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Also admitted in Massachusetts

March 16, 2023

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket No. 23-03-EL – 2023 Annual Retail Rate Filing Responses to Public Utilities Commission Data Requests – Set 4

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 responses to the Public Utilities Commission's Fourth Set of Data Requests in the referenced docket.

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

Very truly yours,

Loticia Pimentel

Leticia C. Pimentel

Enclosure

cc: Docket 23-03-EL Service List

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were 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.

Elaina M. Wein

Elaina M. Weir

March 16, 2023 Date

Rhode Island Energy – 2023 Annual Retail Rate Filing - Docket No. 23-03-EL Service List Updated 2/21/2023

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<u>PUC 4-1</u>

Request:

For each of the following proposed rates and factors, please confirm whether the Company did or did not set the proposed rate or factor using an LRS forecast that was adjusted to reflect the impact of municipal aggregations:

- a. Residential LRS rate proposed in Docket No. 23-01-EL
- b. Commercial LRS rate proposed in Docket No. 23-01-EL
- c. Industrial LRS rate proposed in Docket No. 23-01-EL
- d. Residential LRS adjustment factor in Docket No. 23-03-EL
- e. Commercial LRS adjustment factor in Docket No. 23-03-EL
- f. Industrial LRS adjustment factor in Docket No. 23-03-EL
- g. Residential LRS Administrative Cost Factor in Docket No. 23-03-EL
- h. Commercial LRS Administrative Cost Factor in Docket No. 23-03-EL
- i. Industrial LRS Administrative Cost Factor in Docket No. 23-03-EL
- j. Residential LRS Administrative Cost Reconciliation Adjustment Factor in Docket No. 23-03-EL
- k. Commercial LRS Administrative Cost Reconciliation Adjustment Factor in Docket No. 23-03-EL
- 1. Industrial LRS Administrative Cost Reconciliation Adjustment Factor in Docket No. 23-03-EL
- m. Renewable Energy Standard Reconciliation Adder in Docket No. 22-43-EL

Response:

- a. No
- b. No
- c. No

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- d. No, the Company proposed a factor that included all customers.
- e. No, the Company proposed a factor that included all customers.
- f. No, the Company proposed a factor that included all customers.
- g. Yes
- h. Yes
- i. Yes
- j. Yes
- k. Yes
- l. Yes
- m. Yes

<u>PUC 4-2</u>

Request:

If the Company's response to PUC 4-1 indicates that it set the proposed LRS-related rates using two different LRS forecasts (one that was adjusted for the impact of municipal aggregations and one that was not adjusted for the impact of municipal aggregations), please explain why the Company believes it is appropriate to use two different forecasts in setting rates.

Response:

The Company did not adjust the LRS forecast for the impact of municipal aggregations in proposing the base LRS rates in Docket No. 23-01-EL. Please see the Company's response to PUC 1-6 in Docket 23-01-EL.

The Company did not directly adjust the LRS forecast for the impact of municipal aggregations in Docket No. 23-03-EL in the calculation of the LRS Adjustment factor for all rate classes; however, the Company did propose a change in the group of customers that the factor was calculated and collected from.. Pursuant to the Company's LRS Adjustment Provision, R.I.P.U.C. 2237, "The Commission may order the Company to recover or credit the balance over any reasonable time period from (i) all customers, (ii) only Last Resort Service customers, or (iii) through any other reasonable method." Unlike in past years where the LRS Adjustment Factors were calculated and charged to LRS customers only, in anticipation of the approved municipal aggregations scheduled to be implemented on or after May 1, 2023, the Company is proposing LRS Adjustment Factors effective April 1, 2023, designed to recover the net under recovery for the period January 1, 2022 through December 31, 2022 from all retail delivery service customers. This approach ensures that municipal aggregation customers leaving LRS on or after May 1, 2023, would contribute to the collection of the net under recovery from calendar year 2022, at which time those customers would have been LRS customers. Absent this approach, the burden of the calendar year 2022 under-recovery would reside solely with the remaining LRS customers.

The Company did adjust the LRS forecast for the impact of municipal aggregation in Docket No. 23-03-EL in the calculation of the LRS Administrative Cost Factors for all rate classes. Pursuant to the Last Resort Adjustment Provision, the proposed LRS Administrative Cost Factors are designed to collect the following: (1) an allowance for LRS-related uncollectible expense based upon estimated LRS base revenue, estimated LRS Adjustment Factor revenue, and estimated

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RES revenue associated with each Customer Group for the upcoming year; (2) administrative costs associated with arranging LRS for the upcoming year, and; (3) over- or under-recoveries of LRS administrative costs from calendar year 2022. The Company took into consideration the seven municipalities approved for aggregations to be implemented on or after 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. As these costs are primarily estimates for future costs that will be incurred, the Company did calculate a factor using forecasts for only customers that would be billed as LRS customers.

The Company did adjust the LRS forecast for the impact of municipal aggregation in Docket No. 22-43-EL. Pursuant to the tariff, the Charge for Last Resort Service will be the sum of the applicable Last Resort Service charges in addition to all appropriate Retail Delivery charges as stated in the applicable tariff. The monthly charge for Last Resort Service shall also include the costs incurred by the Company to comply with the Renewable Energy Standard, established in R.I.G.L. Section 39-26-1 and the costs to comply with the Commission's Rules Governing Energy Source Disclosure. As these costs are primarily estimates for future costs that will be incurred, the Company did calculate a factor using forecasts for only customers that would be billed as LRS customers.