

December 15, 2023

VIA ELECTRONIC MAIL

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

RE: Docket No. 23-38-EL – The Narragansett Electric Company d/b/a
Rhode Island Energy's Petition for Acceleration of a System Modification
Due to Distributed Generation Project
Weaver Hill Projects
Responses to PUC Data Requests – 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 docket.

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

Sincerely,

Andrew S. Marcaccio

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Enclosures

cc: Docket No. 23-38-EL Service List

PUC 1-1

Request:

What was the scope of the project included in the five-year budget? Please provide a table describing (a) the System Modifications that are the subject of this petition, (b) System Modifications excluded from the cost sharing, and (c) any System Improvements not subject to this petition.

Please separate by developer responsibility and please include costs.

Response:

The scope of the project included in the five-year budget consists of a new substation on Weaver Hill Road, identified in the Central R.I. West Area Study report, as the least cost option to address thermal loading issues on the 63F6 and 54F1 feeders.

The scope to extend the subtransmission to the new substation site is:

- Extend the 3310 and 3311 lines for 1.7 miles from Nooseneck Hill and Weaver Hill Roads West Greenwich to a Rhode Island Energy owned property off P. 64 Weaver Hill Rd.
- Install a 7.5/9.375 MVA transformer and one modular feeder position to be supplied by the 3310 preferred and 3311 alternate.
- Install distribution line work for a new feeder to be made up of parts of Coventry 54F1 and Hopkins Hill 63F6.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 23-38-EL d Energy's Petition for Acceleration Due

In Re: Rhode Island Energy's Petition for Acceleration Due To Distributed Generation Project – Weaver Hill Projects Responses to the Commission's First Set of Data Requests Issued on November 17, 2023

PUC 1-1, page 2

Green Development

	Scope	Total Cost (M)
System Modification Subject to Petition	Line – Civil – Manhole and Duct System from MH 21a to 44	\$5.951
	Line – Electrical – Extend 3310 underground from pole 25-1 to intersection of Nooseneck/Weaver Hill Rd -3 conductor 1000 kcmil	\$2.844
	Total	\$8.795
System Modification excluded from Cost	Line – Civil – Manhole and Duct System from MH 1 to 20	\$6.072
Sharing	Line – Electrical – Extend 3310 underground from intersection of Nooseneck/Weaver Hill Rd – 3 conductor 1000 kcmil south to Green Development Site	\$1.356
	Equipment at Interconnecting Customer's Property	\$0.266
	Total	\$7.703

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Revity (Robin Hollow) + EDP (Studley)

	Scope	Total Cost (M)
System Modification Subject to Petition	Line – Civil – Manhole and Duct System - Extend down Weaver Hill Rd to EDP	\$4.696
	Line – Electrical – Extend 3310 underground from intersection of Nooseneck/Weaver Hill Rd – 3 conductor 1000 kcmil to EDP	\$3.399
	Total	\$8.095
System Modification excluded from Cost Sharing	Line – Electrical - Extend 3309 underground from Hopkins Hill Rd to Revity	\$6.784
	Equipment at Interconnecting Customer's Property (Revity)	\$1.289
	Equipment at Interconnecting Customer's Property (EDP)	\$0.344
	Total	\$8.417

PUC 1-1, page 4

RIE

	Scope	Total Cost (M)
System Improvement not Subject to Petition	Extend the 3310 and 3311 lines for 1.7 miles from Nooseneck Hill and Weaver Hill Roads West Greenwich to a Rhode Island Energy owned property off P. 64 Weaver Hill Rd. Install a 7.5/9.375 MVA transformer and one modular feeder position to be supplied by the 3310 preferred and 3311 alternate. Install distribution line work for a new feeder to be made up of parts of Coventry 54F1 and Hopkins Hill 63F6.	· /

PUC 1-2

Request:

Please reconcile the total budget amounts included in Attachment 3c Second Supplemental – Five Year Budget with Details (https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-03/2253-RIE-SecondSupplBudget_3-21-23.pdf) from Docket No. 22-53-EL with the current estimated cost.

Response:

The scope of work included in the FY 2024 ISR Filing Attachment 3c Second Supplemental – Five Year Budget with Details totaling \$9,671,000 from FY 2024 to FY 2028 is different than the work included in the estimate listed in Schedule SAB-1 totaling \$13,569,565.

The scope of work included in the petition was not budgeted for in the FY 2024 filing. The Company was in the process of completing the estimates associated with the reimbursement to the developer at the time the FY 2024 ISR Plan was filed.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 23-38-EL

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PUC 1-3

Request:

Using the illustrative dollar values included in the testimony, please show the difference in the projected ISR revenue requirement by year through FY 2027 for the projects for (a) the proposed reimbursement date; and (b) the alternative reimbursement date.

Response:

Please see the below table with the illustrative ISR revenue requirements associated with the project, by year through FY 2027 for the above scenarios. Please note that the amount of investment placed in service in both scenarios is \$12,926,368, which is the estimated final cost less the depreciated value through FY 2027. Note that for purposes of this response, the revenue requirement was calculated using the FY 2024 Electric ISR revenue requirement model and rates in that model such as depreciation and return.

	FY 2025	FY 2026	FY 2027
Scenario (a) *	\$669,973	\$1,321,983	\$1,287,463
Scenario (b) **	<u>\$ 0</u>	<u>\$ 0</u>	\$ 669,973
Difference	\$669,973	\$1,321,983	\$617,490

- * Assumes included in ISR beginning FY 2025
- ** Assumes included in ISR beginning FY 2027

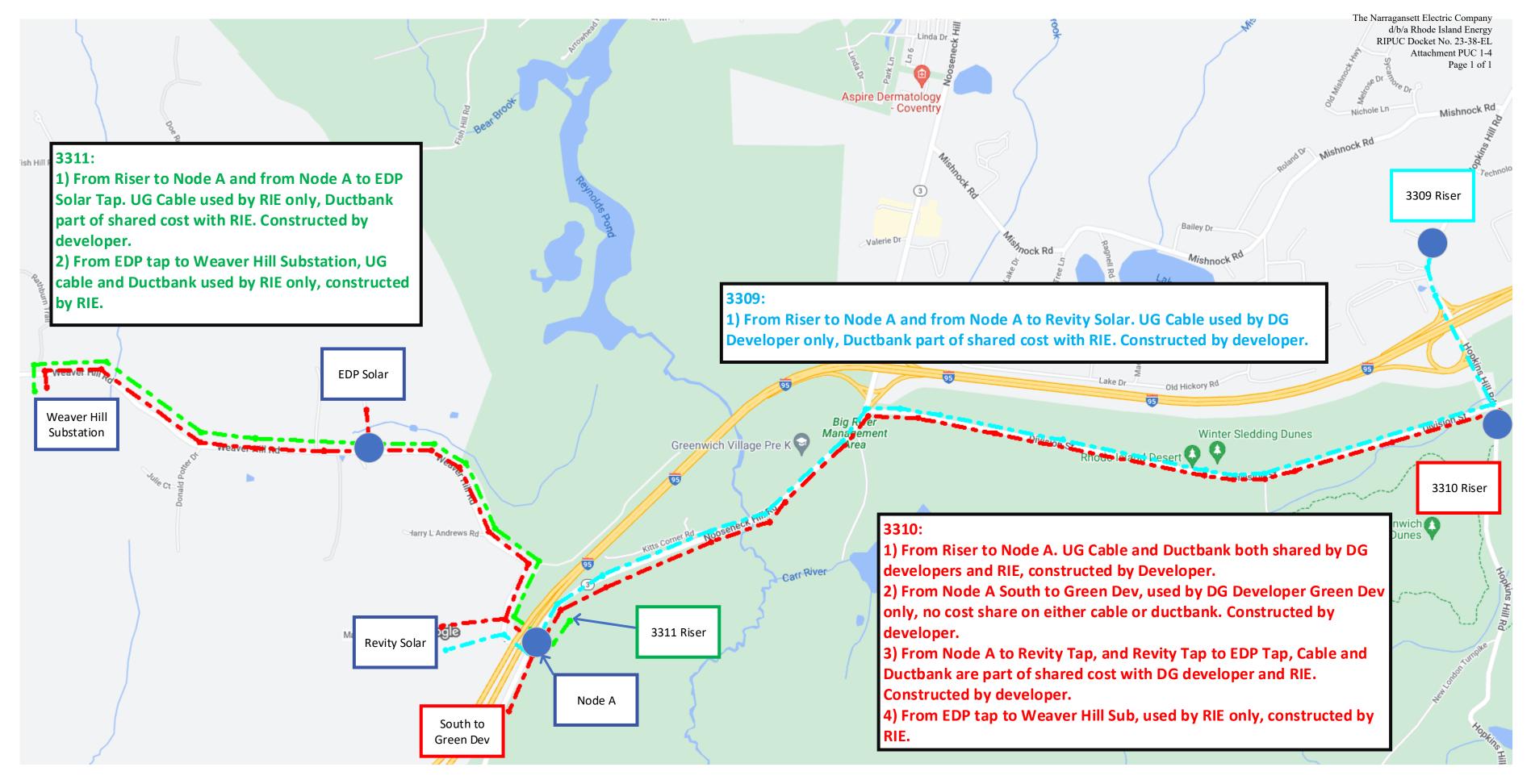
<u>PUC 1-4</u>

Request:

Please provide an aerial map that shows, using different colors, the components of the project by those that came out of the area study (System Improvements/accelerated system modifications), developer constructed civil work, developer System Improvement responsibility, etc.

Response:

A map is provided in Attachment PUC 1-4.



PUC 1-5

Request:

Is there a difference in ratepayer impact between reimbursement alternative one and two? Please explain and show an illustration.

Response:

There is no difference in the total dollar amount related to the project that will be included in the ISR revenue requirement in reimbursement alternative one and two. In both scenarios that the Company presented, the amount included in the ISR is the total projected cost to be reimbursed to the developer less the amount of depreciation expense from the date of in-service (FY 2025) to the date the project would have been placed in service without the accelerated work (FY 2027).

However, in the Company's proposal and alternative option, there is a difference in the timing of when the Company would begin to recover the cost from ratepayers. As shown in the table in response to PUC 1-3, in alternative one, the ISR includes recovery from ratepayers beginning in FY 2025 while in alternative two, the ISR does not include recovery from ratepayers until FY 2027. For illustrative purposes of the revenue requirement in PUC 1-3, the same assumptions for inputs such book depreciation rates, rate of return, and tax rates were used in alternative one and two. However, if an event such as new base distribution rates or tax law changes took effect between the dates of the two reimbursement date alternatives (e.g. between FY 2025 and FY 2027), then these assumptions could change the impact to ratepayers (either increases or decreases) in the FY 2027. The Company is not aware of what these changes could be at this time so is not able to quantify the impact that could have on the ratepayers.

PUC 1-6

Request:

To be eligible for cost sharing of its self-build costs, are the developers held to any cost cap or bandwidth between the estimated cost and the final cost?

Response:

Criteria to perform self-build includes having an estimate that is either at or below the Company's estimated cost to perform the work. The customer costs are audited through a third-party to ensure they are accurate and prudent. Whether the customer is self-building or the Company is performing the work, there can be justified reasons for project costs to come in above estimate. At this time, there is no cost cap between estimated and final cost beyond the outcome of the audit and ensuring that only reasonable costs are attributable to cost sharing.

PUC 1-7

Request:

How does the 10% cap in the ISA affect the calculation of the final accounting for the subject DG projects?

Response:

The DG projects are subject to the standard final accounting practice regarding the 10% cap. If the cost increases are identified during the project, and the DG customer is notified of such increase, then the costs will be collected from the DG customer.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 23-38-EL

In Re: Rhode Island Energy's Petition for Acceleration Due to Distributed Generation Project – Weaver Hill Projects Responses to the Commission's First Set of Data Requests Issued on November 17, 2023

PUC 1-8

Request:

What were the Company's cost estimates for the portions of the project constructed by the developers? Must the developer's recoverable costs be at or below the Company's estimated costs? If not, why should all distribution customers pay more than what they would have if the Company had constructed the portions that were constructed by the developers?

Response:

There were three portions of customer self-build; Green's ductbank, Revity's ductbank and electrical work, and EDP's ductbank. The Company estimate for portions are as follows:

Green ductbank - \$14,713,971
 Revity ductbank - \$640,430
 EDP ductbank - \$4,056,045

These estimates were completed at different times and cannot be added together.

The developer's recoverable costs do not necessarily have to be at or below the Company's estimated costs. Whether the customer is self-building or the Company is performing the work, there can be justified reasons for project costs to come in above estimate. The recoverable costs are verified through a third-party audit process.

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

December 15, 2023

Date

Docket No. 23-38-EL Rhode Island Energy – Petition for Acceleration Due to DG Project – Weaver Hill Projects Service List updated 12/14/2023

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