

January 7, 2022

BY ELECTRONIC MAIL

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

RE: Docket 5205 - DG Interconnection Projects
Review of Cost Allocation and Recovery of Ongoing O&M Expenses
Responses to PUC Data Requests – Set 1 (Complete Set)

Dear Ms. Massaro:

I have enclosed an electronic version of National Grid's¹ complete set of responses to the Rhode Island Public Utilities Commission's ("PUC") First Set of Data Requests in the above-referenced matter.²

Thank you for your attention to this matter. If you have any questions, please contact me at 781-472-0531.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 5206 Service List
John Bell, Division
Jon Hagopian, Esq.

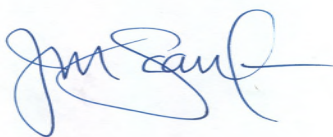
¹ The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

² Per a communication from Commission counsel on October 4, 2021, the Company is submitting an electronic version of this filing followed by six (6) hard copies filed with the Clerk within 24 hours of the electronic filing.

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

January 7, 2022

Date

Docket No. 5205 - Review of the Cost Allocation and Recovery of Ongoing Operation and Maintenance Expenses Related to the Interconnection of Distributed Generation Projects (National Grid)

Docket No. 5206 - Review of Administrative Issues Related to the Interconnection Process (National Grid)

Service List as of 12/28/2021

Name/Address	E-mail Distribution	Phone
Andrew.Marcaccio, Esq. National Grid 280 Melrose St. Providence, RI 02907	Andrew.Marcaccio@nationalgrid.com;	401-784-7288
	Raquel.webster@nationalgrid.com;	
	celia.obrien@nationalgrid.com;	
	Joanne.scanlon@nationalgrid.com;	
	Ali.atash@nationalgrid.com;	
	Theresa.Burns@nationalgrid.com;	
	brooke.skulley@nationalgrid.com;	
	john.isberg@nationalgrid.com;	
	eric.hanlon@nationalgrid.com;	
	john.kennedy@nationalgrid.com;	
	kevin.kelly2@nationalgrid.com;	
	kathy.castro2@nationalgrid.com;	
	Timothy.roughan@nationalgrid.com;	
Division of Public Utilities (Division) Jon Hagopian, Esq. 89 Jefferson Blvd. Warwick, RI 02888	jon.hagopian@dpuc.ri.gov;	
	John.bell@dpuc.ri.gov;	
	Margaret.l.hogan@dpuc.ri.gov;	
	Linda.george@dpuc.ri.gov;	
	gboothpe@gmail.com;	

Gregory L. Booth, PE, PLS Mike Brennan Bill Watson Linda Kushner	Mikebrennan099@gmail.com ;	
	wfwatson924@gmail.com ;	
	Lkushner33@gmail.com ;	
Office of Energy Resources (OER) Al Vitali Nick Ucci Chris Kearns Carrie Gill Shauna Beland	Albert.vitali@doa.ri.gov ;	
	Nicholas.ucci@energy.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	
	Carrie.gill@energy.ri.gov ;	
	Shauna.beland@energy.ri.gov ;	
SEA Advantage Jim Kennerly Stephan Wollenburg Witter Swanson Andrew Lidington Tobin Armstrong Cal Brown Tim Michelman	jkennerly@seadvantage.com ;	
	swollenburg@seadvantage.com ;	
	wswanson@seadvantage.com ;	
	alidington@seadvantage.com ;	
	tarmstrong@seadvantage.com ;	
	cbrown@seadvantage.com ;	
	tmichelman@seadvantage.com ;	
Newport Solar Doug Sabetti	doug@newportsolarri.com ;	
Energy Development Partners Frank Epps	frank@edp-energy.com ;	
Heartwood Group Fred Unger	unger@hrtwd.com ;	
Kearsarge Energy LP Patricia Fennessey Alex Young	pfennessey@kearsargeenergy.com ;	
	Ayoung@kearsargeenergy.com ;	
File an original w/: Luly E. Massaro, Commission Clerk Cynthia Wilson-Frias, Esq. Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Cynthia.WilsonFrias@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	
PPL Electric Utilities Ronald Reybitz Stephen Breininger	rjreybitz@pplweb.com ;	
	skbreininger@pplweb.com ;	
ISO-NE Kerry Schlichting	kschlichting@iso-ne.com ;	
Tori Scott	Victoria.Scott@governor.ri.gov ;	
Christian Capizzo, Esq.	ccapizzo@psh.com ;	

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-1

Request:

RIPUC No. 2243, Terms and Conditions for Distribution Service, Appendix A, Policy 3 – Line Extension and Construction Advance Policy for Commercial, Industrial and Existing Residential Customers can be found on National Grid's website. Are there any other such tariff provisions in Rhode Island that cover what may also be called "Contribution in Aid of Construction (CIAC)"? If so, please provide links.

Response:

Yes, there are other tariff provisions in Rhode Island that cover "Contributions in Aid of Construction ("CIAC"). These tariffs include:

- RIPUC No. 2243, Terms and Conditions for Distribution Service, Section 24 – Temporary Services
- RIPUC No. 2243, Terms and Conditions for Distribution Service, Section 24 – Company Right to Place Facilities on Customer Property
- RIPUC No. 2243-A, Terms and Conditions for Distribution Service, Appendix A, Policy 1 – Line Extension Policy for Individual Residential Customers
- RIPUC No. 2243-A – Terms and Conditions for Distribution Service, Appendix A, Policy 2 Line Extension Policy for Residential Developments
- RIPUC No. 2244 – Standards for Connecting Distributed Generation
- RIPUC NG-GAS No. 101, Section 8, Service and Main Extension Policies, Schedule A

Below is the link to National Grid's website where the electric tariff provisions can be found:
<https://www.nationalgridus.com/RI-Home/Rates/Tariff-Provisions>

Below is the link to National Grid's website where the gas tariff provisions can be found:
https://www.nationalgridus.com/media/pdfs/billing-payments/rigas_tariff.pdf

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-2

Request:

Please provide any non-tariff documentation (or links thereto) provided to customers that explains Policy 3 and its calculation.

Response:

The Company does not currently provide any additional non-tariff documentation to customers explaining Policy 3 and its calculation. However, upon a customer's request, the Company does provide an explanation of the policy and the breakdown of the project costs via either the Customer Electric Connections ("CEC") or the Customer Energy Integration ("CEI") teams. The CEC team provides this information for load customers, and the CEI team provides it for DG customers.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-3

Request:

Please explain why the Company conducts a CIAC calculation for traditional load projects that allows a customer to pay less than the full cost of a necessary system modification/upgrade upfront.

Response:

The Company's policies align with cost causation principles, whereby a requesting customer who requires system modification/upgrades, which otherwise would not have been necessary, would be required to contribute towards the estimated costs of constructing facilities needed to meet their distribution service requirements.

In terms of traditional load customers, RIPUC No. 2243-A, Line Extensions and Construction Advance Policy for Commercial, Industrial and Existing Residential Customers – Policy 3 Construction Advance formula $(A) = [C - [D \times M] \div K]$, allows a customer's estimated annual revenue to be taken into consideration when evaluating their overall upfront customer contribution.

The customer's estimated annual distribution revenue ("D") is apportioned ("M"), whereby a portion goes towards reducing the customers upfront contribution, with the other portion going towards supporting the existing distribution system, as well as operation & maintenance of existing and new equipment, metering, billing, customer service and other support functions already in place and which will benefit the customer.

Unlike traditional load customers, stand-alone multi MW distributed generation customers provide minimal (the C-06 rate has a \$10 monthly customer charge and a \$3.78 per month REG charge) annual distribution revenue ("D"). Therefore, these customers are required to pay the full cost of a necessary system modification/upgrade upfront as the costs of upgrades for stand-alone projects is typically exceed \$100,000. For a behind the meter customer, there is no incremental distribution revenue that can be used in the Policy 3 calculation. In fact, a behind the meter customer has negative incremental distribution revenue. If negative distribution revenue was used, the customer would end up paying more than the estimated cost of any system upgrade. The Company has never used negative distribution revenue. Instead, the Company uses \$0 as distribution revenue when determining the cost for any upgrade.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-4

Request:

The calculation in RIPUC No. 2243 is Construction Advance (A) = [C - [D x M] ÷ K] where "K" is "the annual carrying charge expressed as a decimal."

- a. Please explain how K is derived.
- b. Please explain what K covers.
- c. Is K charged to the customer annually or simply included in the formula to derive the up-front Construction Advance ("A")?
- d. Please explain how "D" is calculated with an example. (For a single customer, the estimated annual Distribution Revenue derived from the Customer within the first year following the completion of the Company's construction of facilities; or for developments, the estimated additional annual Distribution Revenue derived from those new customers in the development anticipated to be supplied directly with electric service within one year from the commencement of the delivery of electricity to the first customer in the development.)

Response:

- a. Please see Attachment PUC-1-4-1.
- b. As shown in Attachment PUC1-4-1, K covers the Cost of Capital, Federal Income Taxes, Depreciation Expense, Property Taxes, and Distribution O&M Expense.
- c. K is included in the formula to derive the up-front Construction Advance ("A") only.
- d. Please see Attachment PUC-1-4-2.

Carrying Charge Calculation	Page 1 of 4
Depreciation Expense Supporting Calculation	Page 2 of 4
Property Taxes Supporting Calculation	Page 3 of 4
O&M Expenses Supporting Calculation	Page 4 of 4

The Narragansett Electric Company
Annual Carrying Charge "k"
For use in the cash advance formula
of the Commercial and Industrial
Construction Advance Policy

		(a)	(b)	(c)
		Calendar Year 2019		
		Ratio	Rate	Weighted Rate
1	Long Term Debt	48.35%	4.620%	2.23%
2	Short Term Debt	0.60%	1.760%	0.01%
3	Preferred Stock	0.10%	4.500%	0.00%
4	Common Equity	50.95%	9.275%	4.73%
5	Total Cost of Capital	100.00%		6.97%
6	Income Taxes - Federal (FIT)			1.26%
7	Income Taxes - State (SIT)			0.00%
8	Depreciation Expense			3.16%
9	Property Taxes			1.71%
10	Dist. O & M Expense			2.62%
11	Total Carrying Charge			15.72%

Notes:

- 1(a)-4(b) Allowed Cost of Capital-Docket 4770/4880
- 1(c) Line 1(a) x Line 1(b)
- 2(c) Line 2(a) x Line 2(b)
- 3(c) Line 3(a) x Line 3(b)
- 4(c) Line 4(a) x Line 4(b)
- 5(a) Line 1(a) + Line 2(a) + Line 3(a)+Line 4(a)
- 5(c) Line 1(c) + Line 2(c) + Line 3(c) + Line 4(c)
- 6(c) Line 4(c) ÷ (1-21%) * 21%
- 7(c) Rhode Island State Income Tax is N/A
- 8(c) Page 2 of 4, Line 9
- 9(c) Page 3 of 4, Line 7
- 10(c) Page 4 of 4, Line 12
- 11(c) Line 5(c) + Line 6(c) + Line 7(c) + Line 8(c) + Line 9(c) + Line 10(c)

Depreciation Expense Allowed Per Docket No. 4770/4780 Compliance Filing

1	Total Distribution-Related Plant in Service	\$1,463,098,971
2		
3	Less Land and Land Rights	<u>-</u>
4		
5	Total Distribution-Related Plant in Service	<u>\$1,463,098,971</u>
6		
7	Depreciation Expense	<u>\$46,183,339</u>
8		
9	Depreciation Expense Rate	<u>3.16%</u>

Notes:

- 1 D.P.U. 4770/4780 Compliance Attachment 2 Schedule 6-ELEC, Page 3 of 5 Line 63e
- 3 D.P.U. 4770/4780 Compliance Attachment 2 Schedule 6-ELEC, Page 3 of 5 Line 34e
- 5 Line 1 - Line 2
- 7 D.P.U. 4770/4780 Compliance Attachment 2 Schedule 6-ELEC, Page 3 of 5 Line 34(g)
- 9 Line 7 / Line 5

Property Tax as a Percentage of Total Electric Plant in Service

		Calendar Year Ended:	
		<u>12/31/2019</u>	<u>12/31/2020</u>
1	Electric Plant in Service	\$2,806,620,761	\$2,960,049,391
2			
3	Average Electric Plant in Service		\$2,883,335,076
4			
5	Electric Property Tax Expense		\$49,280,145
6			
7	Property Tax Rate		<u>1.71%</u>

Notes:

- 1 FERC Form 1, Page 207, Line 104(g)
- 5 FERC Form 1, Page 263, Line 13, Column (i)
- 7 Line 7 / Line 5

Line Notes:

- Per FERC Form 1, Page 200, Line 8(b)
- Per FERC Form 1, Page 200, Line 14(b)
- Line 1 + Line 2
- (Line 3, Column (a) + Line 3, Column (b)) / 2
- Per FERC Form 1, Page 263, Line 14(i)
- Line 7 / Line 5

Distribution O&M as a Percentage of Total Distribution-related Plant in Service

	<u>Calendar Year Ended:</u>	
	<u>12/31/2019</u>	<u>12/31/2020</u>
1 Distribution-Related Plant in Service	\$1,808,838,032	\$1,902,926,579
2 Adjustments		
3 Less Land and Land Rights	\$15,366,912	\$15,389,201
4 Less ARO	\$265,214	\$265,214
5		
6 Distribution-Related Plant in Service	<u>\$1,793,205,906</u>	<u>\$1,887,272,164</u>
7		
8 Average Net Plant in Service		\$1,840,239,035
9		
10 Distribution O&M		<u>\$48,136,668</u>
11		
12 Distribution O&M Rate		<u>2.62%</u>

Notes:

- 1 FERC Form 1, Page 207, Line 75, Column (g)
- 3 FERC Form 1, Page 207, Line 60, Column (g)
- 4 FERC Form 1, Page 207, Line 74, Column (g)
- 6 Line 1 + Line 2 - Line 3 - Line 4
- 8 (Line 5, Column (a) + Line 5, Column (b)) / 2
- 10 FERC Form 1, Page 322 Line 156
- 12 Line 10 / Line 8

Annual Distribution Revenue ("D") Illustrative Example

The Narragansett Electric Company
Annual Distribution Revenue ("D") - G02 General C&I Rate - Illustrative Example
For use in the cash advance formula
of the Commercial and Industrial
Construction Advance Policy

	(a)		(b)		(c)
	Monthly Usage		Rate		Amount
1	Customer Charge	1	\$	145.00	\$ 145.00
2	Distribution Charge (kW - in excess of 10kW)	100	\$	6.90	\$ 621.00
3	CapEx Factor Charge (kW - in excess of 10kW)	100	\$	1.44	\$ 129.60
4	kWh Charge	1,000	\$	0.00476	\$ 4.76
5	CapEx Reconciliation Factor (kWh)	1,000	\$	(0.00012)	\$ (0.12)
6	Monthly Distribution Revenue				\$ 900.24
7	Annual Distribution Revenue ("D")				\$ 10,802.88

Notes:

- 1(a) Assumption: 1 New Load Customer
- 1(b) RIPUC No. 2095, Summary of Retail Delivery Rates, G02 General C&I Rate, Sheet 2 of 3
- 1(c) Line 1(a) x Line 1(b)
- 2(a) Assumption: 100kW monthly usage
- 2(b) RIPUC No. 2095, Summary of Retail Delivery Rates, G02 General C&I Rate, Sheet 2 of 3
- 2(c) [Line 2(a) - 10kW] x Line 2(b)
- 3(a) Assumption: 100kW monthly usage
- 3(b) RIPUC No. 2095, Summary of Retail Delivery Rates, G02 General C&I Rate, Sheet 2 of 3
- 3(c) [Line 3(a) - 10kW] x Line 3(b)
- 4(a) Assumption: 1,000 kWh monthly usage
- 4(b) RIPUC No. 2095, Summary of Retail Delivery Rates, G02 General C&I Rate, Sheet 2 of 3
- 4(c) Line 4(a) x Line 4(b)
- 5(a) Assumption: 1,000 kWh monthly usage
- 5(b) RIPUC No. 2095, Summary of Retail Delivery Rates, G02 General C&I Rate, Sheet 2 of 3
- 5(c) Line 5(a) x Line 5(b)
- 6(c) Line 1(c) + Line 2(c) + Line 3(c) + Line 4(c) + Line 5(c)
- 7(c) Line 6(c) x 12 months

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-5

Request:

RIPUC No. 2243 states, that this Policy applies where a Customer “requests that a distribution line and/or other facilities (“New Facilities”) necessary to properly supply electricity to the Customer’s facilities be installed. This policy applies only to the installation of electric service by The Narragansett Electric Company (“Company”).”

- a. Is there ever a situation where a Customer subject to this Policy may require transmission level upgrades?
- b. If the answer to 1-5.a. is yes, please explain how those upgrades are effectuated, including cost estimation, cost allocation, and payment details.

Response:

- a. Yes, a distribution level customer could require transmission level upgrades. Only those transmission costs solely required to serve the customer would be considered under RIPUC No. 2243-A, Line Extensions and Construction Advance Policy for Commercial, Industrial and Existing Residential Customers – Policy 3. However, a transmission customer of NECo-T (which is administered by NEP) would follow applicable NEP/ISO policies, and Policy 3 would not be applicable.
- b. Since the distribution company is assessed any transmission upgrade costs when transmission upgrades are required to serve a distribution customers, all costs to the customer flow through the distribution company.; Therefore for distribution level customers requiring transmission level upgrades, the same Policy 3 Construction Advance formula $(A) = [C - [D \times M] \div K]$ would be used to determine the customers upfront contribution. The estimated cost of construction for any necessary distribution or transmission facilities required exclusively for the distribution customer would be included in the total estimated cost of construction (“C”). The distribution customer’s estimated annual distribution revenue, after taking into consideration the apportionment factor (“M”) and the Company’s annual carrying costs (“k”), is applied as a reduction to the customers upfront contribution.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-6

Request:

RIPUC No. 2244, Standards for Connecting Distributed Generation (DG Tariff) Table 2 Fee Schedules states, "Note 6. O & M is defined as the Company's operations and maintenance carrying charges on the incremental costs associated with serving the Interconnecting Customer." (Sheet 38).

- a. Is this O&M reference for ongoing O&M expenses or something else? Please explain in detail.
- b. Please explain how the O&M included in the various costs assessed to customers (study costs, system modification costs, etc.) is calculated.
- c. Does the Company charge an Interconnecting Customer ongoing annual O&M expense to dedicated distribution system modifications (such as a 23kV line from a project to a substation where the line serves no other customers)? If so, please explain.

Response:

- a. Yes, the reference is to annual O&M expenses (property taxes, maintenance of the upgrade, etc.). When the original interconnection tariff was developed and approved in the 2005-2006 timeframe) it was largely based on the FERC Small Generation Interconnection Procedures ("SGIP"), and this O&M language was part of the original SGIP. As the Company began implementing the tariff in the 2006 through 2012 period, upgrades for DG projects were minimal as most DG projects at the time were behind-the-meter projects, and the DG size was less than the peak load of the customer. From 2012 through approximately 2015, there was limited saturation of DG on the system. Therefore, as the Company began constructing stand-alone projects, the Company generally was able to provide service using existing distribution capacity. Consequently, upgrades were not as costly (typically under \$100,000) as they are today. The Company contemplated filing a request with the PUC for approval of an appropriate level of O&M costs at that time (which were estimated to be 5-10% of the initial costs of the project) but the Company had not conducted a comprehensive analysis. At that time, the Company believed that assessing an annual O&M value to small upgrades would require more internal resources than the amount that would be collected. Therefore, the Company did not file such a request.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-6, page 2

Starting in approximately in 2014, , DG-driven upgrade costs have significantly increased. Consequently, in Docket 4568 (2015), the Company, proposed an access fee design that included on-going O&M expenses in efforts to ensure that all customers paid their fair share The Company later withdrew this proposal and turned its attention to participating in the Docket 4600 stakeholder process. Since that time, the Company has not filed any new requests for approval of fees for distributed generation interconnecting customers that has included an on-going O&M expense Moreover, the Company has not included recovery of such costs as part of distribution upgrades costs.

- b. The O&M value as part of studies and system modifications is a term the Company has used for decades to identify non-capital costs. Examples of O&M reflected in upgrade estimates include, but are not limited to switching necessary to de-energize and re-energize parts of the distribution system as part of a project, pre-work inspections, police detail costs, and tree trimming. These costs are different from the ongoing O&M costs to maintain system integrity once the upgrades have been installed, such as, but not limited to, municipal taxes, system repairs due to storms, vehicle accidents, etc..
- c. No. The Company does not charge an Interconnecting Customer ongoing annual O&M expense to dedicated distribution system modifications Please see the response to subpart a. above.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-7

Request:

Please explain/show how customers are made aware of O&M costs as described in PUC 1-6, whether or not they are ongoing in the following attachments to the Interconnection Service Agreement: Attachment 1: Description of Facilities, including demarcation of Point of Common Coupling Attachment 2: Description of System Modifications Attachment 3: Costs of System Modifications and Payment Terms.

Response:

Please see the Company's response to PUC 1-6(b).

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-8

Request:

Do all transmission level upgrades have ongoing O&M costs that are assessed to Narragansett Electric through FERC-approved transmission rates? If so, please identify each type and the Company's allocation of costs to customers through its retail rate filing. Please give an example of the type of upgrade, the ongoing O&M calculation related to that upgrade, which FERC Tariff applies to the recovery, and how Narragansett currently recovers those costs at the retail level.

Response:

Yes. All transmission-level upgrades recovered through Regional Network Service ("RNS") and Local Network Service ("LNS") rates, or transmission-level upgrades that are direct assignment facilities to NECO (i.e., upgrades required to reliability interconnect distributed generation), have O&M costs that are assessed to The Narragansett Electric Company ("NECO").

Transmission-level upgrades, including the O&M costs, classified as Pool Transmission Facilities ("PTF") are pooled together for all New England Transmission Owners ("NETOs") and are recovered through RNS rates. RNS costs are charged to PTF customers based on their PTF load multiplied by the RNS rate in effect for that period as per Attachment F to the ISO-NE OATT. The RNS costs incurred by NECO are charged to customers through its retail transmission service rates proposed by NECO in its Annual Retail Rate Filings.

Upgrades that are classified as Non-Pool Transmission Facilities ("Non-PTF") are recovered through Local Network Service ("LNS") rates. LNS costs are charged to New England Power Company's ("NEP") Non-PTF customers based on their Non-PTF Load Ratio Share as per Schedule 21-NEP to the ISO-NE OATT. The LNS costs incurred by NECO are charged to customers through its retail transmission service rates proposed by NECO in its Annual Retail Rate Filings.

For those upgrades classified as a direct assignment facility, the O&M costs associated with them are calculated as per Attachment DAF to NEP's Schedule 21-NEP and charged directly to that respective customer.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
Ongoing Operation and Maintenance Expenses
Related to the Interconnection of Distributed Generation Project
(Non-Decisional Staff Review)
Responses to the Commission's First Set of Data Requests
Issued on December 6, 2021

PUC 1-9

Request:

Does the Interconnection Service Agreement "ISA" (Attachments 1-3) match the final Impact Study (design, description, costs, operating requirements, etc.)? If not, please explain.

Response:

Attachments 1-3 include the description of customer's interconnection facility, the description of the required system modification on the Company's EPS as a result of the system impact study, and the cost of system modifications mentioned in Attachment 2, tax liability assessment and any applicable payment plan. In the majority of cases, Attachments 1-3 match the final Impact Study; however, there are cases where a specific project is studied along with other projects when multiple projects from the same developer are connecting in the same area. In these instances, the costs reflect the total costs for the multiple projects from the impact study, and the costs are prorated between the individual projects in each individual ISA. This has been routinely done for large projects.

For the applications where the interconnection requires transmission upgrades or affected system operator upgrades, the Company also includes a cost of those upgrades and any recurring carrying charge in Attachment 3.