

May 10, 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 2

Dear Ms. Massaro:

I have enclosed an electronic version of National Grid's¹ responses to the Rhode Island Public Utilities Commission's Second 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,



Andrew S. Marcaccio

Enclosures

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

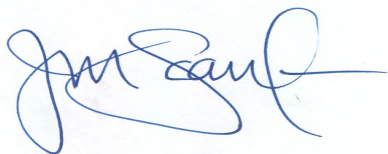
¹ The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

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

May 10, 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 1/6/2022

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The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5205
In Re: Review of Cost Allocation and Recovery of
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(Non-Decisional Staff Review)
Responses to the Commission's Second Set of Data Requests
Issued on April 19, 2022

PUC 2-1

Request:

Please explain the criteria New England Power uses to determine if a facility should be treated as a Direct Assignment Facility (DAF).

Response:

If a facility or portion of a facility will be constructed for the sole use/benefit of a particular customer requesting transmission or interconnection service under the ISO-NE Open Access Transmission Tariff (OATT) it will be treated as a DAF.

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PUC 2-2

Request:

What is the definition of facility for purposes of a DAF characterization?

Response:

Transmission or distribution facility(ies) owned, controlled, or operated by New England Power Company that are used to provide transmission or interconnection service for the sole use/benefit of a particular customer requesting transmission or interconnection service under the ISO-NE Open Access Transmission Tariff (OATT).

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PUC 2-3

Request:

How small can a DAF be (in other words, there is substation; line; transformer, etc.) Please explain. Please also include an explanation of whether there can be DAF installed within an existing or new substation. Please provide examples where they might be helpful.

Response:

A DAF can be any distribution facility and transmission facility which could include Transformation Facilities. Schedule 21-LS of the ISO-NE Open Access Transmission Tariff defines Transformation Facilities as “one or more transformers in a substation that step the voltage from the transmission voltage level to the distribution level.” Since each Project for transmission service and/ or interconnection to New England Power’s system is unique, it is difficult to determine how small a DAF could be.

For illustrative purposes, for a Generator Owner interconnection project, a DAF could include a radial transmission line, interconnecting to the Project’s substation, and the transformer located within that Project’s substation.

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PUC 2-4

Request:

Please provide a listing of all DAF in Rhode Island, including the party responsible for the payment of the annual DAF charges.

- a. For each, please explain whether the customer is connected directly to the transmission system or to the distribution system.
- b. Where the customer is Narragansett Electric, please identify whether the facility is designed to serve only one customer (or site) and provide a simple diagram showing whether the facility is a direct connect to the transmission system and whether the facility serves one or more retail customers.
- c. How does Narragansett Electric determine whether a DAF should be recovered from all retail customers or from a single customer (ignoring Block Island's statutory allocations)? If applicable, this question is not limited to distributed generation facilities.

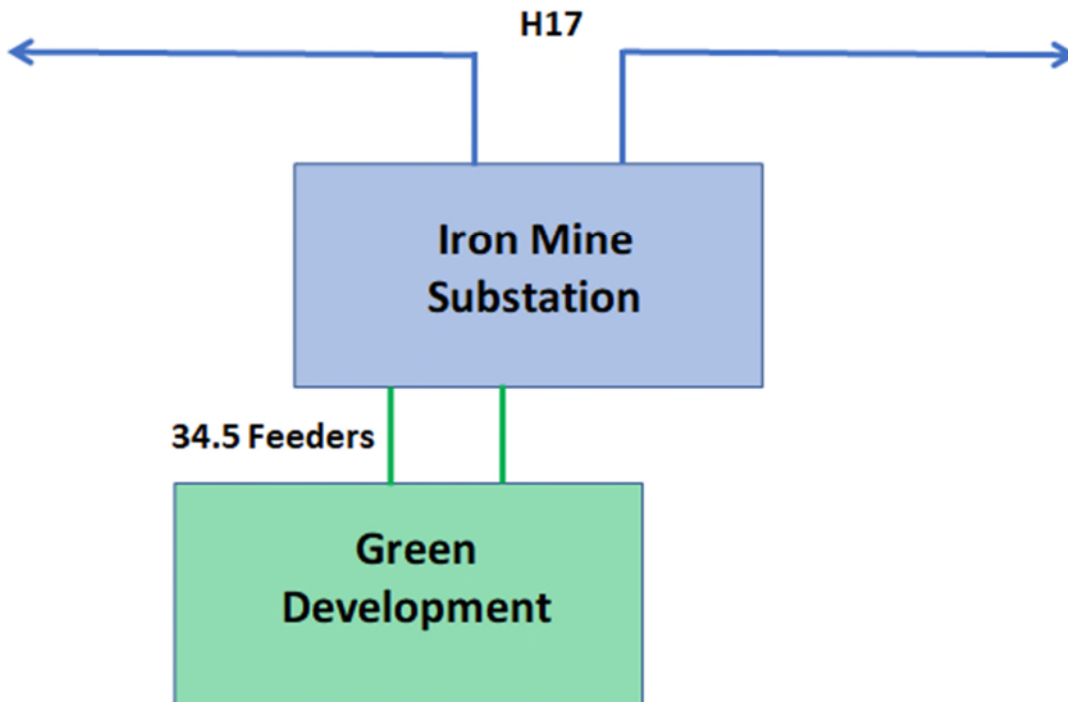
Response:

- a. As provided to The Narragansett Electric Company (NECO) by New England Power Company (NEP), below please see a list of all DAF charges for NEP customers in Rhode Island. The list includes the party responsible for the payment and whether the customer is connected directly to the transmission system or to the distribution system.

DAF Customer	Connection Type
Pascoag Utility District	Distribution
Broadrock Rhode Island Generation, LLC (SGIA)	Distribution
Block Island Power Company	Distribution
Deepwater Wind Block Island LLC	Distribution
Pawtucket Power Associates	Distribution
Broadrock Rhode Island Central Genco, LLC (Genco)	Transmission
Entergy Rhode Island State Energy L.P	Transmission
TransCanada Power (Ocean State)	Transmission
Tiverton Power LLC (Cogentrix Energy)	Transmission
Dominion Energy Manchester Street, Inc.	Transmission
The Narragansett Electric Company	Transmission

PUC 2-4, page 2

- b. The Direct Assignment Facilities Charge for NECO are related to transmission assets operated by NEP and installed at the request of NECO to enable NECO to continue to reliably serve its retail load customers while also effectuating the interconnection of a large, third party owned distributed energy project (the “Green Development Project”) to the NECO 34.5 kV distribution system. The facilities that underpin the Direct Assignment Facilities Charge to NECO are the Iron Mine Substation transmission assets that directly connect to the existing H17 115 kV transmission line and the new NECO 34.5 kV distribution feeder assets that currently only serve the Green Development Project. See below for a simple diagram of the Green Development Project interconnection and associated direct assignment facilities.



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- c. In the case of a distributed generation project that includes transmission system modifications, NECO's cost allocation principle is consistent with PUC cost causation precedent in that consistent with principles of equity, a party causing costs to be incurred will bear all the costs they cause. As a result, if a distributed generation project interconnecting pursuant to the NECO interconnection tariff triggers the need for transmission system upgrades, and their associated DAF charges, all those DAF costs borne by NECO will be allocated to the distributed generation project, to the extent the distributed generation project interconnection agreement allows for such allocation. This paradigm applies to the Iron Mine project for which Narragansett will bill a DAF to Green Development.

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PUC 2-5-A

Request:

Has Narragansett ever challenged New England Power's characterization of a facility as a DAF?
If so, please explain.

Response:

The Company is unaware of an instance where Narragansett challenged New England Power's characterization of a facility as a DAF. In the event the Company finds evidence that it did, it will supplement this response.

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PUC 2-5-B

Request:

Once a facility has been characterized as a DAF, can it later be recategorized as another type of facility (local network service, for example)? Please explain in detail. (Note, this is about the whole facility).

Response:

Yes. Any facility, whether a direct assignment facility, a local network facility or a regional network facility, may be re-classified for cost-allocation purposes under the ISO-NE Open Access Tariff (OATT) and its local service schedules and agreements if the facility no longer meets the definition of its original classification and such re-classification does not otherwise conflict with the ISO-NE OATT and legal precedent, or if so ordered by the Federal Energy Regulatory Commission or a court of competent jurisdiction. However, the reclassification of a facility is an extremely rare occurrence as the design, physical layout, and ownership of the transmission system is largely static and rarely changes in such a manner to require reclassification. Hypothetical situations in which reclassification of a transmission facility may occur involve a change in ownership of the facility, with a new transmission owner's FERC tariffs differing from those of the prior transmission owner, a substantial redesign of the facility and its connection to the administered transmission system, or a change in the number of wholesale transmission customers served by the facility.

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PUC 2-6

Request:

Conversely, once a facility has been characterized as, for example, a local network facility, can it later be recategorized as a DAF? (Note, this is about the whole facility).

Response:

Please see the Company's response to PUC 2-5-B.

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PUC 2-7

Request:

Please respond to the following hypothetical: Assume a new substation is built. It is categorized as a DAF but subsequently, it is used to serve new or existing load through the additions of modifications to the substation that include the addition of new distribution level feeders. Please explain the categorization of the substation and new feeders for purposes of the FERC tariffs (DAF, local network service, etc.). If diagrams or pictures would be helpful, please include.

Response:

In this hypothetical, we assume the substation in question is a transmission substation. The substation's initial classification as a direct assignment facility would likely not change after the addition of new distribution feeders. The relevant FERC tariffs that would be implicated are Schedule 11 to the ISO-NE Open Access Tariff (OATT) if the substation was constructed in connection with an interconnection pursuant to Schedules 22, 23 or 25 of the ISO-NE OATT, or Schedule 21-NEP to the ISO-NE OATT if the substation was constructed in connection with a request for new or modified transmission service.

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PUC 2-8

Request:

Please respond to the following hypothetical: Assume a new substation is built but is not listed as a DAF in FERC-approved tariffs. Can that facility, following operation and the commencement of regulatory cost recovery, later be categorized as a DAF? Can a portion of that facility (now existing) later be categorized as a DAF without categorizing the whole facility as a DAF? Please explain.

Response:

Please see the Company's response to PUC 2-6.