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January 9, 2024

VIA ELECTRONIC MAIL

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

**RE: Docket No. 23-48-EL – The Narragansett Electric Company d/b/a
Rhode Island Energy’s Proposed FY 2025 Electric Infrastructure, Safety, and
Reliability Plan
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 are 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 transmittal. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio

Enclosures

cc: Docket No. 23-48-EL Service List

PUC 1-1

Request:

Refer to Docket 22-49-EL and the response to PUC 7-10. Page 5 of Attachment 7-10-1 and Attachment PUC 7-10-2 forecasted \$0 of software being placed in service for ISR Fiscal Year 2025 and \$61.8 million of meters being placed in service for ISR Fiscal Year 2025. Please explain why the Company's current forecast for ISR Fiscal Year 2025 contained in Attachment 3 of Section 5 of the ISR filing (forecasting \$19.7 million of software being placed into service and approximately \$30 million of meters being placed into service) is so materially different than the original forecast provided in the AMF docket 22-49-EL.

Response:

Attachment PUC 7-10-1, Page 5 showed \$0 of software being placed in service for ISR Fiscal Year ("FY") 2025. The current FY 2025 ISR filing is a more up-to-date forecast of when the software and network will be placed in service and used by customers. The Company originally forecasted that it would not place software capital costs in service until all software installation was complete. The Company now expects to place the portions of software capital costs that have been installed into service when the Company installs the first meters (projected for January of 2025) because it will begin providing the functionalities associated with the completed software costs and they will be serving customers with those functionalities. Then, as the Company completes further software installations for additional functionalities, it will place the costs associated with those additional functionalities into service.

The meter costs to be placed in service during FY 2025, as shown in the current FY 2025 ISR filing, differs from Docket 22-49-EL, Attachment PUC 7-10-1 due to the shift in meter deployment timing. Attachment PUC 7-10-1, Page 5, showed \$61.8 million of meters being placed in service for ISR Fiscal Year 2025. Based on the receipt of regulatory approval in late September 2023, the current forecast for ISR FY 2025, per Attachment 3, Section 5, is \$30.0 million, which estimates 68 percent of meters deployed in calendar year 2025 and 32 percent deployed in calendar year 2026. The first meter is now estimated to be installed in January 2025.

PUC 1-2

Request:

Attachment 3 of Section 5 contains a series of schedules which reflect a revenue requirement calculation for AMF capital investments placed into service (relating to meters, software, and network). On pages 2, 3, and 4 of the Attachment, line 1 of each page appears to sum to a total of \$55,161,477 of AMF investments being placed into service during ISR FY 2025.

- (a) Please provide a separate schedule which itemizes all of the referenced investments that sum to the \$55 million,
- (b) Please indicate in the schedule which of the investments will be placed into service for actual use in serving customers during FY 2025 (as opposed to simply being “ready for its intended use” during FY 2025).
- (c) For each category of investment which will actually be used for service to customers during FY 2025, please describe the assets and explain how they will be performing that service function in FY 2025.

Response:

- (a) Please see Attachment PUC 1-2 for itemization of the \$55 million of assets to be placed in service for ISR FY 2025.
- (b) All of the investments shown on Attachment PUC 1-2 are forecasted to be placed into service for actual use during ISR FY 2025. Consistent with the testimony provided in Docket 22-49-EL, all network equipment and supporting software systems that were or are planned to be installed prior to the meters being installed have been manually held back for in service until the first meter is installed (planned for January 2025). This includes accumulated costs for meter software, computer hardware, and costs expended for distribution equipment. Under the current Rhode Island accounting policy, meters are generally purchased as “blanket” projects, and placed in service during the same month in which they are received and tested. Even though some AMF meters will be purchased, received, and tested prior to January 2025, the Company intends to manually hold those meters back from in service until the first meter is installed. This treatment is consistent with the testimony given in Docket 22-49-EL, along with standard FERC and GAAP accounting policies.
- (c) The meters and network costs represent the costs to install meters during this time, along with the software costs for functionality of those meters installed. Please see Attachment PUC 1-2 for a description of each of the investments and their functions.

<u>Category</u>	<u>Descriptor</u>	<u>Costs thru 3/2025</u>	<u>(2B) Placed into service verses Ready for its intended use?</u>	<u>(2C) - Asset description and performing function in ISR Yr 2025</u>
Systems	L+G SaaS Implement / Ongoing - no MDMS	\$4,294,774	Placed into service for actual use	SaaS agreement calculations - does not include MDMS
Systems	System Integrator - TCS	\$3,550,000	Placed into service for actual use	AMF system integrator for Metering systems per TCS agreement; service to ensure software is functioning end to end
Systems	AMF CSS - Accenture	\$3,500,000	Placed into service for actual use	Outside consultants used for CSS systems - new AMF integrations and coding between CSS and MDMS
Systems	Customer Engagement	\$737,358	Placed into service for actual use	Includes Bill Alerts and outage alerts; new portal that customers log into when they have new meter, Sense estimate
Systems	Cyber Security	\$323,809	Placed into service for actual use	Security testing and systems penetration testing
Systems	Project Management	\$4,441,534	Placed into service for actual use	Internal oversight
Systems	SYSTEMS SUB-TOTAL	\$16,847,475		
Meters	Meter Equipment	\$24,893,695	Placed into service for actual use	Meters including sales tax and ancillary equipment needed for installation
Meters	Meter Installation Services	\$3,761,777	Placed into service for actual use	Meter installations and sample testing needed for installation
Meters	METERS SUB-TOTAL	\$28,655,472		
Network	Network Equipment	\$3,378,168	Placed into service for actual use	Network equipment - gateways, poles, transformers, cabinets, radios, including sales tax
Network	Network Installs	\$1,556,526	Placed into service for actual use	Install of network plus engineering permits, drawings.
Network	NETWORK SUB-TOTAL	\$4,934,694		
Program	Program Management - internal	\$1,956,581	Placed into service for actual use	Project oversight- internal - will be allocated to other assets
Program	Program Management - external vendor	\$2,767,070	Placed into service for actual use	Project oversight- outside consultants - will be allocated to other assets
Program	PROGRAM SUB-TOTAL	\$4,723,651		
Capital Costs through March 2025		<u><u>\$55,161,292</u></u>		

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 23-48-EL
In Re: Proposed FY 2025 Electric Infrastructure, Safety and Reliability Plan
Responses to the Commission's First Set of Data Requests
Issued on December 26, 2023

PUC 1-3

Request:

Refer to Attachment 3 of Section 5. To the extent there are any investments among the \$55 million that the Company is forecasting to be “In-Service Plant”, but such investments will not actually be used for service to customers during FY 2025 (as opposed to simply being “ready for its intended use” during FY 2025), please reconcile why the Company has treated them as “in service” for rate base treatment, given the questions and testimony reflected in the transcript of the AMF proceedings in Docket 22-49-EL (See Hearing Transcript for July 25, 2023, pages 390-400).

Response:

As indicated in the response to PUC 1-2, all investments included in the \$55 million are considered placed into service for actual use during FY 25 when the first meter is planned to be installed and used for service to customers (January 2025). The Company does not intend to place any investments into service for rate recovery until the first meter is installed. This treatment is consistent with the testimony provided during the AMF proceedings in Docket 22-49-EL.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 23-48-EL

In Re: Proposed FY 2025 Electric Infrastructure, Safety and Reliability Plan
Responses to the Commission’s First Set of Data Requests
Issued on December 26, 2023

PUC 1-4

Request:

Attachment 1 of Section 2 contains a table entitled “Capital Spending by Key Driver Category and Budget Classification.” Line 18 indicates a \$51,725,000 proposed budget spending for Advanced Metering Functionality. Please reconcile the figure of \$51 million for FY 2025 spending to the in-service plant forecast of approximately \$55 million contained in Attachment 3 of Section 5. If the difference relates to spending that occurred or will occur prior to FY 2025, simply confirm this is the case and itemize the investments reflecting that difference.

Response:

The difference does relate to the spending that occurred prior to April 2024. See Attachment PUC 1-4 which itemizes the difference. Additionally, the breakdown of the exact difference is as follows:

Attachment 1 Section 2	\$51,724,653	Represents capital from April 2024 to March 2025; includes \$1,422,767 of MDMS during this period
	<u>(\$1,422,767)</u>	Less MDMS
	<u>\$50,301,886</u>	
Attachment 3 Section 5	\$55,161,291	Represents capital from January 2023 to March 2025; see breakdown in Attachment PUC 1-2; does not include \$1,659,895 of MDMS during this period
	<u>(\$50,301,886)</u>	Attachment 1 Section 2 less MDMS
Difference	<u>\$4,859,405</u>	Represents spending prior to April 2024

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Responses to the Commission's First Set of Data Requests
Issued on December 26, 2023

PUC 1-5

Request:

To the extent that there are any investments among the \$55 million of AMF investments listed as "In-Service Plant" in Attachment 3 of Section 5 that will not actually be used for service to customers during FY 2025 (as opposed to being "ready for its intended use"), please provide a revised Attachment 3 which recalculates the revenue requirement in Attachment 3 based solely on investments which the Company is forecasting will actually be used for service to customers during FY 2025.

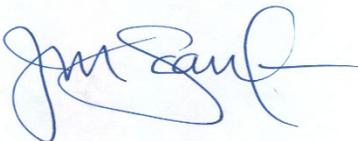
Response:

As indicated in the responses to PUC 1-2 and PUC 1-3, all investments in the \$55 million listed as "In Service Plant" will be used for service to customers during ISR FY 2025.

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

January 9, 2024

Date

**Docket No. 23-48-EL – RI Energy’s Electric ISR Plan FY 2025
Service List as of 1/9/2024**

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