

March 13, 2019

**BY HAND DELIVERY AND ELECTRONIC MAIL**

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

**RE: Docket 4809- 2019 Renewable Energy Standard (RES) Charge and Reconciliation  
Responses to Division Data Requests – Set 1**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> I have enclosed ten copies of the Company's responses to the Division's First Set of Data Requests in the above-referenced docket.

Thank you for your attention to this filing. If you have any questions regarding this filing, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4809 Service List  
John Bell, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

### 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.



Joanne M. Scanlon

March 13, 2019

Date

**Docket No. 4809 - National Grid – 2018 Standard Offer Service (SOS) and Renewable Energy Standard (RES) Procurement Plans**  
**Service List updated 2/4/2019**

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<b>File an original &amp; 9 copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2017
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	
	<a href="mailto:John.harrington@puc.ri.gov">John.harrington@puc.ri.gov</a> ;	
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Division 1-1

Request:

Please refer to Attachment 2, page 1, and answer the following:

- (a) Explain why there is no actual data for January 2018 through March 2018.
- (b) Walk through the process for calculating the estimates for February through April 2019.

Response:

- (a) Actual revenues and expenses for the months of January 2018 through March 2018 are associated with the RES compliance year 2017 and are included on Attachment 2, Page 2, Lines (1) through (3). This activity is included in the calculation of the remaining balance of the estimated over-recovery for 2017 RES compliance year that is being credited to customers through the RES Charge effective from April 1, 2018 through March 31, 2019. For presentation purposes, it would be clearer to remove lines (1) through (3) on Attachment 2, Page, 1. The Company will do so in future RES Reconciliation filings.
- (b) Estimated revenue for February 1, 2019 through March 31, 2019 (including April revenue associated with March kWh deliveries) are shown on Attachment 2, Page 3, lines (11) through (13). Please see below for an explanation of the calculation of February 2019 estimated revenue as presented on line (11).
  - Column (a) reflects total estimated February 2019 RES Charge revenue, which is derived by multiplying the forecasted Standard Offer Service kWh from column (b) for February 2019 by the currently effective RES Charge of \$0.00004/kWh.
  - Column (b) shows the forecasted Standard Offer Service kWh for February 2019 of 332,008,052 kWh.
  - Column (c) shows the currently effective over-recovery credit factor of (\$0.00186) included in the currently effective RES Charge of \$0.00004/kWh and is related to the 2017 RES compliance year, as shown in RIPUC Docket No. 4692, Attachment 1, Page 1, Line (9).
  - Column (d) is Column (b) x Column (c).
  - Column (e) is Column (a) – Column (d).

The estimates for March (including April revenues associated with March kWh deliveries) are calculated in the same fashion.

Division 1-2

Request:

Please refer to Attachment 2, page 2, and explain the Billing Adjustment incorporated into the January 2018 RES Revenue.

Response:

In the 2018 Annual Retail Rate Filing, RIPUC Docket No. 4805, the Company included adjustments to revenue to correct for an issue in which a large customer received erroneous billing for an incorrectly configured meter multiplier between 2004 and 2016. This issue was outlined in RIPUC No. 4805, Testimony of Adam S. Crary, page 45, and further described in the Company's response to PUC 2-1 in the same docket; these items have been included as Attachment DIV 1-2 for convenience. The adjustment to revenue of \$8,160 in January of 2018 in the Renewable Energy Standard revenue reflects the adjustment amount shown on line (11) of Attachment DIV 1-2, Page 5.

REDLINED VERSION

THE NARRAGANSETT ELECTRIC COMPANY  
D/B/A NATIONAL GRID  
RIPUC DOCKET NO. 4805  
2018 REVISED RETAIL RATE FILING  
WITNESS: ADAM S. CRARY  
PAGE 45 OF 47

**Q. What is the status of the under-recovery of costs incurred as of December 2015?**

A. Schedule ASC-18, Page 6, presents the final balance of the under-recovery incurred during the period January 2015 through December 2015. Of the approximately \$9.4 million under-recovery, the Company under-recovered a net of \$969,272. This remaining balance is reflected in the current reconciliation as an adjustment to the amount to be recovered by the Company.

**Q. Has the Company made any other adjustments in this filing?**

A. Yes. The Company has made an adjustment to revenue in each of the following reconciliations in January 2017: transmission, Standard Offer Service, transition, and LTC, to reflect additional revenue that was inadvertently not billed to a single large customer due to an incorrectly programmed meter at the customer's service location. The meter was correctly reprogrammed in September 2016. The improperly-programmed meter reported under-stated usage and, consequently, under-billed the customer. The Company elected to not rebill the customer because the under-reported usage was not the result of a customer action, and the customer was not aware of the under-reported usage. In order to ensure that all customers are not impacted by having less revenue in these reconciliations, the Company is reflecting through these adjustments additional revenue and interest, where applicable, in these reconciliations. The Company will include similar adjustments in upcoming reconciliation filings.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4805  
In Re: 2018 Retail Rate Filing  
Responses to the Commission's Second Set of Data Requests  
Issued on March 23, 2018

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**Redacted**  
PUC 2-1

Request:

Referencing the Company's Revised Filing, Adam S. Crary's testimony, page 45, please identify the large customer whose meter was incorrectly programmed. Please answer:

- (a) How was the meter problem identified?
- (b) How long did the meter problem exist? Please provide dates, if possible.
- (c) When was the customer notified of the under-billing?
- (d) What number of kWh were under-billed?
- (e) How much revenue was under-billed?
- (f) Did the under-billed kWh effect distribution and/or energy efficiency collections? If yes, please identify the amounts.
- (g) Was any under-billed revenue and interest credited in 2016? Please explain your answer.
- (h) Is the company seeking recovery of the under-billed revenue? Please explain why or why not.
- (i) Please explain the phrase, "the Company will include similar adjustments in upcoming reconciliation filings." Please identify the dockets and the amounts to be reconciled.
- (j) Please identify each schedule in the 2018 Retail Rate Filing, and Revised Filing where appropriate, where an adjustment for this issue is included. Include dollar amounts, schedule number, line, and column references where appropriate.

Response:

The large customer whose meter was incorrectly programmed was [REDACTED].

- (a) In September 2016, the Company exchanged a meter at the customer's location due to an error code displaying on the meter. As part of the Company's meter multiplier verification process, the Company discovered that the meter's multiplier of 0.06 was different than the multiplier used for the previous meter of 0.04. In October 2016, the multiplier used for the previous meter of 0.04 was verified as incorrect, and the multiplier was corrected in the new meter so all usage on a prospective basis would be correct.
- (b) The Company determined that the meter multiplier problem began in April 2004.
- (c) The Company notified the customer of the under-billing in November 2016.

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d/b/a National Grid  
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PUC 2-1, page 2

- (d) The Company determined that there was 55,612,613 kWh unbilled to this customer in April 2004 through September 2016.
- (e) Please see Attachment PUC 2-1 for a summary of the revenue under-billed by billing component.
- (f) Yes. The under-billing affected distribution and energy efficiency revenue and other components of the Company's bills to this customer based on kWh and kW meter readings. Attachment PUC 2-1 presents a summary of the under-billing related to the various components of the customer's bill. The attachment is separated into those included in this filing (lines (1) through (6)) and those that the Company will include in upcoming filings (lines (8) through (12)).
- (g) The Company did not credit any under-billed revenue or interest to customers in 2016.
- (h) As described in the testimony of Mr. Crary on page 45, the improperly programmed meter reported under-stated usage and, consequently, the Company under-billed the customer. Although the Company has the right to bill this customer under the filed rate doctrine since the customer received service at a higher volume of usage and should have compensated the Company for such service, the Company elected to not rebill the customer because the under-reported usage was not the result of a customer action, and the customer was not aware of the under-reported usage. To ensure that all customers are not negatively impacted by having less revenue in the various reconciling mechanisms submitted to the PUC for approval, the Company is including adjustments to reflect additional revenue and interest, where applicable, in the reconciliations as if the customer had been billed at the correct usage. The Company's shareholders (not customers) will fund the credit adjustments to the various reconciling mechanisms.
- (i) The Company submits several filings regarding its reconciling mechanisms. Therefore, more filings will reflect a revenue credit beyond the Annual Retail Rate filing. The phrase "the Company will include similar adjustments in upcoming reconciliation filings" is intended to indicate that the Company will reflect credits in all filings that involve reconciling mechanisms impacted by the under-billings, as shown in Attachment PUC 2-1.



The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4805  
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PUC 2-1, page 3

- (j) The table below identifies the locations in the schedules in this filing that include the proposed revenue adjustments.

<b>Reconciliation</b>	<b>Adjustment Amount</b>	<b>Schedule</b>
Standard Offer Service Base	\$1,464,568, Att. PUC 2-1, Line (1) Total	ASC-2 Revised, Page 5, Line (1), Column (a) Industrial
Standard Offer Service Base	(\$2,870), Att. PUC 2-1, Line (3) Total	ASC-2 Revised, Page 5, Line (1), Column (a) Industrial
Standard Offer Service Admin. Cost	\$1,108, Att. PUC 2-1, Line (2) Total	ASC-5 Revised Page 5, Line (1), Column (a) Industrial
Transmission Service Reconciliation	\$735,610, Att. PUC 2-1, Line (4) Total	ASC-12, Page 3, Line (1), Column (d), Rate B-32/G- 32
Non-Bypassable Transition Charge Reconciliation	\$225,897, Att. PUC 2-1, Line (5) Total	ASC-10, Page 1, Column (b), January 2017
Long Term Contracting Reconciliation	\$16,059, Att. PUC 2-1, Line (6) Total	ASC-18, Page 3, Line (1), Column (g)

The Narragansett Electric Company  
d/b/a National Grid  
Meter Multiplier Adjustment With Interest

	<u>Adjustment</u>	<u>Interest</u>	<u>Total</u>
<u>Annual Retail Rate Filing</u>			
(1) Standard Offer Service Base	\$1,101,052	\$363,516	\$1,464,568
(2) Standard Offer Service Administration Factor	\$1,070	\$38	\$1,108
(3) Standard Offer Service Adjustment Factor	(\$2,771)	(\$98)	(\$2,870)
(4) Transmission	\$638,722	\$96,888	\$735,610
(5) Transition	\$163,333	\$62,564	\$225,897
(6) Long Term Contracting Renewable Energy Recovery	<u>\$15,913</u>	<u>\$146</u>	<u>\$16,059</u>
(7) Sub-Total	\$1,917,319	\$523,053	\$2,440,372
<u>Other Filings</u>			
(8) Revenue Decoupling Mechanism (RDM)	\$298,783	\$90,890	\$389,673
(9) Pension / PBOP	\$465	\$0	\$465
(10) Infrastructure, Safety, and Reliability	\$27,195	\$0	\$27,195
(11) RES	\$6,983	\$1,176	\$8,160
(12) Energy Efficiency	<u>\$295,596</u>	<u>\$0</u>	<u>\$295,596</u>
(13) Sub-Total	<u>\$629,023</u>	<u>\$92,066</u>	<u>\$721,089</u>
<b>(14) Total to be Reflected as Credit to Customers in Filings</b>	<b>\$2,546,341</b>	<b>\$615,119</b>	<b>\$3,161,460</b>
(15) Pre-RDM Amount Impacting Earnings	<u>\$405,129</u>		<u>\$405,129</u>
(16) Total of Differences Due to Meter Multiplier Impacting Customers/Company	\$2,951,470	\$615,119	\$3,566,589
(17) Differences Resulting from Lower Billings-No Impact	<u>\$454,120</u>		<u>\$454,120</u>
(18) Grand Total of Differences Due to Meter Multiplier	\$3,405,590	\$615,119	\$4,020,709
(7) Sum of Lines (1) through (6)			
(13) Sum of Lines (8) through (12)			
(14) Line (7) + Line (13)			
(15) Amounts that would have affected RDM but were pre-RDM and therefore were not included and lowered Earnings			
(16) Line (14) + Line (15)			
(17) Amounts such as Renewables Fund and GRT which were not billed or collected and do not affect reconciliations			
(18) Line (16) + Line (17)			

Division 1-3

Request:

Please explain if the Company has seen a continued trend of REC market prices dropping compared to the Company's estimation of REC prices for 2017 and 2018.

Response:

The expected cost of Renewable Energy Certificates (RECs) included in each annual Renewable Energy Standard (RES) Charge filing is based on the most recently available environmental broker quotes at the time of the filing. The average Actual 2018 REC price for the RES New obligation was lower than the Expected 2018 REC price included in the RES Charge filing. A similar decrease occurred for the compliance year 2017. The average Actual 2018 REC price for the RES Existing obligation was higher than the Expected 2018 REC price included in the RES Charge filing. A similar increase occurred for the compliance year 2017.

<b>Compliance</b>	<b>New</b>		<b>Existing</b>	
<b>Year</b>	<b>Expected</b>	<b>Actual</b>	<b>Expected</b>	<b>Actual</b>
2017	25.88	14.20	1.11	1.51
*2018	15.83	6.66	1.59	1.77

\* The actual REC costs for 2018 have not been finalized.

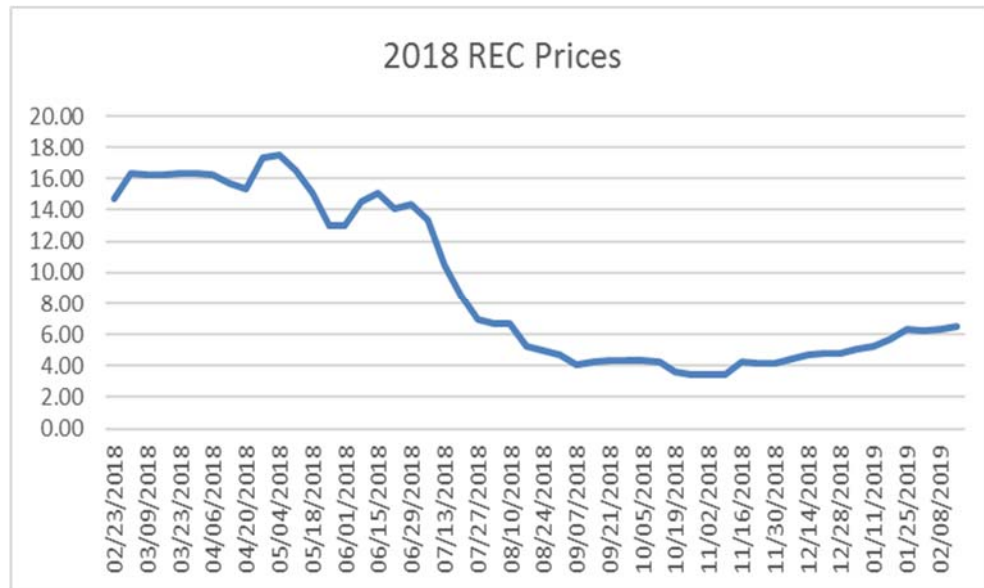
The Expected price is calculated in February prior to the RES Charge filing. The REC market prices will fluctuate from the prices included in the filing throughout the compliance year, which ends the following June, and the actual costs may differ from the expected costs included in the RES Charge. The change in prices is due to market forces such as supply and demand changes that occur throughout the year. As an example, the 2017 REC prices for the RES New obligation changed significantly from the filing date through the last purchase date:

Division 1-3, page 2



*Source: S&P Global Market Intelligence*

The 2018 REC prices for the RES New obligation also changed significantly from the filing date through the present:



*Source: S&P Global Market Intelligence*

The opposite price trends have also been observed in prior years.

The Narragansett Electric Company  
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Division 1-3, page 3

Compliance	New		Existing		
	Year	Expected	Actual	Expected	Actual
	2011	16.50	43.27	1.00	0.43
	2012	43.00	52.51	0.50	0.50