

LETICIA C. PIMENTEL

One Financial Plaza, 14th Floor  
Providence, RI 02903-2485  
Main (401) 709-3300  
Fax (401) 709-3378  
lpimentel@rc.com  
Direct (401) 709-3337

Also admitted in Massachusetts

September 15, 2022

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 5076 – 2021 Energy Efficiency Plan Year-End Report  
Response to PUC Data Requests – Set 5**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”), I have enclosed the Company’s response to the Fifth Set of Data Requests issued by the Public Utilities Commission in the above-referenced docket. On September 12, 2022, the Company filed its response to PUC 5-2 and obtained an extension to file PUC 5-1. The enclosed is a complete set of the Company’s response to the PUC’s Fifth Set of Data Requests.

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

Sincerely,



Leticia C. Pimentel

Enclosure

cc: Docket 5076 Service List  
Margaret L. Hogan  
John Bell, Division  
Joel Munoz, Division

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.

Heidi J. Seddon

September 15, 2022

Date

**Docket No. 22-19-EL – The Narragansett Electric Company d/b/a Rhode Island Energy Pension Adjustment Factor Service List as of 8/19/2022**

Name/Address	E-mail Distribution List	Phone
<p><b>Rhode Island Energy</b> Andrew Marcaccio, Esq. PPL Services Corporation 280 Melrose St. Providence, RI 02907</p> <p>Leticia C. Pimentel, Esq. Robinson &amp; Cole LLP One Financial Plaza, 14th Floor Providence, RI 02903</p>	<p><a href="mailto:amarcaccio@pplweb.com">amarcaccio@pplweb.com</a>;</p> <p><a href="mailto:cobrien@pplweb.com">cobrien@pplweb.com</a>;</p> <p><a href="mailto:jhutchinson@pplweb.com">jhutchinson@pplweb.com</a>;</p> <p><a href="mailto:jscanlon@pplweb.com">jscanlon@pplweb.com</a>;</p> <p><a href="mailto:jdrichards@rienergy.com">jdrichards@rienergy.com</a>;</p> <p><a href="mailto:jldarling@rienergy.com">jldarling@rienergy.com</a>;</p> <p><a href="mailto:dmmoreira@rienergy.com">dmmoreira@rienergy.com</a>;</p> <p><a href="mailto:barivers@rienergy.com">barivers@rienergy.com</a>;</p> <p><a href="mailto:bsfeldman@rienergy.com">bsfeldman@rienergy.com</a>;</p> <p><a href="mailto:djtukey@rienergy.com">djtukey@rienergy.com</a>;</p> <p><a href="mailto:fcharlot@rienergy.com">fcharlot@rienergy.com</a>;</p> <p><a href="mailto:eecrafts@rienergy.com">eecrafts@rienergy.com</a>;</p> <p><a href="mailto:bjpelletier@rienergy.com">bjpelletier@rienergy.com</a>;</p> <p><a href="mailto:jkessler@rienergy.com">jkessler@rienergy.com</a>;</p> <p><a href="mailto:LPimentel@rc.com">LPimentel@rc.com</a>;</p> <p><a href="mailto:skbreininger@pplweb.com">skbreininger@pplweb.com</a>;</p> <p><a href="mailto:rjreybitz@pplweb.com">rjreybitz@pplweb.com</a>;</p>	<p>401-784-4263</p>
<p>Division of Public Utilities and Carriers Jon Hagopian, Esq.</p>	<p><a href="mailto:Jon.hagopian@dpuc.ri.gov">Jon.hagopian@dpuc.ri.gov</a>;</p> <p><a href="mailto:Margaret.L.Hogan@dpuc.ri.gov">Margaret.L.Hogan@dpuc.ri.gov</a>;</p> <p><a href="mailto:john.bell@dpuc.ri.gov">john.bell@dpuc.ri.gov</a>;</p> <p><a href="mailto:Joel.munoz@dpuc.ri.gov">Joel.munoz@dpuc.ri.gov</a>;</p> <p><a href="mailto:Michelle.Barbosa@dpuc.ri.gov">Michelle.Barbosa@dpuc.ri.gov</a>;</p> <p><a href="mailto:Machaela.Seaton@dpuc.ri.gov">Machaela.Seaton@dpuc.ri.gov</a>;</p> <p><a href="mailto:gschultz@riag.ri.gov">gschultz@riag.ri.gov</a>;</p>	<p>401-784-4775</p>
<p>Tim Woolf</p>	<p><a href="mailto:twoolf@synapse-energy.com">twoolf@synapse-energy.com</a>;</p>	

Jennifer Kallay Synapse Energy Economics 22 Pearl Street Cambridge, MA 02139		
	<a href="mailto:jkallay@synapse-energy.com">jkallay@synapse-energy.com;</a>	

PUC 5-1

Request:

In Table G-1 of the 2021 Year-End Report, the Company showed that actual "Implementation Expenses" for the Gas EnergyWise program were approximately \$8.1 million higher than planned. Then, in Schedule 1a of the 2021 Year-End Report (Program and Sector Cost Summary), the Company showed that actual "Cost of Services and Product Rebates/Incentives Provided to Customers" was \$13.7 million, \$7.1 million higher than the planned "Cost of Services and Product Rebates/Incentives Provided to Customers" contained in Table G-2 of the Compliance Filing dated December 23, 2020 (listed as approximately \$6.6 million). Finally, in response to PUC 4-1, the Company showed that actual "Incentive Spend" was only approximately \$4.1 million higher than planned "Incentive Spend" as of December 2020 (calculated by adding together the difference between each row). Please clarify the following:

- a) What is the difference between "Cost of Services and Product Rebates/Incentives Provided to Customers" and "Incentive Spend"? In your response, note the specific categories of expense included in each.
- b) Why does the overspend on "Cost of Services and Product Rebates/Incentives Provided to Customers" appear to be \$3 million higher than the overspend on "Incentive Spend"? Please provide a detailed explanation, including supporting data and schedules.
- c) If the data in the Company's response to PUC 4-1 is accurate, where did the remaining \$3.1 million overspend come from if not from "Incentive Spend"?

Response:

- a) There is no difference between "Cost of Services and Product Rebates/Incentives Provided to Customers" and "Incentive Spend". "Incentive Spend" is a shorthand descriptor for the longer name "Cost of Services and Product Rebates/Incentives Provided to Customers."
- b) The data provided in the Company's response to PUC 4-1 was incorrect. It was calculated based on average planned weatherization costs for the 2021 program year. Because of the various percentages of weatherization project costs covered by incentives in 2021, the average actual cost was greater and the calculation has been updated in the table below.

The Narragansett Electric Company  
d/b/a Rhode Island Energy  
RIPUC Docket No. 5076  
In Re: Review of 2021 Year-End Report  
Responses to the Commission’s Fifth Set of Data Requests  
Issued on August 26, 2022

**COMPANY NATURAL GAS ENERGY EFFICIENCY IN RHODE ISLAND**

Gas Non-Income Eligible EnergyWise  
Planned vs. Actual Units and Incentive Spend  
Program Year 2021

Program	Measure	Units		Incentive Spend	
		Planned	Actual	Planned	Actual
EnergyWise	Aerator	110	692	\$1,100	\$6,920
	Weatherization	1,947	3,189	\$6,238,188	\$13,263,051
	Air Sealing Kit (Gas)	575	408	\$12,075	\$8,568
	Showerhead	325	1,695	\$6,825	\$35,595
	Pipe Wrap	4,928	5,151	\$64,064	\$66,963
	THERMOSTAT	1,500	2,659	\$180,000	\$319,080
	WiFi THERMOSTAT	250	118	\$52,000	\$24,544
					\$13,724,721

- c) As explained in the Company’s response to section (b) above, the data in the Company’s response to PUC 4-1 is not accurate.

PUC 5-2

Request:

Schedule 7 of the 2021 Year-End Report shows that actual Sales, Technical Assistance, and Training (STAT) expenses for the Gas EnergyWise program were \$2.2 million, \$1.2 million higher than the planned STAT expenses contained in table G-2 of the Compliance Filing dated December 23, 2020 (listed as approximately \$1 million). Please explain the following:

- a) What specific factors resulted in the \$1.2 million STAT overspend?
- b) What specific things was the \$1.2 million STAT overspend spent on? In your response, please provide more specific answers than "internal labor" or "external labor."
- c) The Company has testified that some STAT costs are fixed in nature while some STAT costs are variable (i.e. scale with program activity). Please explain how much of the \$1.2 million STAT overspend consisted of fixed costs vs. variable costs.
- d) Please provide a detailed breakdown of the \$1.2 million STAT overspend by Gas EnergyWise program measure. Include in your answer how much of the overspend was driven by weatherizations.

Response:

- a.) Sales, Technical Assistance, and Training ("STAT") expenses are a combination of fixed and variable expenses. The majority of the STAT costs are incurred as a percentage of overall weatherization project costs. As the number of customers served increases, so does the overall total project costs and correspondingly so does the STAT expense. The increased STAT overspend is related to serving more weatherization customers in 2021 than planned. The fixed STAT costs remained the same regardless of the overspend.
- b.) For the EnergyWise program, the STAT overspend expense is associated with Lead Vendor labor costs to oversee the weatherization projects. The Lead Vendor works with Independent Insulation Contractors if project scope changes are needed, provides technical assistance on issues that arise in the course of the weatherization project, and verifies completion of the project scope.
- c.) The additional STAT costs are variable costs that come from the Lead Vendor providing technical oversight of the weatherization work.
- d.) The STAT expense for technical oversight by the Lead Vendor is 14% of the weatherization project costs, inclusive of air sealing. The calculation for STAT overspend in 2021 using the customer incentive as a proxy shows that the EnergyWise Gas program exceeded the planned incentive budget by \$7.2 million. 14% of the incentive budget would correspond to an increased STAT expense of \$1 million. The additional overspend amount can be attributed to projects that received less than a 100% incentive since the STAT oversight is based on the total project cost.