

The Narragansett Electric Co. d/b/a National Grid—Application for Approval of a Change in Electric and Gas Base Distribution Rates (filed on November 27, 2017)

Docket 4770

Request for Information

Requesting Party: New Energy Rhode Island (NERI)
To: National Grid
Request No.: NERI-8
Date of Request: 3.2.18
Response Due Date: 3.23.18 (rolling by agreement)
Subject/Panel: Book 12—Street Lighting

1. Reference p. 39, lines 16-20.
 - a. Please explain how the proposed annual costs for various lighting technologies were developed.
 - b. Please explain whether efficiency, actual annual maintenance costs, or other data informed the proposed annual costs.
 - c. Please provide copies of work papers and other sources of data.
 - d. Please explain whether the proposed rates are designed to encourage efficient lighting usage and how this objective is reflected in proposed rates and charges.

Response can be found on Bates page(s) 1-2.

2. Reference p. 42, Table. Please explain why no long-term marginal cost data is available and any actions the Company is taking to remedy this lack of data.

Response can be found on Bates page(s) 3.

3. Reference p. 46, and HSG-5-F. Please explain why the proposed rate increases for LED lights are significantly higher than those proposed for other lighting technologies.

Response can be found on Bates page(s) 4.

NERI 8-1

Request:

Reference p. 39, lines 16-20.

- a. Please explain how the proposed annual costs for various lighting technologies were developed.
- b. Please explain whether efficiency, actual annual maintenance costs, or other data informed the proposed annual costs.
- c. Please provide copies of work papers and other sources of data.
- d. Please explain whether the proposed rates are designed to encourage efficient lighting usage and how this objective is reflected in proposed rates and charges.

Response:

- a. Narragansett Electric's street lighting rate design is presented in Schedule HSG-4-F (Bates Pages 166-168 of Book 12). Narragansett Electric's description of how it designed the proposed street lighting rates is contained in Mr. Gorman's Pre-Filed Direct Testimony on Page 39, Lines 16-20 (Bates Page 43 of Book 12). Narragansett Electric began with the currently effective street lighting rates and added to these rates is the recovery of Infrastructure, Safety, and Reliability (ISR) Plan capital investment that will be transferred to base distribution rates beginning September 1, 2018. This adjustment places the current combined rates in Column (d) of Schedule HSG-4-F on a comparable basis to the proposed rates in Column (f) of Schedule HSG-4-F.

For the LED charges under Rates S-10 and S-14 and the proposed decorative charges under Rate S-06, Narragansett Electric proposed to use the replacement costs presented in Mr. Gorman's schedules as Workpaper HSG-4 (Bates Pages 207-237 of Book 12). It is appropriate to use the replacement costs because they reasonably reflect current costs, and they would not cause cost shifts because few if any customers currently use Company-owned LED or decorative street lighting service.

For the sodium vapor and metal halide Company-owned street lighting fixture charges (luminaires and poles), Narragansett Electric has proposed to increase the rates by three percent, the amount necessary to produce the revenue target. The rates for street lights that are obsolete (incandescent and mercury vapor) are proposed to be the same as their sodium vapor equivalents.

Narragansett Electric reviewed the resulting street lighting bill impacts resulting from its proposed street lighting rate design as shown in Schedule HSG-5-F, Column (i) (Bates Pages 193-194 of Book 12), and is of the opinion that the bill impacts are reasonable.

- b. Please see the response to part a. above.
- c. Please see Schedule HSG-4-F, Schedule HSG-5-F, and Workpaper HSG-4 for Narragansett Electric's calculations and workpapers.
- d. Narragansett Electric's proposed street lighting rates are design to recover the allocated revenue requirement as determined in Schedule HSG-3.

NERI 8-2

Request:

Reference p. 42, Table. Please explain why no long-term marginal cost data is available and any actions the Company is taking to remedy this lack of data.

Response:

Narragansett Electric did not compute marginal costs because they are not required for purposes of filing a general rate case.

NERI 8-3

Request:

Reference p. 46, and HSG-5-F. Please explain why the proposed rate increases for LED lights are significantly higher than those proposed for other lighting technologies.

Response:

As discussed in Narragansett Electric's response to NERI 8-1, the LED rates were set at replacement cost, which reasonably reflects current cost. This resulted in changes ranging from a decrease of 7.4 percent to an increase of 11.5 percent, and a weighted average change of a decrease of 0.3 percent.