

September 8, 2022

VIA ELECTRONIC MAIL

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

RE: Docket 5206 - DG Interconnection Projects
Review of Administrative Issues Related to Interconnection Process
Responses to PUC Data Requests - Set 6

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the "Company"), enclosed please find the electronic version of the Company's responses to the Public Utilities Commission's Sixth Set of Data Requests in the above-referenced matter.

Please be advised that the Company's response to PUC 6-5 contains confidential and privileged information. Pursuant to 810-RICR-00-00-1.3(H)(3) and R.I. Gen. Laws § 38-2-2-(4)(A)(I)(b), the Company respectfully requests that the Commission treat the information contained in PUC 6-5 as confidential pursuant to the attached Motions for Protective Treatment. In accordance with 810-RICR-00-00-1.3(H)(2), the Company also respectfully requests that the Commission make a preliminary finding that the information redacted in the public version is exempt from the mandatory public disclosure requirements of the Rhode Island Access to Public Records Act ("APRA").

Thank you for your attention to this transmittal. If you have any questions, please contact me at 401-784-7263.

Sincerely,

Andrew S. Marcaccio

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Enclosure

cc: Docket 5205/5206 Service List

John Bell, Division

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

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In Re: Review of Administrative Issues)	
Related to the Distributed Generation)	Docket No. 5206
Interconnection Process)	
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)	

MOTION OF THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND ENERGY FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION

The Narragansett Electric Company d/b/a Rhode Island Energy (the "Company") hereby respectfully requests that the Public Utilities Commission ("PUC") grant protection from public disclosure certain confidential information submitted by the Company in the above-referenced docket. The reasons for the protective treatment are set forth herein. The Company also requests that, pending entry of that finding, the PUC preliminarily grant the Company's request for confidential treatment pursuant to 810-RICR-00-00-1.3(H)(2).

The record that is the subject of this Motion that requires protective treatment from public disclosure is the confidential version of the Company's response to PUC 6-5 ("Confidential PUC 6-5") that was filed by the Company in the above-referenced docket on September 8, 2022. The Company requests protective treatment of the Confidential PUC 6-5 in accordance with 810-RICR-00-00-1.3(H) and R.I. Gen. Laws § 38-2-2(4)(B).

I. LEGAL STANDARD

For matters before the PUC, a claim for protective treatment of information is governed by the policy underlying the Access to Public Records Act ("APRA"), R.I. Gen. Laws § 38-2-1 et seq. See 810-RICR-00-00-1.3(H)(1). Under APRA, any record received or maintained by a

state or local governmental agency in connection with the transaction of official business is considered public unless such record falls into one of the exemptions specifically identified by APRA. See R.I. Gen. Laws §§ 38-2-3(a) and 38-2-2(4). Therefore, if a record provided to the PUC falls within one of the designated APRA exemptions, the PUC is authorized to deem such record confidential and withhold it from public disclosure.

II. BASIS FOR CONFIDENTIALITY

Confidential PUC 6-5 that is the subject of this Motion is exempt from public disclosure pursuant to R.I. Gen. Laws § 38-2-2(4)(B) as "[t]rade secrets and commercial or financial information obtained from a person, firm, or corporation that is of a privileged or confidential nature." The Rhode Island Supreme Court has held that this confidential information exemption applies where the disclosure of information is likely either (1) to impair the government's ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. *Providence Journal v.*Convention Center Authority, 774 A.2d 40 (R.I. 2001). The first prong of the test is satisfied when information is provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained.

Providence Journal, 774 A.2d at 47. In this case, the Company would not customarily release this information to the public. The submission of Confidential PUC 6-5 to the PUC is needed to answer the data request issued by the PUC. Accordingly, the Company is providing Confidential PUC 6-5 to fulfil its regulatory responsibilities in connection with the above-referenced docket.

In addition, the release of Confidential PUC 6-5 is likely to cause substantial harm to the competitive position of the Company. Confidential PUC 6-5 contains commercially sensitive market information, the disclosure of which could affect the Company's ability to negotiate competitive terms with its vendors.

III. CONCLUSION

For the foregoing reasons, the Company respectfully requests that the PUC grant this motion for protective treatment of Confidential PUC 6-5.

Respectfully submitted,

The Narragansett Electric Company d/b/a Rhode Island Energy

By its attorney,

Andrew S. Marcaccio (#8168)

Rhode Island Energy 280 Melrose Street Providence, RI 02907

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(401) 784-4263

Dated: September 8, 2022

CERTIFICATE OF SERVICE

I hereby certify that on September 8, 2022, I delivered a true copy of the foregoing Motion via electronic mail to the parties on the Service List for Docket No. 5206.

Joanne Scanlon

PUC 6-1

Request:

Referencing the assumptions listed on Slide 12 of the August 11, 2022 presentation, do these make up the 30% contingency listed in the table on Slide 13? Please explain.

Response:

No, the assumptions on Slide 12 of the August 11, 2022 presentation do not explicitly make up the 30% contingency listed in the table on Slide 13. The contingency is a general adder and is not assigned to a specific risk. Past estimating efforts have attempted to quantify specific risks; however, those efforts often resulted in higher contingency amounts. The Company has determined a general contingency adder is a reasonable approach.

PUC 6-2

Request:

For each of the contingencies listed in red on Slide 12 of the August 11, 2022 presentation, can the company provide additional detail, for example, where curb to curb is assumed, the volume and time for traffic protection? If so, are there generic dollar values or percentages that are included? Please explain.

Response:

Yes, the Company can provide additional detail for certain design inputs listed in red on Slide 12 of the August 11, 2022 presentation. The items and explanations are as follows:

- <u>Design adjusted for clearances and asset condition not identified initially</u> The design will incorporate known asset condition and clearance adjustments per pole and per conductor. A generic dollar value or percentage cannot be provided. To provide the dollar value, the job would need to be redesigned ignoring the asset condition and clearance issues. In certain cases, a percent pole replacement amount is estimated. Where a percent pole replacement is estimated, this percentage can be provided.
- Easements and proper rights determined/obtained Easement and property rights costs
 are included in general design labor costs. These costs are generally low, and it may not
 be practical to revise estimating procedures to extract out such costs. The Company may
 be able to provide a count of items such as pole and guy anchor easements or
 underground equipment easements.
- Environmental and municipal permits determined/obtained Environmental and municipal permit costs are included in general design labor costs. These costs are generally low, and it may not be practical to revise estimating procedures to extract out such costs. The Company may be able to provide a count of items such as municipal pole petitions. Interconnection customers currently are involved and aware of environmental permits to conduct the constructions.
- <u>Traffic protection determined</u> The Company can provide estimated traffic protection costs.
- <u>Underground systems</u> repaying details determined The Company can provide repaying assumptions. Initially, these can be provided by a scope statement (such as curb-to-curb repaying) and later with estimated costs.

PUC 6-3

Request:

This is a different question from 6-2. Could the Company include additional information in Impact Studies relative to the line item estimates that include the assumptions made in developing the estimate? Please explain.

Response:

Yes, the Company believes the Impact Study is the proper place to include the estimate inputs described in the Company's response to PUC 6-2. Please note that the Company is not intending to create a new detailed estimate format but to explain the estimate assumptions as caveats.

PUC 6-4

Request:

At the August 11, 2022 meeting, PUC Staff understood that the 30% contingency listed in the table on Slide 13 is an internal standard to allow the Company to provide a +/-25% estimate that should result in a 10% level cost. Please confirm or clarify this understanding. Will the built-in contingency be affected going forward by inflation, supply chain constraints, etc.? If so, is it possible to provide transparency on that contingency amount if it changes in future Impact Studies?

Response:

The 30% contingency listed in the table on Slide 13 is not an internal standard specifically to allow the Company to provide a +/-25% estimate that should result in a 10% level cost. The Company considers the 30% contingency as an appropriate amount to cover the risks at the time of estimation, and Company representatives did use that statement to explain why a 30% contingency level is appropriate. The contingency level could be affected by any uncertainty including changing inflation rates and supply chain constraints. As stated in the Company's response to PUC 6-1, the contingency is a general adder and is not assigned to a specific risk or a sum of risks. The Company could provide general statements on its current contingency levels based on recent project performance but would not be able to provide a mathematical sum to arrive at the percentage.

Redacted PUC 6-5

Request:

Please explain the inventory process for calculating unit costs and how items get charged to capital projects. Is this the same process used for the ISR capital projects and customer driven projects?

Response:

The inventory process is managed through Central Distribution Centers. When stock materials are purchased, they are charged and stored in the Central Distribution Center until they are issued to specific projects.

When inventory is moved from a Central Distribution Center for use in connection with a capital project, a transaction occurs to move the cost of the material from inventory to the project. The transaction is calculated based on the moving average price of each item, which is why an invoice for each item cannot be produced. The inventory process is the same for ISR plan projects and customer- driven projects.

For illustration, the inventory price for a 50-yard roll of 120 Grid Aluminum Oxide sandpaper was chosen. Figure (1) on page 2 of this response is the inventory report for this item. The numbers in red ovals in Figure (1) correspond to the steps below. The report shows:

• On March 21st – 10 rolls were received at \$ 1. 10 units at \$ (starting inventory) 2. Lot cost for 10 units received was \$ 3. Inventory level after receipt of 10 units was 20 4. Unit price of \$ = ()/(10+10) Stock issued 5. March 21st 5 rolls were issued 6. March 30th 5 rolls were issued 7. May 12th 5 rolls were issued 8. Remaining 5 units with inventory value of \$ • On May 18th – 10 rolls were received 9. 10 units at in \$ (units received) 10. New inventory level 15 units 11. New unit price of \$ = ()/(5+10)

Redacted PUC 6-5, page 2

Figure (1)
Stock Card and Inventory Material Report for 50-yard roll of
120 Grid Aluminum Oxide sandpaper



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.



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)

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