

March 16, 2023

VIA ELECTRONIC MAIL

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

**RE: Docket No. 23-01-EL – Last Resort Service Procurement Plan
Last Resort Service Rates for Effect April 1, 2023
Responses to Data Requests – PUC Set 1**

Dear Ms. Massaro:

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

Thank you for your attention to this filing. If you have any questions concerning this matter, please do not hesitate to contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

Enclosures

cc: Docket No. 23-01-EL Service List
John Bell, Division

PUC 1-1

Request:

Please provide the current contracted amount to serve LRS for:

- a. the Residential Group October 2023 through March 2024,
- b. the Residential Group March 2024 through September 2024,
- c. the Commercial Group October 2023 through March 2024, and
- d. the Commercial Group March 2024 through September 2024

Response:

The Residential and Commercial Groups have the same procurement schedules for the same percentages of supply.

The tables below list the transactions made to date for the next two pricing periods for the Residential and Commercial Groups:

October 2023 through March 2024 (Winter 2023/2024)

<u>RFP Bid Date</u>	<u>Percentage of Load</u>
1/12/2022	15%
7/13/2022	20%
1/11/2023	15%

April 2024 through September 2024 (Summer 2024)

<u>RFP Bid Date</u>	<u>Percentage of Load</u>
1/11/2023	15%

PUC 1-2

Request:

Referencing PUC 1-1 above, please provide what contracts blocks remain uncontracted for the months of October 2023 through March 2024, the size of the contract blocks, and the timing of the procurement for:

- a. the Residential Group October 2023 through March 2024,
- b. the Residential Group March 2024 through September 2024,
- c. the Commercial Group October 2023 through March 2024, and
- d. the Commercial Group March 2024 through September 2024

Response:

The Residential and Commercial Groups have the same procurement schedules for the same percentages of supply.

The tables below list the remaining transactions for the next two pricing periods for the Residential and Commercial Groups:

October 2023 through March 2024 (Winter 2023/2024)

<u>RFP Bid Date</u>	<u>Percentage of Load</u>
April-23	20%
July-23	20%

April 2024 through September 2024 (Summer 2024)

<u>RFP Bid Date</u>	<u>Percentage of Load</u>
April-23	20%
July-23	20%
October-23	20%
January-24	15%

The Company will procure the final 10% of the Residential and Commercial Groups in the ISO-NE spot markets.

PUC 1-3

Request:

Please provide a forecasted blended rate for the months of October 2023 through March 2024 for:

- a. the Residential Group and
- b. the Commercial Group,

assuming the final blend includes the current forward spot prices for the planned 10% spot procurement, the current forward spot prices for the uncontracted blocks provided in response to PUC 1-2, and the average of the existing contracts provided in response to PUC 1-1.

Response:

The following forecasted rates for October 2023 through March 2024 include:

- 50% of the contracted load at the prices transacted at the RFP Bid Dates specified in the Company's response to PUC 1-1.
- 50% of the uncontracted load at current market prices. The 50% of uncontracted load is comprised of 10% procured in the spot market and 40% of the remaining transactions specified in the Company's response to PUC 1-2.
- The proposed LRS Administrative Cost Factor, Last Resort Adjustment Factor, and Renewable Energy Standard Charge starting April 2023.

	Residential	Commercial
Weighted Average Base Last Resort Service Charge	16.824	15.943
Last Resort Service Administrative Cost Factor	0.383	0.375
Renewable Energy Standard Charge	0.833	0.833
<u>Total Estimated Last Resort Service Price Cents per kWh</u>	<u>18.040</u>	<u>17.151</u>

The forecasted rates are calculated under the assumption that the Last Resort Adjustment Factor will not be included in the LRS rate for this pricing period.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 23-01-EL
In Re: Last Resort Service Rates for Effect April 1, 2023
Responses to the Commission's First Set of Data Requests
Issued on March 10, 2023

PUC 1-4

Request:

Please provide a forecasted blended rate for the months of October 2023 through March 2024 for:

- a. the Residential Group and
- b. the Commercial Group,

assuming the final blend includes the current forward spot prices for the 10% planned spot procurement and the average of the current contracts provided in response to PUC 1-1 for all contracted and uncontracted blocks.

Response:

The following forecasted rates for October 2023 through March 2024 include:

- 50% of the contracted load at the prices transacted at the RFP Bid Dates specified in the Company's response to PUC 1-1.
- 40% of the uncontracted load at the average prices transacted at the RFP Bid Dates specified in the Company's response to PUC 1-1.
- 10% of the load at current market prices for the spot market procurements.
- The proposed LRS Administrative Cost Factor, Last Resort Adjustment Factor, and Renewable Energy Standard Charge starting April 2023.

	Residential	Commercial
Weighted Average Base Last Resort Service Charge	16.650	15.975
Last Resort Service Administrative Cost Factor	0.383	0.375
<u>Renewable Energy Standard Charge</u>	<u>0.833</u>	<u>0.833</u>
Total Estimated Last Resort Service Price Cents per kWh	17.866	17.183

The forecasted rates are calculated under the assumption that the Last Resort Adjustment Factor will not be included in the LRS rate for this pricing period.

The Narragansett Electric Company
d/b/a Rhode Island Energy
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PUC 1-5

Request:

The current LRS Administrative Cost Factor is \$0.00233 per k/Wh. The proposed LRS Administrative Cost Factor is \$0.00383 per k/Wh. Please explain the causes of the increase in the proposed LRS Administrative Cost Factor.

Response:

There are two main contributing factors that caused the increase in the proposed Residential LRS Administrative Factor of \$0.00383 per kWh from \$0.00233 per kWh. First, there was an increase of \$0.573 million of estimated residential Cash Working Capital (CWC) costs based on the Calendar Year 2022 CWC Calculation as shown on Schedule NECO-6, Page 1, Line 15. Second, the Company took into consideration that there are seven municipalities approved for aggregations to be implemented on May 1, 2023. As such, the Company adjusted the forecasted LRS kWh deliveries used throughout the calculation of the LRS Administrative Cost factors for the anticipated shift of LRS kWh to Competitive Supply. The decrease in the forecast of residential kWhs caused the factor to increase due to the costs being collected over less forecasted units compared to the previous year.

The Narragansett Electric Company
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PUC 1-6

Request:

Did the Company adjust the Projected Residential Group LRS k/Wh (line 6 of Schedule 1, page 3 of 5) for the impact of migration for aggregation that occurs during the period (e.g., after April). If yes, please explain the adjustment(s). If no, please explain why it is appropriate not to adjust the proposed rates for such impact.

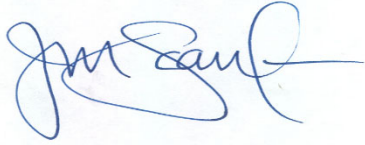
Response:

The Company did not adjust the Projected Residential Group LRS kWh (line 6 of Schedule 1, Page 3 of 5) for the impact of migration for aggregation. In hindsight, to be as accurate as possible in design and calculation of weighted average base Last Resort Service rates, it would be appropriate to adjust the calculation of the proposed rates for the impact of the municipal aggregations. As the projected base Last Resort Service rates are calculated using an average of the six-month period, since the underlying costs for the months of May to September are lower than the underlying cost for the month of April, adjusting the forecast for the impact of municipal aggregation beginning in May would slightly increase the Weighted Average Base Residential Group Last Resort Service Charge (see Attachment PUC 1-6) from \$0.09125 to \$0.09186. Similarly, the Weighted Average Base Commercial Group Last Resort Service Charge would slightly increase from \$0.08789 to \$0.08855. In either case, the base Last Resort Service revenues collected based on approved rate is subject to reconciliation against actual expenses annually as part of the Annual Retail Rate 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

March 16, 2023

Date

**Docket No. 23-01-EL – Narragansett Electric Co. d/b/a Rhode Island Energy
– Last Resort Service Rates
Service List updated 2/21/23**

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