Andrew S. Marcaccio
Senior Counsel

March 19, 2021

VIA ELECTRONIC MAIL

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

RE: Docket 4978 – 2021 Last Resort Service Procurement Plan
Proposed Last Resort Service Rates for the Residential Group for the months of April 2021 through September 2021
Responses to PUC Data Requests – Set 2

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company"), enclosed please find an electronic version[1] of the Company's responses to the Public Utilities Commission's Second Set of Data Requests in the above-referenced matter.

Thank you for your attention to this filing. If you have any questions concerning this matter, please do not hesitate to contact me at 401-784-4263.

Sincerely,

Andrew S. Marcaccio

Enclosures

cc: Docket 4978 Service List
John Bell, Division

[1] Per Commission counsel's update on October 2, 2020, concerning the COVID-19 emergency period, the Company is submitting an electronic version of this filing followed by five hard copies filed with the Clerk within 24 hours of the electronic filing.

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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 19, 2021
Date

Docket No. 4978 - National Grid – 2021 Last Resort Service Procurement Plan
Service List updated 5/7/2020

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PUC 2-1

Request:

Regarding the treatment of capacity costs in the proposed LRS rates (effective April 1, 2021), please explain the following:

a) How did National Grid develop the 2021 monthly wholesale load (kWh) forecasts (for each LRS Group) that it used to unitize its forecast of monthly capacity charges into $/MWh rates?
b) Is National Grid's methodology used to develop the 2021 monthly wholesale load (kWh) forecasts the same as the methodology used to develop the 2021 retail deliveries forecast? If so, does the wholesale load (kWh) forecast account for Covid 19 impacts in the same manner as the retail deliveries forecast? If not, why are they different and explain the differences.

Response:

a) The monthly wholesale load forecast was developed by applying the expected growth rate from the retail forecast to the current year's wholesale monthly load. More specifically, the Company first developed the monthly electric deliveries forecast and derived the expected annual growth rate for each month. The Company then applied the expected annual growth rate to the current year's wholesale monthly load to estimate next year's wholesale load forecast for the corresponding month.

b) The Company's method for developing the monthly wholesale load forecast begins with the same methodology as the retail delivery forecast. The monthly growth rates developed for the retail delivery forecast are used to determine the wholesale level monthly forecast. Since the retail level deliveries forecast is at the customer level and the wholesale forecast is at the wholesale (system) level, this additional translation is necessary.

   Yes, COVID-19 impacts in its wholesale forecast are accounted for in the same manner as in the retail deliveries forecast, since they are reflected in the expected growth rates of the retail deliveries forecast that are applied to the wholesale load. Specifically,
   - The expected growth rate for the wholesale load was from the retail forecast. The retail forecast used Moody's economic forecasts as inputs, and Moody's economic forecasts account for the projected economic impact of the pandemic. By using Moody's economic forecasts, the Company's retail forecast is assumed to capture the long-run impacts of COVID-19 in its modeling process. Thus, these same COVID-19 impacts are included in the wholesale forecast.

Prepared by or under the supervision of:
James Ruebenacker, Shira Horowitz, Joseph Gredder and Jingrui Xie

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- The Company included the most up-to-date monthly load data at the time the forecast was developed. Impacts from the pandemic have been implicitly accounted for in the data and thus became part of the historical data set used to develop the forecast models.

PUC 2-2

Request:

Please populate the table below with the correct information and explain the following questions:

LRS Group	2019 Capacity Load Obligation (MW) (a)	2020 Capacity Load Obligation (MW) (b)
Residential		
Commercial		
Industrial		

a) Did National Grid calculate Column B for the Residential LRS Group using the "load shaped" ICAP tag methodology (for customers without interval meters) described in response to PUC 5-3 in Docket No. 5010?
b) If so, did the "load shaped" ICAP tag methodology used by National Grid to calculate the 2020 Capacity Load Obligation for the Residential LRS Group reflect anomalies in 2020 residential demand due to Covid 19? If so, please describe the anomalies.
c) Did National Grid calculate Column B for the C06 class (part of the Commercial LRS Group) using the "load shaped" ICAP tag methodology it described in response to PUC 5-3 in Docket No. 5010?
d) If so, did the "load shaped" ICAP tag methodology used by National Grid to calculate the 2020 Capacity Load Obligation for the Commercial LRS Group reflect anomalies in 2020 commercial demand due to Covid 19? If so, please describe the anomalies.

Response:

The Company did not remove capacity from its Full Requirement Service transactions until April 2019. However, the Customer Capacity Load Obligations ("CLOs") are shown below as if capacity was removed for all Standard Offer Service ("SOS") in 2019.

Customer CLOs change monthly because the underlying components change monthly.[1] The Company provides the monthly CLOs by customer group and then provides a straight average for the year in the following table:

[1] One component of the Customer CLO is the Customer Capacity Requirement, which is comprised of the Customer Average Peak Contribution, the Capacity Zone Peak Contribution, and the Capacity Zone Capacity Requirement.

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	RESIDENTIAL GROUP		COMMERCIAL GROUP		INDUSTRIAL GROUP	
Month	2019 Capacity Load Obligations (MW) (a)	2020 Capacity Load Obligations (MW) (b)	2019 Capacity Load Obligations (MW) (a)	2020 Capacity Load Obligations (MW) (b)	2019 Capacity Load Obligations (MW) (a)	2020 Capacity Load Obligations (MW) (b)
January	1,046.74	1,200.31	429.39	402.05	108.76	75.71
February	1,045.63	1,200.89	429.50	401.34	110.36	73.61
March	1,045.04	1,200.94	432.09	398.63	111.28	73.14
April	1,042.21	1,199.48	428.97	393.95	111.66	72.14
May	1,040.56	1,199.51	428.67	390.06	113.40	71.35
June	1,197.40	1,241.20	361.38	320.07	91.08	56.90
July	1,186.24	1,241.71	373.65	319.24	100.42	56.87
August	1,183.82	1,241.75	376.57	318.43	99.87	58.08
September	1,185.70	1,241.55	376.17	318.60	92.10	58.43
October	1,193.80	1,250.33	379.83	320.65	87.35	61.18
November	1,197.57	1,250.57	391.92	319.92	80.55	59.54
December	1,201.74	1,249.85	399.37	320.01	83.65	59.70
Average	1,158.78	1,226.51	390.73	351.91	95.56	64.72

The Customer Average Peak Contributions (also known as the ICAP tags) are determined by the load coincident with the ISO-NE system peak in the prior calendar year. While the Customer Average Peak Contribution for all National Grid distribution load is the same throughout a given Capacity Commitment Period ("CCP"),[2] the Customer Peak Contribution fluctuates daily for each customer group as customers migrate to and from Standard Offer Service/Last Resort Service. The ISO-NE averages the daily Peak Contributions in a month to determine the Customer Average Peak Contribution for a month. Therefore, the monthly Customer CLO throughout a calendar year and CCP fluctuates because the Customer Average Peak Contribution changes. Additionally, the Capacity Zone Peak Contribution and the Capacity Zone Capacity Requirement also change throughout a year.

In the table above:

- January through May 2019 is part of the CCP ending May 2019. The Customer CLOs for this CCP utilized ICAP tags determined by 2017 load coincident with the ISO-NE system peak.

[2] The CCP is June through the following May.

- June 2019 through May 2020 is the CCP ending May 2020. Customer CLOs for this CCP utilized ICAP tags determined by 2018 load coincident with the ISO-NE system peak.
- June 2020 through December 2020 is part of the CCP ending May 2021. Customer CLOs for this CCP utilized ICAP tags determined by 2019 load coincident with the ISO-NE system peak.

Please see below for the Company's responses to a through d.

a) Yes.

b) The 2020 Customer CLOs did not reflect anomalies in 2020 residential demand due to Covid 19. The January 2020 through May 2020 Customer CLOs utilized ICAP tags determined by 2018 load coincident with the ISO-NE system peak. The June 2020 through December 2020 Customer CLOs utilized ICAP tags determined by 2019 load coincident with the ISO-NE system peak. The June 2021 through May 2022 Customer CLOs will utilize ICAP tags determined by 2020 load coincident with the ISO-NE system peak.

c) Yes.

d) The 2020 Customer CLOs did not reflect anomalies in 2020 commercial demand due to Covid 19. The January 2020 through May 2020 Customer CLOs utilized ICAP tags determined by 2018 load coincident with the ISO-NE system peak. The June 2020 through December 2020 Customer CLOs utilized ICAP tags determined by 2019 load coincident with the ISO-NE system peak. The June 2021 through May 2022 Customer CLOs will utilize ICAP tags determined by 2020 load coincident with the ISO-NE system peak.