

April 11, 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 4930 - 2019 Annual Retail Rate Filing
Responses to Record Requests

Dear Ms. Massaro:

I have enclosed ten (10) copies of National Grid's¹ responses to the record requests that were issued at the Public Utilities Commission's Evidentiary Hearing on March 19, 2019 in the above-referenced docket.

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

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4930 Service List
John Bell, Division
Al Mancini, Division
Christy Hetherington, Esq.

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

April 11, 2019
Date

**National Grid – 2019 Annual Retail Rate Filing - Docket No. 4930
Service List Updated 2/27/2019**

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Record Request No. 1

Request:

What administrative expenses were understated in the residential, commercial and industrial group?

Response:

Please see Attachment RR-1 for a comparison of Estimated Administrative costs for calendar year 2018 as presented in Docket No. 4805 to Actual Administrative costs for calendar year 2018 as presented in Docket No. 4930. In terms of the larger dollar components of the underestimated administrative costs of Standard Offer Service (SOS), the two larger items were cash working capital (lines (13) and (14)) and uncollectibles expenses (lines (17) and (18)), which depend on actual SOS costs and actual billed SOS revenue.

SOS Administrative Costs
Comparison of Estimate to Actuals
For the Period April 1, 2018 through March 31, 2019

	<u>Total</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
	(a)	(b)	(c)	(d)
Estimate included in Docket 4805				
(1) GIS Cost	\$38,035	\$26,423	\$9,517	\$2,095
(2) CWC	\$1,970,131	\$1,366,667	\$489,081	\$114,382
(3) Other Administrative Costs	\$252,433	\$174,847	\$63,529	\$14,057
(4) Uncollectible Expenses	<u>\$3,894,052</u>	<u>\$2,725,490</u>	<u>961,119</u>	<u>207,443</u>
(5) Total Administrative Expenses	\$6,154,651	\$4,293,427	\$1,523,246	\$337,977
Actual included in Docket 4930				
(6) GIS Cost	\$32,938	\$22,493	\$8,501	\$1,944
(7) CWC	\$2,749,390	\$1,894,330	\$690,097	\$164,963
(8) Other Administrative Costs	\$298,588	\$203,535	\$76,788	\$18,264
(9) Uncollectible Expenses	<u>\$4,730,652</u>	<u>\$3,274,464</u>	<u>\$1,194,001</u>	<u>\$262,187</u>
(10) Total Administrative Expenses	\$7,811,567	\$5,394,822	\$1,969,387	\$447,359
Change Greater/(Less) than forecast				
(11) GIS Cost	(\$5,097)	(\$3,930)	(\$1,016)	(\$151)
(12) % Variance	-13.40%	-14.87%	-10.67%	-7.22%
(13) CWC	\$779,259	\$527,662	\$201,015	\$50,581
(14) % Variance	39.55%	38.61%	41.10%	44.22%
(15) Other Administrative Costs	\$46,155	\$28,688	\$13,260	\$4,207
(16) % Variance	18.28%	16.41%	20.87%	29.93%
(17) Uncollectible Expenses	\$836,600	\$548,974	\$232,882	\$54,744
(18) % Variance	21.48%	20.14%	24.23%	26.39%
(19) Total Administrative Expenses	\$1,656,917	\$1,101,394	\$446,141	\$109,381
(20) % Variance	26.92%	25.65%	29.29%	32.36%
(1) - (3)	Per Docket 4805 Schedule ASC-4 Revised, Page 3			
(4)	Per Docket 4805 Schedule ASC-4 Revised, Page 2			
(5)	Per Docket 4805 Schedule ASC-4 Revised, Page 1			
(6) - (10) (b)	Per Docket 4930 Schedule REP-5, Page 6			
(6) - (10) (c)	Per Docket 4930 Schedule REP-5, Page 7			
(6) - (10) (d)	Per Docket 4930 Schedule REP-5, Page 8			
(11)	Line (6) - Line (1)			
(12)	Line (11) / Line (1)			
(13)	Line (7) - Line (2)			
(14)	Line (13) / Line (2)			
(15)	Line (8) - Line (3)			
(16)	Line (15) / Line (3)			
(17)	Line (9) - Line (4)			
(18)	Line (17) / Line (4)			
(19)	Line (10) - Line (5)			
(20)	Line (19) / Line (5)			

Record Request No. 2

Request:

Please identify the Which Long Term Contracting project that hit its overperformance clause in calendar year 2018.

Response:

The executed Power Purchase Agreement for between Deepwater Wind Block Island, LLC and The Narragansett Electric Company d/b/a National Grid, includes a Wind Outperformance Adjustment Credit, in Appendix Y, Part 3 which states as follows: "If, as of the end of any Contract Year, the Aggregate Actual Production exceeds the Aggregate Production Target, as adjusted pursuant to the last sentence of this paragraph (the "Production Surplus"), then Seller shall calculate the quantity of Product equal to 50% of such Production Surplus and shall credit such quantity (the "Wind Outperformance Adjustment Credit") to Buyer in the next billing cycle, without charge (carrying over any unused credit to subsequent billing cycles if necessary). The amount of any Production Surplus as of the end of any future Contract Year shall be adjusted by deducting the cumulative aggregate Production Surplus from all prior Contract Years (the "Aggregate Prior Surplus").

In 2017, the Deepwater Wind project exceeded its Aggregate Production Target by 2,275.834 MWh and, as such, there was an offsetting credit to costs recoverable from customers of \$277,594.86 for Production Surplus of 1,137.917 MWh (50% of excess) in expenses which were reported in January 2018. Additionally, in 2018, the Deepwater Wind project outperformed its target production by 12,244.031 MWh. Therefore, in December 2018, there was an adjustment for 50% of this, or 6,122.0155 MWh, and a corresponding offsetting credit to costs recoverable from customers totaling \$1,545,748. In total for Calendar Year 2018, there was a decrease in costs of \$1,823,343 due to the Deepwater Wind Outperformance Adjustment Credit, as shown on Attachment PUC 2-1, Page 1, Line 4. Please note that in the Company's response to PUC 2-1, Page 1, Line (4) is incorrectly referred to as "Performance Guarantee Deposit Refunds" The correct description would be "Outperformance Adjustment Credits".

Record Request No. 3

Request:

What is the comparison between the REC forecast and actual costs?

Response:

Please see Attachment RR-3 for the comparison of the REC proxy forecast used in the January through June 2018 and the July through December 2018 LTCRER filings compared to the Actual REC quantities and prices received in 2018.

The Narragansett Electric Company
Long Term Contracting Renewable Energy Resources
REC Prices for Compliance Year 2018
Forecasted vs. Actual

	<u>Quantity</u>	<u>Price</u>	<u>Total</u>
	(a)	(b)	(c)
Forecasted 2018			
(1) January 2018 through June 2018	174,568	\$18.40	\$3,212,059
(2) July 2018 through December 2018	186,351	\$16.75	\$3,121,384
(3) Total Forecasted REC Prices	360,920		\$6,333,443
(4) Average Forecasted REC Price		\$17.55	
Actual 2018			
(5) January 2018	85,301	\$13.25	\$1,130,238
(6) April 2018	93,947	\$5.11	\$480,069
(7) July 2018	99,914	\$9.49	\$948,184
(8) October 2018	89,498	\$4.17	\$373,207
(9) Total Actual REC Amount	368,660		\$2,931,698
(10) Average REC Price		\$7.95	
Actual vs. Forecast			
(11) CY 2018 Total	7,740	(\$9.60)	(\$3,401,745)

- (1) Per Docket No. 4673, November 2017 Filing, Attachment 1, Page 3
- (2) Per Docket No. 4775, May 2018 Filing, Attachment 1, Page 3
- (3) Sum of Lines (1) and (2)
- (4) Line (3) Column (c) ÷ Line (3) Column (a)
- (5) Q3-2017 REC Transfer Price and Quantities
- (6) Q4-2017 REC Transfer Price and Quantities
- (7) Q1-2018 REC Transfer Price and Quantities
- (8) Q2-2018 REC Transfer Price and Quantities
- (9) Sum of Lines (5) through (8)
- (10) Line (9) Column (c) ÷ Line (9) Column (a)
- (11) Columns (a) and (c): Line (9) - Line (3)
- (11) Column (b): Line (10) - Line (4)

Record Request No. 4

Request:

Will the Company be offering new and bidding existing facilities into the forward capacity market this year?

Response:

This response applies only to facilities seeking recovery through the Long Term Contracting for Renewable Energy Recovery (LTCRER) filing and does not apply to facilities that are enrolled in the Renewable Energy Growth Program.

The Company has previously qualified all solar facilities that have executed standard contracts with the Company pursuant to the Distributed Generation Standard Contracts (DGSC) Act, R.I. Gen. Laws § 15 39-26.2.1 et seq., and meet the minimum size requirements for participation in the Forward Capacity Market (FCM).¹ The Company will continue to bid all facilities that have been previously qualified in the FCM; however, there are no new facilities that meet the criteria for participation in the FCM this year. Please see the Company's Forward Capacity Market Auction Annual Report² for a summary of the facilities that were bid in Forward Capacity Auction 13, which occurred on February 4, 2019.

¹ There is a minimum size threshold of 100 kW of qualified capacity for participation in the FCM. Typically, solar facilities qualify at approximately 35% of the AC nameplate capacity, or 250 kW, an approximate threshold for participation in the FCM.

² The Forward Capacity Market Auction Annual Report is filed each year in compliance

Record Request No. 5

Request:

Please provide a list of which CONS code/type contribute to each reconciliation type. Please note that NGrid's witness testified that the response to the RR would clarify why the value in the "count" column can vary for CONS types that have the same billing determinants, same consumption value, and the same applicability in the existing tariffs. If the list prepared for NGrid's response cannot clarify that issue, please add an explanation of what the significance of the "count" column is and how it is used.

Response:

Please see Attachment RR-5 for the list of CONS types contributing to each reconciliation for The Narragansett Electric Company.

The count column in the Company's revenue report reflects the nature of the transaction for the consumption type. If the transaction is a bill or an adjustment that is a positive dollar amount, the count increases. If the transaction is an adjustment for negative dollars (i.e., a bill was cancelled or a credit to an account was processed) the count is decreased. This would account for any differences in the count field for different CONS types even when the kWh consumption is the same among CONS types. The Company does not use the count for any ratemaking purposes.

The Narragansett Electric Company
Cons Type Codes by Factor

Relevant Charge	CONS Code	Type Description	Relevant Reconciliation
CapEx Factor Charge	CZ	CapEx Factor Charge	Infrastructure, Safety, & Reliability Plan
	CY	CapEx Factor Charge-demand	Infrastructure, Safety, & Reliability Plan Reconciliation
	E3	CapEx Factor Charge-demand	
	E9	CapEx Factor Charge-backup demand	
O&M Expense Charge	OX	O&M Exp Charge-demand	
	OZ	O&M Exp Charge	
	E2	O&M Exp Charge-demand	
	E8	O&M Exp Charge-backup demand	
Energy Efficiency	JF	KWH D Demand Side Management Charge	Energy Efficiency Program Plan
	8I	KWH D Max Demand Side Management Charge	System Reliability Plan
Low Income Discount Recovery Factor	J*	KWH D LID Recovery Adj Factor	Low Income Discount Recovery Factor
	JE	KWH D Res Assist Adj	
	-E	REV C /D Low Income Disc Elec	
	EE	REV C /D Electric Assistance Program	
LIHEAP Enhancement Plan	WA	LIHEAP Enhancement Charge	LIHEAP Enhancement Reconciliation
Pension/PBOP Adjustment Mechanism	P0	KWH DPension/PBOP Adj	Pension Adjustment Factor
Renewable Energy Distribution	T4	LongTerm Contracting Charge	Long Term Contracting Cost Recovery and Net Metering
Renewable Energy Growth	Z-	Regrowth Program Factor Revenue (per bill)	Renewable Energy Growth Cost Recovery Reconciliation
	L-	Regrowth Program Factor Revenue (per Luminaire)	
Renewable Energy Growth Credits	V-	Gen Revenue Decoupling	
	W-	Gen Transition Charge Adjustment Factor	
	S-	Gen Distribution Delivery Charge	
	Y-	Gen Transmission Service Cost Adjustment	
	R-	Gen Standard Offer Adj Factor	
	Q-	Gen SOS Admin Factor	
	T-	Gen RI Electric - Long Term Contracting Charge	
	P-	Gen Pension Adj Factor	
	D-	Gen Base Supply Charge	
	O-	Gen O&M Exp Charge	
	I-	Gen CTC	
	H-	Gen Delivery Transmission per kWh	
	J-	Gen Default Svce Adjustment	
	F-	Gen Demand Side Mgmt	
	E-	Gen Storm Fund Replenishment Factor	
	N-	Gen Renewable Charge	
	C-	Gen CapEx Factor Charge	
M-	Gen Arrears MGMT ADJ Factor		
U-	Gen Low Inc Disc Recovery		
-9	Gen LID Recovery Adj Factor		
Renewable Energy Standard	RN	KWH CRenewables Charge	Renewable Energy Standard Charge
Renewable Generation Credits	Y2	Net Meter CapEx Factor Charge	Net Metering Reconciliation
	RE	Renewable Gen Credit - Transmission Charge	
	RF	Renewable Gen Credit - Transmission Chg Adj	
	RC	Renewable Gen Credit - Distribution Charge	
	RG	Renewable Gen Credit - Transition Charge	
	Y1	Net Meter O&M Exp Charge	
	RH	Renewable Gen Credit - Transition Charge Adj	
	RD	Renewable Gen Credit - Default Service Adj	
	RB	Renewable Gen Credit - Supply Charge	
	-R	Renewable Gen Cr-Storm Fund Replenishment	
	OV	Renewable Gen CR-SOS Admin Cost Factor	
	OW	Renewable Gen CR-Std Offer Adj	
	OH	Renewable Gen CR-Pension/PBOP Adj	
	OK	Renewable Gen CR-Rev Decoupling Adj	
	-S	Renewable Gen Cr-Arrears MGMT ADJ Factor	
	RJ	Renewable Gen CR-Res Assist Adj	
-J	Renew Gen Credit - LID Recovery Adj Factor		

The Narragansett Electric Company
Cons Type Codes by Factor

Relevant Charge	CONS Code	Type Description	Relevant Reconciliation
Revenue Decoupling Adjustment Factor	V0	KWH D Rev Decoupling Adj	Revenue Decoupling Mechanism Reconciliation
Revenue Decoupling Mechanism	VM	Rev D 1% High Voltage Metering Discount	
	Z1	EQUPE Lighting Equipment	
	SD	KWH D Delivery Distribution Chg	
	6T	KW D 2nd Feeder Service Chg	
	4M	KW D Transformer Ownership Adjustment (Credit)	
	N6	AMR-Opt-Out-Electric	
	N7	AMR-Opt-Out-Both	
	99	Miscellaneous Adjustment Charge	
	J7	Minimum Bill Provision	
	IH	CUST D Basic Service Charge-Customer Charge	
	HH	KW D Back-Up Dist Dem	
	M9	KWH D Streetlight Credit	
	HJ	KW D Supp Dist Demand	
	GA	KW D Delivery Distribution Charge	
	JA	KWH D Default Svce/Std Offer Adj - Off Pk	
	E4	KW D Del Dist Optional Dem Chg	
RI Gross Earnings Tax	8Z	GRT D GET/Tariff Surcharge	
	88	GRT C /D GET Credit	
	96	GRT C GET/Tariff Surcharge Greenup	
	97	GRT C /D GET Credit Greenup	
	1Z	GRT D GET/Tariff Surcharge Gas Trans/EL T&D	
	8X	GRT C GET/Tariff Surcharg	
Service Quality	QP	CUST D Reliability Penalties CR/Delivery CR	Service Quality Plan
	JM	KWH D Reliability Penalties Credit	
Standard Offer Service	ID	KWH C Electric Supply Chrg (Off Seas or No Seas)	Standard Offer Service Base Reconciliation
Standard Offer Service Adjustment Factor	YR	KWH C Std Offer Adj	Standard Offer Service Prior Reconciliation
Standard Offer Service Administrative Factor	YQ	KWH C SOS Admin Cost Factor	Standard Offer Service Administrative Reconciliation
Arrearage Management Adjustment Factor	S?	Arrears MGMT ADJ Factor	Arrearage Management Reconciliation
Storm Fund Replenishment Factor	R?	Storm Fund Replenishment Factor	
Transition Charge	8H	CTC D Max Transition Charge kWh	Transition Base Reconciliation
	IE	CTC D Standard Rate Option kWh(Off Seas/No Seas)	
Transition Charge Adjustment	4W	CTC D Transition Chg Adj Factor Offpk	Transition Prior Period Reconciliation
Transmission Service Charge	SH	KWH D Delivery Transmission Charge	Transmission Base Reconciliation
	GB	KW D Delivery Transmission Charge	
	HK	KW D Supp Transm Dem	
	E5	KW D Del Trans Optional Dem Chg	
Transmission Service Cost Adjustment Factor	6Y	KWH D Transmission Serv Cost Adj Factor	Transmission Prior Period Reconciliation
Miscellaneous	IB	DCA D Delivery Chg Adj per kWh(Off Seas/No Seas)	
	IC	CSBC D Per Customer and/or kWh	
	NU	Paperless Billing Credit	
	JB	KWH D Customer Credit (Off Peak)	