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April 29, 2024

VIA ELECTRONIC MAIL

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

**RE: Docket No. 24-06-EE – The Narragansett Electric Company’s d/b/a
Rhode Island Energy’s System Reliability Procurement Investment Proposal for
Electric Demand Response 2024-2026 - ConnectedSolutions
Updated Proposed Cost Recovery Schedule**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), enclosed please find Rhode Island Energy’s updated proposed cost recovery schedule in the above-referenced matter.

Thank you for your attention to this filing. If you have any questions, please 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. 24-06-EE Service List

MEMORANDUM

To: Luly Massaro Clerk, Public Utilities Commission

From: Carrie Gill, Rhode Island Energy, Senior Manager of Electric Regulatory Strategy and Stephanie Briggs, Rhode Island Energy, Director of Rates and Revenue Requirements

Date: April 29, 2024

Subject: R.I.P.U.C. Docket No. 24-06-EE – Connected Solutions – SRP Factors

Purpose

The purpose of this memo is to present an alternative cost recovery schedule through the System Reliability Procurement (“SRP”) Factor for The Narragansett Electric Company d/b/a Rhode Island Energy’s (“Company”) SRP Investment Proposal for Electric Demand Response (ConnectedSolutions) 2024-2026. Based on concerns raised by the Rhode Island Division of Public Utilities and Carriers (“Division”) regarding a shorter 7-month recovery period, as proposed in the Company’s initial filing, the Company developed two alternative SRP Factor collection schedules for consideration, described within this memo. The Company is now proposing Alternative A which is an update to the Company’s initially proposed cost recovery schedule.

Company’s Initial Proposal

In its filing on February 8, 2024, the Company proposed to recover the 2024 budget amount over a 7-month period using an SRP Factor of \$0.00224/kWh to be collected from June 1, 2024, through December 31, 2024. For 2025, the Company proposed an SRP Factor (to be reconciled with actual expenditures relative to budget, peak demand reduction relative to planned, and calculated with updated sales forecast) from January 1, 2025, through December 31, 2025. The Company included an illustrative 2025 SRP Factor of \$0.00143 in its initial filing. In addition, for 2026, the Company proposed an SRP Factor (to be reconciled with actual expenditures relative to budget, peak demand reduction relative to planned, and calculated with updated sales forecast) from January 1, 2026, through December 31, 2026. The Company included an illustrative 2026 SRP Factor of \$0.00159 in its initial filing. The Company proposed to reconcile for the 2026 calendar year beginning January 1, 2027.

Division’s Concerns

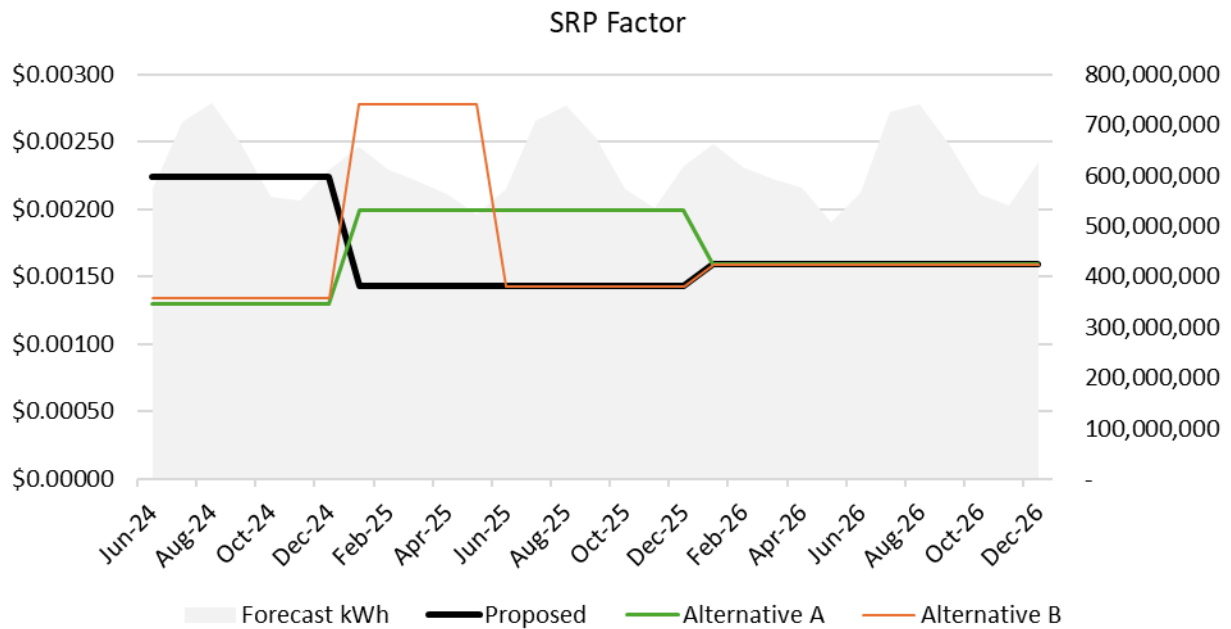
The Division was concerned that the shorter 7-month recovery period in 2024 results in a relatively high SRP Factor compared to subsequent years when the recovery period was proposed to be over the full calendar year.

Alternative Cost Recovery Schedules

The Company presented two alternative cost recovery schedules for the Division to consider. In Alternative A, the Company would collect 7/12 of 2024 program costs in 2024, and 5/12 of 2024 program costs in 2025 (each month in 2025 would collect 1/12 program costs for 2025 plus 1/12 of 5/12 program costs for 2024; rate changes would occur June 1, 2024, January 1, 2025, and January 1, 2026).

In Alternative B, the Company would collect 2024 program costs from June 1, 2024 through May 30, 2025 (collections over 12 months) and to collect 2025 program costs from January 1, 2025 to December 31, 2025 (collections for 2024 and 2025 would overlap only January 1 - May 30, 2025; rate changes would occur June 1, 2024, January 1, 2025, June 1, 2025, and January 1, 2026).

The figure below compares the proposed cost recovery schedule as filed (“Proposed”) to each alternative (“Alternative A” and “Alternative B”).



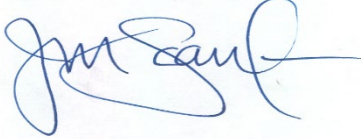
Updated Cost Recovery Proposal

Following further discussion with the Division, the Company is updating its proposed cost recovery schedule to Alternative A above which is to collect 7/12ths of 2024 program costs in 2024, and 5/12ths of 2024 program costs in 2025 (each month in 2025 would collect 1/12 program costs for 2025 plus 1/12 of 5/12 program costs for 2024; rate changes would occur June 1, 2024, January 1, 2025, and January 1, 2026). The proposed SRP Factor effective June 1, 2024, through December 31, 2024, is \$0.00130. The illustrative SRP Factors for 2025 and 2026 are \$0.00199 and \$0.00159, respectively. There is no change to the Company’s proposal to calculate SRP Factors for 2025 and 2026 that reconcile with actual expenditures relative to budget, peak demand reduction relative to planned, and calculated with updated sales forecast.

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

April 29, 2024
Date

Docket No. 24-06-EE – Rhode Island Energy System Reliability Procurement (“SRP”) Investment Proposal for Electric Demand Response 2024-2026 – ConnectedSolutions Service list 3/25/2024

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