

Response to National Grid Data Request 5-1

Request:

In assigning basis points for the unquantified benefits, as explained on page 22-23 and Exhibit TW/MW-3 of testimony from Witnesses Tim Woolf and Melissa Whited, did the witnesses seek stakeholder input as to how to rank the importance of each unquantified benefit in light of Docket 4600 goals and state energy policies? If yes, please list by name the stakeholders who provided input.

Response:

The Division engaged stakeholders in discussion of unquantified benefits throughout the Docket 4600 process in calendar year 2016 and 2017. The participating entities included: Acadia Center, Direct Energy, People's Power and Light, Northeast Clean Energy Council, The Energy Council of Rhode Island, The George Wiley Center, the Energy Efficiency Resource Management Council and other individuals on an ad hoc basis.

Prepared by Tim Woolf and Jonathan Schrag

Response to National Grid Data Request 5-2

Request:

On page 9 of the testimony of Witnesses Tim Woolf and Melissa Whited discussing ROE and PIMs, they state that “Because of this inter-relationship, it is critical for the Commission to consider the authorized ROE and the PIMs together; otherwise the ultimate impacts of these two mechanisms treated separately could lead to unintended consequences, uneconomic decision-making; undesirable performance outcomes, and over-recovery (or under-recovery) of revenues by the Company.” How does the Division define “over-recovery” of revenues in a regulatory framework that includes performance incentives?

Response:

In this context, “over-recovery” of revenues would include a situation where the combination of earned ROE plus PIM incentives results in total revenues to shareholders that exceed the authorized ROE, but is not a result of exceptional performance, does not create net benefits to ratepayers, or is otherwise an unreasonable amount of shareholder revenues.

Note that the earning sharing mechanism creates a cap on the extent to which there may be over-recovery of shareholder revenues. However, not accounting for the inter-relationship between the authorized ROE and the PIM incentives could lead to an over-recovery of revenues that triggers the earnings sharing mechanism earlier than would otherwise be appropriate.

Prepared by Tim Woolf and Jonathan Schrag

Response to National Grid Data Request 5-3

Request:

How does the Division define "PST Support" as noted in numerous instances in the testimony of Witnesses Tim Woolf and Melissa Whited?

Response:

In this context, "PST Support" refers to a range of actions the utility might undertake to enhance the goals of power sector transformation and customer adoption of advanced energy technologies. The Division has proposed a series of "action-based" performance incentives in this area which would be met once the action, such as providing key data to customers and third parties, is accomplished.

Prepared by Tim Woolf and Jonathan Schrag

Response to National Grid Data Request 5-4

Request

Please provide all relevant supporting documentation to support the assessment referenced on page 45 of the testimony from Witnesses Tim Woolf and Melissa Whited in the following statement: "The targets [for the Division's proposed Non-Wires Alternative PIM] are based on our assessment of the potential NWA savings that might be available in the next three years."

Response:

The Division relied on previous System Reliability Procurement Plans, discussions within the Energy Efficiency Collaborative, and discussions within Docket 4600 to develop rough estimates of the future NWA potential.

Prepared by Tim Woolf and Jonathan Schrag

Response to National Grid Data Request 5-5

Request:

For the Division's proposal for a Low-Income Discount PIM, how did the Division conclude that a baseline should be the average of the low-income participation percentage of the previous five years? Did the Division evaluate alternative baselines?

Response:

The Division considered longer and shorter periods of time over which to average low-income percentage. However, a five-year period seemed the minimum period required to eliminate any one-year anomalies.

Prepared by Tim Woolf and Jonathan Schrag