE DISCUSS THE PROVISIONS OF THE SETTLEMENT AGREEMENT THAT**
2 **ADDRESS DISTRIBUTION SERVICE TO THE BARRIER UNDER RATE G-32.**

3 A The Settlement allows the Barrier to request and receive a waiver of the Rate G-32
4 demand ratchet for the eleven billing months following the month of peak hour operation
5 when the Barrier must be operated during on-peak hours as a result of a weather event.
6 With this waiver in place, the Barrier would be billed during such weather events based
7 on the billing demand as determined under Rate G-32 using the Barrier's on-peak
8 demand during the month of operation (with no ratchet). The Settlement also revises
9 the availability provisions of Rate G-32 to allow the Barrier to remain on this rate.

10 **Q DO THESE PROVISIONS OF THE SETTLEMENT AGREEMENT REASONABLY**
11 **ADDRESS THE BARRIER'S CONCERNS WITH THE CURRENT G-32 RATE**
12 **STRUCTURE?**

13 A Yes. The Settlement Agreement provisions that permit the Barrier to obtain a waiver
14 of the Rate G-32 on-peak demand ratchet reasonably mitigate the harm that currently
15 results from the application of the ratchet and the optional determination of demand
16 provisions in Rate G-32 to the Barrier.

17 **Q DOES THE ACCEPTANCE OF THE SETTLEMENT BY THE NAVY AND THE FEA**
18 **SUGGEST THAT YOU OR THE NAVY/FEA APPROVE OF ANY RATEMAKING**
19 **PRINCIPLES, THEORIES OR CONCEPTS THAT UNDERLIE THE SETTLEMENT?**

20 A No. The Navy and FEA support the Settlement as a reasonable compromise of the
21 competing interests of the parties to the Settlement with respect to the matters
22 addressed in the Settlement. The Navy/FEA's acceptance of the Settlement should
23 not be interpreted as agreement with any specific ratemaking principle, theory or
24 concept that may be reflected therein, either on my part or on the part of the Navy/FEA.

1 While the Settlement, as a whole, constitutes a reasonable compromise among the
2 parties to the Settlement, the Navy/FEA's acceptance of the Settlement should not
3 suggest that I, or the Navy/FEA, consider any individual element of the Settlement to
4 be reasonable on a stand-alone basis.

5 **Q DOES THIS CONCLUDE YOUR TESTIMONY IN SUPPORT OF THE SETTLEMENT?**

6 **A Yes, it does.**

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