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Also admitted in Massachusetts

June 8, 2022

**BY HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Rhode Island Energy Electric Revenue Decoupling Mechanism Reconciliation Filing  
Year Ending March 31, 2022  
Docket No. 5258**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”), enclosed please find the Company’s responses to the First Set of Data Requests issued by the Public Utilities Commission in the above-referenced matter.

Thank you for your attention to this filing. If you have any questions, please contact me at 401-709-3337.

Sincerely,



Leticia C. Pimentel

Enclosures

cc: Leo Wold, Esq.  
John Bell, Division  
Docket 5258 Service List

**Docket No. 5278 – Rhode Island Energy – 2022 Electric Revenue Decoupling Mechanism (RDM) Reconciliation Filing**

**Service List updated 6/8/2022**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone</b>
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<b>File an original &amp; 9 copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2017
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	
	<a href="mailto:John.harrington@pudc.ri.gov">John.harrington@pudc.ri.gov</a> ;	
	<a href="mailto:Emma.Rodvien@puc.ri.gov">Emma.Rodvien@puc.ri.gov</a> ;	

The Narragansett Electric Company  
d/b/a Rhode Island Energy  
PUC Docket No. 5258  
In Re: The Narragansett Electric Company  
Electric Company Revenue Decoupling Mechanism  
Reconciliation Filing for the year Ending March 31, 2022  
Responses to Commission's First Set of Data Requests  
Issued June 1, 2022

PUC 1-1

Request:

Referencing the Estimated Components of Variance table included in the pre-filed testimony, please explain the following:

- a. Please explain what the Rate Year Forecast Variance row represents and how you derived the numbers included in that row.
- b. Please explain what the Underlying Growth row represents and how you derived the numbers included in that row.
- c. When developing the rate year forecast for the 2022 RDM year, did the Company treat load growth from electric vehicles and electric heating as part of its Underlying Growth assumptions, or were they separately forecast?
- d. The table indicates that variance in Underlying Growth for residential customers was 6.7%, while variance in Electric Vehicles for that same group was only 0.4%. What drove the 6.7% increase in Underlying Growth for residential customers if not load growth from Electric Vehicles?

Response:

- a. The Rate Year Forecast Variance row represents the variance between the weather-normalized actual of the 2022 RDM year (April 2021 through March 2022) and the forecast in the rate design in Docket No. 4770 for the period September 2018 through August 2019 (rate year 1 of the multi-year rate plan).

The formula for calculating the Rate Year Forecast Variance is defined as follows and the variances are showing in percent values:

Rate Year Forecast Variance = (weather-normalized actual - forecast)-1

- b. The Underlying Growth implies the underlying growth from the rate year forecast to the 2022 RDM year actual, after accounting for variances of all other listed factors including energy efficiency, solar PV, electric vehicles, weather, days billed, and rate year forecast variance.

In Re: The Narragansett Electric Company  
Electric Company Revenue Decoupling Mechanism  
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The Underlying Growth was calculated by subtracting variances of energy efficiency, solar PV, electric vehicles, weather, days billed, and rate year forecast from the variance between the RDM year actual and the rate year forecast.

- c. The rate year forecast was used in the rate design in Docket No. 4770. Load growth from electric vehicles and electric heat pumps were not forecasted separately in that forecast.
- d. The Underlying Growth variance is comparing the 2022 RDM year to the rate year (September 2018 to August 2019). The number is showing the cumulative change over a period of about three years from September 2018 to August 2019 to the 2022 RDM year, not a single year change.

The Company has observed the following changes from the rate year to the 2022 RDM year that contributed to the underlying growth:

- The customer counts of the 2022 RDM year have grown, compared to the rate year.
- The usage per customer in the 2022 RDM year have grown, compared to the rate year.
- There has been some growth from electric heat pump load, compared to the rate year. However, the impact of electric heat pump load to the total load is still small, less than 0.5%.

The Narragansett Electric Company  
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Electric Company Revenue Decoupling Mechanism  
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Issued June 1, 2022

PUC 1-2

Request:

Please update Attachment PUC 1-3 from Docket No. 5157 with the period of April 2021 – March 2022.

Response:

Please see Attachment PUC 1-2 for the requested information.

The Narragansett Electric Company  
Billed Revenue and Forecast/Annual Target Revenue by Revenue Type  
For the Period April 1, 2021 through March 31, 2022

	Billed Revenue	Forecast/ Annual Target Revenue	Variance/ Contribution to Net Over Recovery
	(a)	(b)	(c)
(1) Customer Charge	\$66,438,547	\$68,243,339	(\$1,804,792)
(2) Lighting Equipment	\$3,673,904	\$7,082,460	(\$3,408,556)
(3) Second Feeder Service	\$1,823,433	\$1,244,762	\$578,671
(4) Back-Up Distribution	\$70,446	\$75,561	(\$5,115)
(5) Distribution Optional Demand	\$32,507	\$0	\$32,507
(6) Distribution Demand Charge	\$44,049,799	\$45,238,308	(\$1,188,509)
(7) Supplemental Distribution	\$190,236	\$165,981	\$24,255
(8) Transformer Ownership	(\$1,314,960)	(\$1,493,923)	\$178,963
(9) Distribution kWh Charge	\$184,690,103	\$179,429,318	\$5,260,785
(10) Minimum Bill Provision	\$32,544	\$30,569	\$1,975
(11) 1% High Voltage Metering Credit	(\$366,729)	(\$443,949)	\$77,220
(12) AMR Opt Out	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
(13) Total	\$299,319,830	\$299,572,427	(\$252,597)
(14) Rate Design Variance		(\$7,300)	\$7,300
(15) Adjustment to Annual Target Revenue for ADIT		(\$274,500)	\$274,500
(16) Adjusted Total	\$299,319,830	\$299,305,227	\$14,603

(a) Page 2, Column (n)

(b) Page 3, Column (n)

(c) Column (a) - Column (b)

(13) Sum of lines (1) - (12)

(14) Page 3, Line (14), Column (n)

(15) Page 3, Line (15), Column (n)

(16) Line (13) - Line (14) + Line (15)

The Narragansett Electric Company  
Billed Revenue by Revenue Type and Month  
For the Period April 1, 2021 through March 31, 2022

	Apr-21 (a)	May-21 (b)	Jun-21 (c)	Jul-21 (d)	Aug-21 (e)	Sep-21 (f)	Oct-21 (g)	Nov-21 (h)	Dec-21 (i)	Jan-22 (j)	Feb-22 (k)	Mar-22 (l)	Apr-22 (m)	Grand Total (n)
(1) Customer Charge	\$2,539,625	\$5,506,044	\$5,648,117	\$5,375,826	\$5,613,903	\$5,395,332	\$5,568,525	\$5,392,590	\$5,377,648	\$5,530,328	\$5,705,060	\$5,544,087	\$3,241,462	\$66,438,547
(2) Lighting Equipment	\$177,662	\$318,570	\$337,037	\$389,957	\$365,380	(\$4,798)	\$350,035	\$334,850	\$261,348	\$372,140	\$327,075	\$235,253	\$209,395	\$3,673,904
(3) Second Feeder Service	\$67,030	\$143,685	\$143,685	\$143,685	\$143,685	\$115,288	\$161,190	\$101,984	\$162,240	\$208,842	\$124,040	\$216,233	\$91,846	\$1,823,433
(4) Back-Up Distribution	\$2,701	\$5,789	\$5,789	\$5,789	\$5,770	\$5,770	\$5,770	\$5,770	\$5,770	\$5,770	\$6,102	\$6,102	\$3,554	\$70,446
(5) Distribution Optional Demand	\$283	\$1,399	\$1,684	\$3,139	\$2,785	\$3,711	\$1,822	\$1,830	\$4,871	\$5,868	\$4,601	\$404	\$110	\$32,507
(6) Distribution Demand Charge	\$1,548,432	\$3,240,453	\$3,808,579	\$4,004,694	\$4,019,752	\$3,923,945	\$3,816,939	\$3,519,695	\$3,445,229	\$3,323,624	\$3,699,129	\$3,681,906	\$2,017,422	\$44,049,799
(7) Supplemental Distribution	\$8,005	\$25,532	\$23,094	\$21,366	\$15,518	\$17,617	\$14,431	\$12,264	\$13,261	\$13,208	\$7,848	\$12,455	\$5,637	\$190,236
(8) Transformer Ownership	(\$45,904)	(\$92,725)	(\$105,666)	(\$123,236)	(\$121,452)	(\$118,903)	(\$116,424)	(\$105,108)	(\$104,043)	(\$105,926)	(\$106,805)	(\$109,412)	(\$59,356)	(\$1,314,960)
(9) Distribution kWh Charge	\$6,125,216	\$11,633,384	\$14,944,452	\$17,967,686	\$19,842,314	\$19,061,406	\$13,870,750	\$11,774,278	\$14,502,389	\$15,999,932	\$16,480,976	\$14,654,186	\$7,833,134	\$184,690,103
(10) Minimum Bill Provision	\$1,361	\$2,039	\$2,547	\$2,177	\$2,862	\$2,788	\$2,862	\$2,177	\$2,779	\$3,241	\$2,769	\$3,270	\$1,672	\$32,544
(11) 1% High Voltage Metering Credit	(\$14,688)	(\$28,915)	(\$35,676)	(\$38,641)	(\$37,398)	(\$33,268)	(\$34,213)	(\$24,955)	(\$30,153)	(\$20,114)	(\$21,109)	(\$28,427)	(\$19,172)	(\$366,729)
(12) AMR Opt Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Total	\$10,409,723	\$20,755,255	\$24,773,642	\$27,752,442	\$29,853,119	\$28,368,888	\$23,641,687	\$21,015,375	\$23,641,339	\$25,336,913	\$26,229,686	\$24,216,057	\$13,325,704	\$299,319,830

(a) prorated for usage on and after April 1  
(m) prorated for usage prior to April 1

source: Company billing records and R.I.P.U.C. Docket No. 5258, Schedule NECO-1, Page 4

The Narragansett Electric Company  
Forecast/Annual Target Revenue by Revenue Type and Month  
For the Period April 1, 2021 through March 31, 2022

	Apr-21 (a)	May-21 (b)	Jun-21 (c)	Jul-21 (d)	Aug-21 (e)	Sep-21 (f)	Oct-21 (g)	Nov-21 (h)	Dec-21 (i)	Jan-22 (j)	Feb-22 (k)	Mar-22 (l)	Grand Total (n)
(1) Customer Charge	\$5,126,721	\$5,040,900	\$5,230,728	\$6,394,899	\$6,931,234	\$6,236,629	\$5,344,179	\$5,032,335	\$5,649,314	\$6,086,859	\$5,705,369	\$5,464,171	\$68,243,339
(2) Lighting Equipment	\$532,064	\$523,157	\$542,858	\$663,678	\$719,340	\$647,253	\$554,632	\$522,268	\$586,300	\$631,709	\$592,117	\$567,085	\$7,082,460
(3) Second Feeder Service	\$93,512	\$91,946	\$95,409	\$116,643	\$126,426	\$113,756	\$97,478	\$91,790	\$103,044	\$111,025	\$104,066	\$99,667	\$1,244,762
(4) Back-Up Distribution	\$5,676	\$5,581	\$5,792	\$7,081	\$7,674	\$6,905	\$5,917	\$5,572	\$6,255	\$6,740	\$6,317	\$6,050	\$75,561
(5) Distribution Optional Demand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Distribution Demand Charge	\$3,398,488	\$3,341,598	\$3,467,434	\$4,239,160	\$4,594,694	\$4,134,243	\$3,542,641	\$3,335,920	\$3,744,914	\$4,034,961	\$3,782,072	\$3,622,183	\$45,238,308
(7) Supplemental Distribution	\$12,469	\$12,260	\$12,722	\$15,554	\$16,858	\$15,169	\$12,998	\$12,240	\$13,740	\$14,804	\$13,877	\$13,290	\$165,981
(8) Transformer Ownership	(\$112,230)	(\$110,351)	(\$114,506)	(\$139,991)	(\$151,732)	(\$136,527)	(\$116,990)	(\$110,163)	(\$123,670)	(\$133,248)	(\$124,897)	(\$119,617)	(\$1,493,923)
(9) Distribution kWh Charge	\$13,479,470	\$13,253,824	\$13,752,932	\$16,813,838	\$18,223,999	\$16,397,705	\$14,051,223	\$13,231,305	\$14,853,503	\$16,003,921	\$15,000,885	\$14,366,713	\$179,429,318
(10) Minimum Bill Provision	\$2,296	\$2,258	\$2,343	\$2,865	\$3,105	\$2,794	\$2,394	\$2,254	\$2,531	\$2,727	\$2,556	\$2,448	\$30,569
(11) 1% High Voltage Metering Credit	(\$33,351)	(\$32,793)	(\$34,028)	(\$41,601)	(\$45,090)	(\$40,572)	(\$34,766)	(\$32,737)	(\$36,751)	(\$39,597)	(\$37,116)	(\$35,546)	(\$443,949)
(12) AMR Opt Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Total	\$22,505,116	\$22,128,380	\$22,961,684	\$28,072,125	\$30,426,507	\$27,377,355	\$23,459,706	\$22,090,784	\$24,799,179	\$26,719,901	\$25,045,246	\$23,986,443	\$299,572,427
(14) Rate Design Variance	(\$548)	(\$539)	(\$560)	(\$684)	(\$742)	(\$666)	(\$572)	(\$538)	(\$604)	(\$651)	(\$610)	(\$585)	(\$7,300)
(15) Adjustment to Annual Target Revenue for ADIT	(\$20,622)	(\$20,276)	(\$21,040)	(\$25,723)	(\$27,880)	(\$25,086,03)	(\$21,496,27)	(\$20,241,92)	(\$22,723,64)	(\$24,483,60)	(\$22,949,11)	(\$21,978,92)	(\$274,500)
(16) Adjusted Total/Annual Target Revenue	\$22,484,043	\$22,108,643	\$22,941,204	\$28,047,086	\$30,399,369	\$27,352,936	\$23,438,781	\$22,071,080	\$24,777,060	\$26,696,068	\$25,022,907	\$23,965,049	\$299,305,226

(1) - (12), (14) Per R.I.P.U.C. Docket Nos. 4770/4780, Compliance Attachment 9, Schedules 4A - 4F for specific Rate Year ATR by Rate Class and Revenue Type multiplied by the applicable monthly allocation % from R.I.P.U.C. Docket No. 5258, Schedule NECO-1, Page 3, Column (b)  
(15) RIPUC Docket No. 4770, In RE: Excess Deferred Income Tax True-Up, Rebuttal Attachment 1, Pages 1 - 2 for specific Rate Year, Column (a)-(c), Line (1) multiplied by the applicable monthly allocation % from R.I.P.U.C. Docket No. 5258, Schedule NECO-1, Page 3, Column (b)  
(16) Line (13) - Line (14) + Line (15)