

February 13, 2023

VIA ELECTRONIC MAIL

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

**RE: Docket No. 23-04-EL – The Narragansett Electric Company d/b/a Rhode Island Energy
Tariff Advice to Amend the Transmission Service Cost Adjustment Provision**

Dear Ms. Massaro:

In accordance with 810-RICR-00-00-1.10(C),¹ The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”) files this tariff advice to amend the Company’s electric tariff entitled Transmission Service Cost Adjustment Provision, R.I.P.U.C. No. 2266, which would supersede the existing Transmission Service Cost Adjustment Provision, R.I.P.U.C. No. 2198, effective March 20, 2023.

This filing results from discussions between the Company and the Division of Public Utilities and Carriers (the “Division”) during the Division’s review of the Company’s tariff advice regarding its Renewable Energy Growth Cost Recovery Provision, R.I.P.U.C. 2262, filed with the Public Utilities Commission (“PUC”) on November 16, 2022, in Docket No. 22-48-REG. As stated in its February 1, 2023 memorandum filed in Docket No. 22-48-REG, during its review of the Company’s electric tariff reconciling provisions, the Division found that the Company uses the customer deposit rate to calculate interest in all instances except for the Renewable Energy Growth Cost Recovery Provision and the Long-Term Contracting for Renewable Energy Recovery Provision. The Division also found that the Company’s existing Transmission Service Cost Adjustment Provision, R.I.P.U.C. 2198, does not include an interest rate reference although, in practice, the Company uses the customer deposit rate in its calculations. The Company agreed to amend its existing Transmission Service Cost Adjustment Provision to add a reference to the customer deposit rate used to calculate interest on any over- or under-recoveries of transmission costs during the prior year.

The Company is making two clarifications to the Transmission Service Cost Adjustment Provision in this tariff advice filing. The first is to remove reference to the New England Power Company in the tariff provision. This change is not required but will help avoid confusion when identifying the entities that bill the Company for transmission costs. The second clarification is to add the interest rate that is applied when calculating the Transmission Service Cost Adjustment Factor as the customer deposit rate. This change reflects the Company’s practice of applying interest at the customer deposit rate to any over- or under-recoveries of transmission costs incurred during the prior year.

¹ The Public Utilities Commission’s (the “PUC”) Rules of Practice and Procedure are codified as 810-RICR-00-00-1.

Enclosed, please find the following documents:

- A redlined version of the proposed Transmission Service Cost Adjustment Provision, which compares the proposed tariff, R.I.P.U.C. No. 2266, to the existing tariff, R.I.P.U.C. No. 2198.
- A clean version of the proposed Transmission Service Cost Adjustment Provision, R.I.P.U.C. No. 2266 (cancelling R.I.P.U.C. No. 2198); and

Specifically, the proposed changes to the tariff are as follows (please refer to the redlined version to align with the cited page numbers):

- 1) On Page 1, first paragraph, delete reference to “New England Power Company.”
- 2) On Page 1, second and third paragraphs, add language providing for the inclusion of interest at the customer deposit rate.

Pursuant to 810-RICR-00-00-1.10(C)(3) and subject to 810-RICR-00-00-1.10(C)(2), absent an order issued by the PUC to approve or suspend the proposed Transmission Service Cost Adjustment Provision, R.I.P.U.C. No. 2266, it shall go into effect on March 20, 2023.

In accordance with 810-RICR-00-00-1.10(C)(2), the Company will provide notice of the proposed Transmission Service Cost Adjustment Provision, R.I.P.U.C. No. 2266, to the public, the Division, and the Office of the Attorney General at least thirty days prior to the effective date. The Company also encloses a draft notice that will be published in The Providence Journal to notify the public of the filing in accordance with 810-RICR-00-00-1.10(C)(2).

Thank you for your attention to this filing. If you have any questions, please contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

Enclosures

cc: John Bell, Division of Public Utilities and Carriers
Christy Hetherington, Esq., Division of Public Utilities and Carriers
Nicholas M. Vaz, Esq., Office of Attorney General

THE NARRAGANSETT ELECTRIC COMPANY
TRANSMISSION SERVICE COST ADJUSTMENT PROVISION

The Transmission Service Cost Adjustment (TCA) shall recover from customers transmission costs billed to The Narragansett Electric Company (Narragansett or the Company) by entities such as ~~New England Power Company, by any other~~ transmission providers, and by regional transmission entities such as the Independent System Operator-New England, a regional transmission group, or any other entity that is authorized to bill Narragansett directly for transmission services. In addition, the TCA shall be adjusted to include an allowance for the Company's uncollectible accounts receivables associated with amounts billed through the TCA at the rate approved by the Commission.

The TCA Factor shall be calculated separately for each of the Company's rate classes. The TCA Factor shall be established annually based on a forecast of transmission costs, the adjustment for transmission-related uncollectible amounts based on the uncollectible percentage approved by the Commission in the Company's most recent general rate case, a full reconciliation and adjustment for any over- or under-recoveries of transmission costs incurred during the prior year including interest at the customer deposit rate, and the reconciliation of the allowance for transmission-related uncollectible amounts as described below. The Company may file to change the TCA at any time should significant over- or under-recoveries occur.

The allowance for transmission-related uncollectible amounts shall be estimated for purposes of setting the TCA Factor for the upcoming year as the approved rate applied to the sum of (1) the forecast of transmission costs as allocated to each of the Company's rate classes on the basis of coincident peak demand and (2) any over- or under-recoveries from the prior year including interest at the customer deposit rate, allocated to rate classes on the basis of each class' monthly coincident peak demand during the reconciliation period. This amount shall be subject to reconciliation only for actual transmission revenue billed by the Company over the applicable period.

Modifications to the TCA Factor shall be in accordance with a notice filed with the Public Utilities Commission setting forth the amount of the revised factor and the amount of the increase or decrease. The notice shall further specify the effective date of such charges.

THE NARRAGANSETT ELECTRIC COMPANY
TRANSMISSION SERVICE COST ADJUSTMENT PROVISION

The Transmission Service Cost Adjustment (TCA) shall recover from customers transmission costs billed to The Narragansett Electric Company (Narragansett or the Company) by entities such as transmission providers, and by regional transmission entities such as the Independent System Operator-New England, a regional transmission group, or any other entity that is authorized to bill Narragansett directly for transmission services. In addition, the TCA shall be adjusted to include an allowance for the Company's uncollectible accounts receivables associated with amounts billed through the TCA at the rate approved by the Commission.

The TCA Factor shall be calculated separately for each of the Company's rate classes. The TCA Factor shall be established annually based on a forecast of transmission costs, the adjustment for transmission-related uncollectible amounts based on the uncollectible percentage approved by the Commission in the Company's most recent general rate case, a full reconciliation and adjustment for any over- or under-recoveries of transmission costs incurred during the prior year including interest at the customer deposit rate, and the reconciliation of the allowance for transmission-related uncollectible amounts as described below. The Company may file to change the TCA at any time should significant over- or under-recoveries occur.

The allowance for transmission-related uncollectible amounts shall be estimated for purposes of setting the TCA Factor for the upcoming year as the approved rate applied to the sum of (1) the forecast of transmission costs as allocated to each of the Company's rate classes on the basis of coincident peak demand and (2) any over- or under-recoveries from the prior year including interest at the customer deposit rate, allocated to rate classes on the basis of each class' monthly coincident peak demand during the reconciliation period. This amount shall be subject to reconciliation only for actual transmission revenue billed by the Company over the applicable period.

Modifications to the TCA Factor shall be in accordance with a notice filed with the Public Utilities Commission setting forth the amount of the revised factor and the amount of the increase or decrease. The notice shall further specify the effective date of such charges.

**Legal Notice of The Narragansett Electric Company's Filing of Tariff Advice
To Change the Transmission Service Cost Adjustment Provision
RIPUC Docket No. 23-04-EL**

On February 13, 2023, The Narragansett Electric Company d/b/a Rhode Island Energy (the "Company") filed with the Rhode Island Public Utilities Commission ("PUC") a tariff advice filing to change the existing Transmission Service Cost Adjustment Provision, R.I.P.U.C. No. 2198. Subject to PUC review and approval, the proposed tariff, R.I.P.U.C. No. 2266, would become effective March 20, 2023.

The Company is making two clarifications to the Transmission Service Cost Adjustment Provision in this tariff advice filing. The first is to remove reference to the New England Power Company in the tariff provision. This change is not required but will help avoid confusion when identifying the entities that bill the Company for transmission costs. The second clarification is to add the interest rate that is applied when calculating the Transmission Service Cost Adjustment Factor as the customer deposit rate. This change reflects the Company's practice of applying interest at the customer deposit rate to any over- or under-recoveries of transmission costs incurred during the prior year.

A copy of the filing is on file for examination at the Public Utilities Commission, 89 Jefferson Blvd., Warwick, Rhode Island or on the Commission's website at: <https://ripuc.ri.gov/Docket-23-04-EL>

This notice is given in accordance with 810-RICR-00-00-1.10(C)(2).

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