

June 3, 2019

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4872 - 2018 Gas Cost Recovery Filing
National Grid's Objection to Motion for Extension of Time

Dear Ms. Massaro:

In connection with the above-referenced docket, enclosed please find National Grid's¹ Objection to the Division of Public Utilities and Carriers' Motion for Extension of Time to further review the fixed supplier demand charges included in the Company's August 31, 2018 Gas Cost Recovery filing.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7415.

Very truly yours,



Robert J. Humm

Enclosures

cc: Docket 4872 Service List
Leo Wold, Esq.

¹ 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

June 3, 2019
Date

**Docket No. 4872 – National Grid – 2018 Annual Gas Cost Recovery Filing
(GCR) - Service List as of 1/22/2019**

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RHODE ISLAND PUBLIC UTILITIES COMMISSION

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)	
Annual Gas Cost Recovery Filing)	Docket No. 4872
2018)	
)	
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**THE NARRAGANSETT ELECTRIC COMPANY D/B/A
NATIONAL GRID'S OBJECTION TO THE DIVISION OF PUBLIC
UTILITIES AND CARRIERS' MOTION FOR EXTENSION OF TIME**

Pursuant to Rule 1.16(D) of the Rhode Island Public Utilities Commission's (PUC) Rules of Practice and Procedure, National Grid¹ objects to the Division of Public Utilities and Carriers' (Division) Motion for Extension of Time filed pursuant to Rule 1.7(B)² to complete its investigation of the fixed supplier demand charges incurred for the 2018-19 Gas Cost Recovery (GCR) period. As described in greater detail below, the Division has not shown good cause for an extension of time under PUC Rule 1.7(B) because the Division found that the Company's decision to enter into the contracts at issue was reasonable and, therefore, the Division is no longer challenging the prudence of those contracts. Any further review needed after the end of the winter period should be addressed in the Company's annual GCR reconciliation filing.

I. BACKGROUND

On August 31, 2018, the Company submitted its 2018 GCR filing in the above-captioned docket. The Company's 2018 GCR filing identified the costs the Company expected to incur for the 2018-19 GCR period (beginning November 1, 2018). Throughout the proceeding, the

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

² PUC Rule 1.7(B) provides the standard for extensions of time.

Company provided information supporting those costs, including the contracts associated with those costs. On October 30, 2018, after the conclusion of the GCR proceeding, the PUC approved the Company's incremental fixed costs incurred for the 2018-19 winter period and allowed the Division to further review fixed supplier demand charges on the grounds that the Division believed that the standard two-month period for the GCR proceeding under the Company's tariff³ did not provide sufficient time to review the contracts associated with those costs. The PUC ordered the Division to submit to the PUC its recommendation concerning the fixed supplier demand charges no later than April 1, 2019.

The Division did not submit its recommendation to the PUC concerning the fixed supplier demand charges by April 1, seven months after the Company submitted its GCR filing. Instead, the Division filed a memorandum that the PUC viewed as an informal request to extend time beyond April 1. On May 23, 2019, the Division submitted a formal Motion for Extension of Time, in which "the Division concludes that the Company's decision to enter into the six (6) contracts was reasonable, and accordingly, [the Division] does not . . . challenge the prudence of these contracts." Division Motion for Extension of Time at 2, n.2. Instead, the Division's stated cause for an extension of time is that "any review of the financial outcome of these contracts needed to wait for the end of the winter period, when an accounting by contract could be provided." *Id.* at 2-3. The Division requests through July 31, 2019 to complete its review of the costs submitted on August 31, 2018.

For the reasons set forth below, the Division's Motion for Extension of Time should be denied because the Division has not identified good cause for requiring additional time to review costs under contracts the Division has found were reasonable.

³ RIPUC NG-GAS No. 101, Section 2 (Gas Cost Recovery Clause), Schedule A, Sheet 1, Item 1.2.

II. LEGAL STANDARD

Rule 1.7(B) of the PUC's Rules of Practice and Procedure provides that the time to comply with a PUC order may be extended for good cause upon request of the moving party. Objections to written motions shall be filed within 10 days of the service of the motion. *See* PUC Rule 1.16(D).

III. ARGUMENT

The Division has not met the requisite standard of good cause under Rule 1.7(B) for extending the time to comply with the PUC's order to complete its further review of the fixed supplier demand charges included in the Company's 2018 GCR filing by April 1, 2019. Indeed, there is no reason to extend the time for the Division's review because the Division has determined that the Company's decision to enter into the challenged contracts was reasonable, thus ending the inquiry. The Division is no longer challenging the prudence of those contracts, the costs under which have already been approved in this proceeding subject to the Division's further review by April 1. Moreover, the GCR filing approved by the PUC is subject to a reconciliation filing based on actual costs and volumes. *See* RIPUC NG-GAS No. 101, Section 2 (Gas Cost Recovery Clause), Schedule A, Sheet 1, Item 1.2. The "financial outcome" of the contracts at issue after the end of the winter period is information included in the Company's reconciliation filing and should be reviewed as part of that filing, not as part of the annual GCR filing. An extension to July 31, 2019 would result in an 11-month review of the annual GCR filing. Thus, the Division's request far exceeds the time and scope of the annual GCR review period prescribed by the Company's tariff. With the contracts at issue deemed reasonable by the Division, the review of information presented as part of the August 31, 2018 GCR filing, for rates that went into effect November 1, 2018, should be complete and the annual GCR

proceeding should be closed. Accordingly, the PUC should deny the Division's request for extension of time.

IV. CONCLUSION

For the foregoing reasons, National Grid respectfully requests that the PUC deny the Division's motion for an extension of time to further review the costs in the Company's 2018 GCR filing.

Respectfully submitted,

**THE NARRAGANSETT ELECTRIC
COMPANY d/b/a NATIONAL GRID**

By its attorney,

A handwritten signature in blue ink, appearing to be "RH", followed by a long horizontal flourish.

Robert J. Humm, Esq. (#7920)
National Grid
280 Melrose Street
Providence, RI 02907
(401) 784-7415
Dated: June 3, 2019