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March 28, 2024

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket No. 24-07-EL – 2024 Annual Retail Rate Filing
Responses to Record Request Nos. 1 and 3**

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 (the “Commission”) Record Requests Nos. 1 and 3 issued at the Commission’s Evidentiary Hearing on March 19, 2024, in the above-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,



Leticia C. Pimentel

Enclosure

cc: Docket 24-07-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. Weir

March 28, 2024

Date

**Rhode Island Energy – 2024 Annual Retail Rate Filing - Docket No. 24-07-EL
Service List Updated 2/29/2024**

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Record Request No. 1

Request:

As a follow up to the Company's response to Division 1-9, please:

- a. Provide the 2020 through 2023 contract fees and administrative Company labor costs associated with the FCM administration expenses;
- b. Describe the responsibilities of the FCM contractors in 2023 associated with the "increase in billable hours by contractors associated with the finalization of the transition of the FCM administrative function from National Grid to Rhode Island Energy;" and
- c. Describe how the 2023 contract labor differed from previous years, if at all.

Response:

The Company consulted with its FCM contractor and determined that the "...increase in billable hours by contractors associated with the finalization of the transition of the FCM administrative function from National Grid to Rhode Island Energy" related to the training of a new Company employee. The new Company employee's responsibilities includes those previously provided by a National Grid USA employee who did not convey to the Company as a part of the acquisition of The Narragansett Electric Company. The FCM contractor indicated it spent no more than 10 billable hours training the new Company employee. Consequently, the Company is reducing its proposed FCM administrative expense for 2023 by \$1,580¹ (or \$395 per month for the period August 2023 through November 2023, assuming 2.5 hours for each of those months), from \$7,682 to \$6,102 as this training cost may not have been incurred but for the sale of the Company from National Grid USA to PPL Energy Holdings, LLC.

The inclusion of the updated lower FCM administrative expense for 2023 in the Proposed LTC Recovery Reconciliation Factor does not result in a billable factor that is different from that which is calculated in Attachment DIV 1-9-2. Put differently, and as demonstrated in Attachment Record Request 1-1, the Proposed LTC Recovery Reconciliation Factor using the updated FCM administrative expense is \$0.00554 per kWh, which is its calculated value in Attachment DIV 1-9-2. For purposes of the reconciliation of the 2023 under-recovered balance recovered during the period April 1, 2024 through March 31, 2025, included in the 2025 Annual Retail Rate Filing, the Company will utilize the "Ending Balance Including Interest" shown on line (16) of page 1 of Attachment Record Request 1-1 as the beginning balance as of January 2024.

¹ The Company multiplied the maximum hourly rate of \$158 per hour by 10 billable hours to reach \$1,580. The highest billable rate among the individuals training the new Company employee was \$158 per hour.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 24-07-EL
In Re: 2024 Annual Retail Rate Filing
Responses to Record Requests Issued at the
Commission's Evidentiary Hearing
On March 19, 2024

- a. Please see Attachment Record Request 1-2 for the requested information.
- b. The reference to an "...increase in billable hours by contractors associated with the finalization of the transition of the FCM administrative function from National Grid to Rhode Island Energy" is meant to refer to the fact that, in 2023, contractors incurred incremental billable hours associated with the training of a new Company employee with respect to the administration of the Company's participation in the Forward Capacity Market.
- c. Except with respect to the training of a new Company employee with respect to the administration of the Company's participation in the FCM, as noted in (b) above, the Company's use of contractors with respect to the administration of its participation in the FCM in 2023 did not differ from its use in prior years.

The Narragansett Electric Company
 Long-Term Contracting For Renewable Energy Recovery (LTCRER) Reconciliation
 For the Period January 1, 2023 through December 31, 2023
 Reconciliation and LTCRER Factor Calculation

		Beginning Balance (a)	Revenue (b)	Expense (c)	Adjustments (d)	Monthly Over/(Under) (e)	Ending Balance (f)
(1)	Jan-23	\$0	(\$307,553)	\$1,373,265	\$0	(\$1,680,818)	(\$1,680,818)
(2)	Feb-23	(\$1,680,818)	(\$910,179)	\$4,988,577	\$0	(\$5,898,756)	(\$7,579,574)
(3)	Mar-23	(\$7,579,574)	(\$755,163)	\$7,846,776	\$0	(\$8,601,939)	(\$16,181,513)
(4)	Apr-23	(\$16,181,513)	(\$767,222)	\$57,856	\$301,232	(\$523,846)	(\$16,705,359)
(5)	May-23	(\$16,705,359)	(\$821,219)	\$7,056,894	\$0	(\$7,878,113)	(\$24,583,472)
(6)	Jun-23	(\$24,583,472)	(\$801,862)	\$4,965,393	\$0	(\$5,767,255)	(\$30,350,727)
(7)	Jul-23	(\$30,350,727)	\$691,031	(\$2,059,702)	\$0	\$2,750,733	(\$27,599,994)
(8)	Aug-23	(\$27,599,994)	\$3,017,837	\$5,871,685	\$0	(\$2,853,848)	(\$30,453,842)
(9)	Sep-23	(\$30,453,842)	\$2,877,803	\$5,526,841	\$0	(\$2,649,038)	(\$33,102,880)
(10)	Oct-23	(\$33,102,880)	\$2,353,224	(\$229,513)	\$0	\$2,582,737	(\$30,520,143)
(11)	Nov-23	(\$30,520,143)	\$2,154,142	\$7,169,105	\$0	(\$5,014,963)	(\$35,535,106)
(12)	Dec-23	(\$35,535,106)	\$2,286,090	\$6,912,551	\$0	(\$4,626,461)	(\$40,161,567)
(13)	Jan-24	<u>(\$40,161,567)</u>	<u>\$1,492,476</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,492,476</u>	<u>(\$38,669,091)</u>
(14)		\$0	\$10,509,405	\$49,479,728	\$301,232	(\$38,669,091)	(\$38,669,091)
(15)	Interest						<u>(\$522,033)</u>
(16)	Ending Balance Including Interest						(\$39,191,124)
(17)	Interest During Recovery Period						<u>(\$1,115,019)</u>
(18)	Ending Balance Including Interest During the Recovery Period						(\$40,306,143)
(19)	Forecasted kWhs for the period April 1, 2024 through March 31, 2025						<u>7,355,461,608</u>
(20)	Unadjusted charge per kWh						\$0.00547
(21)	Adjustment for Uncollectible Allowance						<u>\$0.00007</u>
(22)	Proposed LTC Recovery Reconciliation Factor Effective April 1, 2024						\$0.00554
(23)	Currently effective LTC Recovery Factor						<u>\$0.00425</u>
(24)	LTC Recovery Factor Effective April 1, 2024						\$0.00979

(a) Prior month column (f)
 (b) Page 3, Column (e)
 (c) Page 4, Column (l)

(d) Page 5, Line (16), Column (i)
 (e) Column (b) - Column (c) + Column (d)
 (f) Column (a) + Column (e)

(15) [(Line (1), Column (a) + Line (14), Column (f)) ÷ 2] x
 [2/12 months RIE Customer Deposit Rate (1.45%) +
 10/12 months RIE Customer Deposit Rate (2.95%)]
 (16) Line (14), Column (f) + Line (15)
 (17) Page 2, Line (16)
 (18) Line (16) + Line (17)
 (19) per Company forecast

(20) Line (18) ÷ Line (19), truncated to 5 decimal places
 (21) Line (20) x the Uncollectible rate of 1.30%, truncated to 5
 decimal places
 (22) Line (20) + Line (21)
 (23) R.I.P.U.C. Docket No. 23-45-EL, LTC Recovery Factor filing,
 November 30, 2023, Attachment 1 (Compliance), Page 1, Line
 (8)
 (24) Line (22) + Line (23)

The Narragansett Electric Company
Long-Term Contracting For Renewable Energy Recovery (LTCRER) Reconciliation
Reconciliation and LTCRER Factor Calculation
Calculation of Interest During Recovery Period

		<u>Beginning</u> <u>Balance</u> (a)	<u>Recovery</u> (b)	<u>Ending</u> <u>Balance</u> (c)	<u>Customer Deposit</u> <u>Rate</u> (d)	<u>Interest</u> (e)
(1)	Jan-24	(\$39,191,124)		(\$39,191,124)	2.95%	(\$96,345)
(2)	Feb-24	(\$39,287,469)		(\$39,287,469)	2.95%	(\$96,582)
(3)	Mar-24	(\$39,384,051)		(\$39,384,051)	3.96%	(\$129,967)
(4)	Apr-24	(\$39,514,018)	(\$3,292,835)	(\$36,221,183)	3.96%	(\$124,963)
(5)	May-24	(\$36,346,146)	(\$3,304,195)	(\$33,041,951)	3.96%	(\$114,490)
(6)	Jun-24	(\$33,156,441)	(\$3,315,644)	(\$29,840,797)	3.96%	(\$103,945)
(7)	Jul-24	(\$29,944,742)	(\$3,327,194)	(\$26,617,548)	3.96%	(\$93,328)
(8)	Aug-24	(\$26,710,876)	(\$3,338,860)	(\$23,372,016)	3.96%	(\$82,637)
(9)	Sep-24	(\$23,454,653)	(\$3,350,665)	(\$20,103,988)	3.96%	(\$71,872)
(10)	Oct-24	(\$20,175,860)	(\$3,362,643)	(\$16,813,217)	3.96%	(\$61,032)
(11)	Nov-24	(\$16,874,249)	(\$3,374,850)	(\$13,499,399)	3.96%	(\$50,117)
(12)	Dec-24	(\$13,549,516)	(\$3,387,379)	(\$10,162,137)	3.96%	(\$39,124)
(13)	Jan-25	(\$10,201,261)	(\$3,400,420)	(\$6,800,841)	3.96%	(\$28,053)
(14)	Feb-25	(\$6,828,894)	(\$3,414,447)	(\$3,414,447)	3.96%	(\$16,902)
(15)	Mar-25	(\$3,431,349)	(\$3,431,349)	\$0	3.96%	(\$5,662)
(16)						(\$1,115,019)

- (a) Beginning balance per Page 1, Line (16)
Prior month Column (c) + prior month Column (e)
- (b) Apr-2024: Column (a) ÷ 12, May-2021: Column (a) ÷ 11, etc.
- (c) Column (a) - Column (b)
- (d) Customer Deposit Rate
- (e) (Column (a) + Column (c) ÷ 2) x (Column (d) ÷ 12)

The Narragansett Electric Company
Long-Term Contracting For Renewable Energy Recovery (LTCRER) Reconciliation
For the Period January 1, 2023 through December 31, 2023

Revenue

		LTCRER Revenue	LTCRER Reconciliation Revenue	Net LTCRER Revenue	Uncollectible Revenue	Net LTCRER Revenue Adjusted for Uncollectibles
		(a)	(b)	(c)	(d)	(e)
(1)	Jan-23 (i)	(\$635,696)	(\$324,092)	(\$311,604)	(\$4,051)	(\$307,553)
(2)	Feb-23	(\$1,587,868)	(\$665,701)	(\$922,167)	(\$11,988)	(\$910,179)
(3)	Mar-23	(\$1,465,666)	(\$700,557)	(\$765,109)	(\$9,946)	(\$755,163)
(4)	Apr-23	(\$612,930)	\$164,397	(\$777,327)	(\$10,105)	(\$767,222)
(5)	May-23	\$368,063	\$1,200,098	(\$832,035)	(\$10,816)	(\$821,219)
(6)	Jun-23	\$438,170	\$1,250,594	(\$812,424)	(\$10,562)	(\$801,862)
(7)	Jul-23	\$2,266,915	\$1,566,782	\$700,133	\$9,102	\$691,031
(8)	Aug-23	\$4,812,483	\$1,754,897	\$3,057,586	\$39,749	\$3,017,837
(9)	Sep-23	\$4,525,712	\$1,610,005	\$2,915,707	\$37,904	\$2,877,803
(10)	Oct-23	\$3,722,950	\$1,338,731	\$2,384,219	\$30,995	\$2,353,224
(11)	Nov-23	\$3,389,448	\$1,206,933	\$2,182,515	\$28,373	\$2,154,142
(12)	Dec-23	\$3,598,111	\$1,281,910	\$2,316,201	\$30,111	\$2,286,090
(13)	Jan-24 (ii)	\$2,320,950	\$ 808,816	\$1,512,134	\$19,658	\$1,492,476
(14)		\$21,140,641	\$10,492,813	\$10,647,829	\$138,424	\$10,509,405

(i) reflects revenue associated with usage on and after January 1

(ii) reflects revenue associated with usage prior to January 1

(a) per Company revenue reports

(b) Pages 5 and 6, Column (b)

(c) Column (a) - Column (b)

(d) Column (c) x Uncollectible rate (1.30%)

(e) Column (c) - Column (d)

The Narragansett Electric Company
Long-Term Contracting For Renewable Energy Recovery (LTCRER) Reconciliation
For the Period January 1, 2023 through December 31, 2023

Expense Summary

		Total Contract	Capacity	Contract Cost	Energy	Forward	Customer Share	Above/(Below)	Other		FCM	Total	
		Cost	Revenue	Less Capacity	Market	Capacity Gross	Net Forward	Market	Charges &	Remuneration	Admin	Costs	
		(a)	Received	Revenue	Proceeds	Revenues	Capacity	Cost	(Credits)	(j)	Expenses	(l)	
			(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)		
(1)	Jan-23	\$8,630,399	\$171,002	\$8,459,397	\$2,355,607	\$0	\$0	\$4,963,378	\$1,140,412	\$0	\$232,633	\$220	\$1,373,265
(2)	Feb-23	\$7,714,083	\$172,817	\$7,541,266	\$2,760,417	\$0	\$0	\$0	\$4,780,849	\$0	\$207,385	\$343	\$4,988,577
(3)	Mar-23	\$9,958,805	\$134,685	\$9,824,120	\$2,247,949	\$0	\$0	\$0	\$7,576,171	\$0	\$270,163	\$442	\$7,846,776
(4)	Apr-23	\$8,310,328	\$153,201	\$8,157,127	\$1,679,158	\$0	\$0	\$6,645,068	(\$167,099)	\$0	\$224,321	\$634	\$57,856
(5)	May-23	\$8,302,010	\$132,771	\$8,169,239	\$1,335,387	\$2,491	\$2,242	\$0	\$6,831,610	\$0	\$224,654	\$630	\$7,056,894
(6)	Jun-23	\$6,207,041	\$76,410	\$6,130,631	\$1,322,488	\$13,384	\$12,045	\$0	\$4,796,098	\$0	\$168,592	\$703	\$4,965,393
(7)	Jul-23	\$6,386,850	\$76,328	\$6,310,522	\$1,714,951	\$16,615	\$14,953	\$6,814,774	(\$2,234,156)	\$0	\$173,539	\$915	(\$2,059,702)
(8)	Aug-23	\$7,431,568	\$76,321	\$7,355,247	\$1,675,830	\$12,342	\$11,107	\$0	\$5,668,310	\$0	\$202,269	\$1,106	\$5,871,685
(9)	Sep-23	\$6,612,285	\$76,312	\$6,535,973	\$1,179,485	\$10,830	\$9,747	\$0	\$5,346,741	\$0	\$179,739	\$361	\$5,526,841
(10)	Oct-23	\$6,980,698	\$87,619	\$6,893,079	\$1,174,425	\$0	\$0	\$6,137,783	(\$419,129)	\$0	\$189,560	\$56	(\$229,513)
(11)	Nov-23	\$9,220,832	\$95,904	\$9,124,928	\$2,207,153	\$0	\$0	\$0	\$6,917,775	\$0	\$250,936	\$394	\$7,169,105
(12)	Dec-23	<u>\$8,673,456</u>	<u>\$92,830</u>	<u>\$8,580,626</u>	<u>\$1,825,882</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,754,744</u>	<u>(\$78,459)</u>	<u>\$235,967</u>	<u>\$299</u>	<u>\$6,912,551</u>
(13)		\$94,428,355	\$1,346,200	\$93,082,155	\$21,478,732	\$55,662	\$50,094	\$24,561,003	\$46,992,326	(\$78,459)	\$2,559,758	\$6,103	\$49,479,728

- (a) per contract invoice
- (b) per contract invoice
- (c) Column (a) - Column (b)
- (d) from ISO invoice
- (e) from ISO invoice
- (f) Column (e) x 90%
- (g) per Company records (number of RECs received x transfer price)
- (h) Column (c) - Column (d) - Column (f) - Column (g)
- (i) December 2023: Cover damages for two facilities
- (j) Column (e) x 2.75%
- (k) ISO-NE Forward Capacity Market Administrative Expense
- (l) Column (h) + Column (i) + Column (j) + Column (k)

The Narragansett Electric Company
Long-Term Contracting For Renewable Energy Reconciliation
For the Period January 1, 2023 through December 31, 2023

Status of Prior Period Over/(Under) Recovery

Section 1

Incurred: January 1, 2021 through December 31, 2021
Recovery Period: April 1, 2022 through March 31, 2023

		Beginning Balance (a)	Adjustment Factor Charge/(Credit) (b)	Uncollectible Expenses (c)	Net Recovery (d)	Over/(Under) Recovery (e)	Interest Balance (f)	Interest Rate (g)	Interest (h)	Ending Balance (i)
(1)	Jan-22	\$9,030,136	\$0	\$0	\$0	\$9,030,136	\$9,030,136	1.10%	\$8,278	\$9,038,414
(2)	Feb-22	\$9,038,414	\$0	\$0	\$0	\$9,038,414	\$9,038,414	0.68%	\$5,122	\$9,043,536
(3)	Mar-22	\$9,043,536	\$0	\$0	\$0	\$9,043,536	\$9,043,536	0.56%	\$4,220	\$9,047,756
(4)	Apr-22	\$9,047,756	(\$289,779)	(\$3,767)	(\$286,012)	\$8,761,744	\$8,904,750	0.84%	\$6,233	\$8,767,977
(5)	May-22	\$8,767,977	(\$649,026)	(\$8,437)	(\$640,589)	\$8,127,388	\$8,447,683	0.94%	\$6,617	\$8,134,005
(6)	Jun-22	\$8,134,005	(\$685,611)	(\$8,913)	(\$676,698)	\$7,457,307	\$7,795,656	1.45%	\$9,420	\$7,466,727
(7)	Jul-22	\$7,466,727	(\$831,697)	(\$10,812)	(\$820,885)	\$6,645,842	\$7,056,285	1.45%	\$8,526	\$6,654,368
(8)	Aug-22	\$6,654,368	(\$996,930)	(\$12,960)	(\$983,970)	\$5,670,398	\$6,162,383	1.45%	\$7,446	\$5,677,844
(9)	Sep-22	\$5,677,844	(\$901,297)	(\$11,717)	(\$889,580)	\$4,788,264	\$5,233,054	1.45%	\$6,323	\$4,794,587
(10)	Oct-22	\$4,794,587	(\$703,881)	(\$9,150)	(\$694,731)	\$4,099,856	\$4,447,222	1.45%	\$5,374	\$4,105,230
(11)	Nov-22	\$4,105,230	(\$651,191)	(\$8,465)	(\$642,726)	\$3,462,504	\$3,783,867	1.45%	\$4,572	\$3,467,076
(12)	Dec-22	\$3,467,076	(\$686,127)	(\$8,920)	(\$677,207)	\$2,789,869	\$3,128,473	1.45%	\$3,780	\$2,793,649
(13)	Jan-23	\$2,793,649	(\$768,173)	(\$9,986)	(\$758,187)	\$2,035,462	\$2,414,556	1.45%	\$2,918	\$2,038,380
(14)	Feb-23	\$2,038,380	(\$665,701)	(\$8,654)	(\$657,047)	\$1,381,333	\$1,709,857	1.45%	\$2,066	\$1,383,399
(15)	Mar-23	\$1,383,399	(\$700,557)	(\$9,107)	(\$691,450)	\$691,949	\$1,037,674	2.95%	\$2,551	\$694,500
(16)	Apr-23	\$694,500	(\$399,686)	(\$5,196)	(\$394,490)	\$300,010	\$497,255	2.95%	\$1,222	\$301,232

- (a) Beginning balance per R.I.P.U.C. Docket No. 5234 Annual Retail Rate Filing, filed February 2023, Schedule NG-18, Page 1, Line (16) Prior month Column (i)
- (b) per Company records
- (c) Column (b) x uncollectible percentage (1.30%)
- (d) Column (b) - Column (c)
- (e) Column (a) + Column (d)
- (f) [Column (a) + Column (e)] ÷ 2
- (g) January - May: Money Pool interest rate pre-sale of Narragansett Electric Company to PPL
- (g) June - April: Customer Deposit Rate post-sale of Narragansett Electric Company to PPL
- (h) Column (f) x (Column (g) ÷ 12)
- (i) Column (e) + Column (h)

Section 2. Calculation of LTC Reconciliation Factor Revenue

Mo/Yr	kWh Deliveries (i)	LTC Reconciliation Factor (j)	LTC Reconciliation Factor Rev (k)	
(1)	Apr-22	235,592,282	(\$0.00123)	(\$289,779)
(2)	May-22	527,663,380	(\$0.00123)	(\$649,026)
(3)	Jun-22	557,407,655	(\$0.00123)	(\$685,611)
(4)	Jul-22	676,176,257	(\$0.00123)	(\$831,697)
(5)	Aug-22	810,512,293	(\$0.00123)	(\$996,930)
(6)	Sep-22	732,761,875	(\$0.00123)	(\$901,297)
(7)	Oct-22	572,261,191	(\$0.00123)	(\$703,881)
(8)	Nov-22	529,423,899	(\$0.00123)	(\$651,191)
(9)	Dec-22	557,826,589	(\$0.00123)	(\$686,127)
(10)	Jan-23	624,530,528	(\$0.00123)	(\$768,173)
(11)	Feb-23	541,220,679	(\$0.00123)	(\$665,701)
(12)	Mar-23	569,558,756	(\$0.00123)	(\$700,557)
(13)	Apr-23	324,948,212	(\$0.00123)	(\$399,686)

- (i) per Company revenue reports
- (j) Reconciliation Factor in effect April 1, 2022 through March 31, 2023 per R.I.P.U.C. Docket No. 5234, Schedule NECO-18, page 1, Line (22)
- (k) Column (i) x Column (j)

The Narragansett Electric Company
Long-Term Contracting For Renewable Energy Reconciliation
For the Period January 1, 2023 through December 31, 2023

Status of Prior Period Over/(Under) Recovery

Section 1

Incurred: January 1, 2022 through December 31, 2022
Recovery Period: April 1, 2023 through March 31, 2024

		Beginning Over/(Under) Balance (a)	Adjustment Factor Charge/(Credit) (b)	Uncollectible Expenses (c)	Net Recovery (d)	Over/(Under) Recovery (e)	Interest Balance (f)	Interest Rate (g)	Interest (h)	Ending Over/(Under) Balance (i)
(1)	Jan-23	(\$16,406,983)	\$0	\$0	\$0	(\$16,406,983)	(\$16,406,983)	1.45%	(\$19,825)	(\$16,426,808)
(2)	Feb-23	(\$16,426,808)	\$0	\$0	\$0	(\$16,426,808)	(\$16,426,808)	1.45%	(\$19,849)	(\$16,446,657)
(3)	Mar-23	(\$16,446,657)	\$0	\$0	\$0	(\$16,446,657)	(\$16,446,657)	2.95%	(\$40,431)	(\$16,487,088)
(4)	Apr-23	(\$16,487,088)	\$564,083	\$7,333	\$556,750	(\$15,930,338)	(\$16,208,713)	2.95%	(\$39,846)	(\$15,970,184)
(5)	May-23	(\$15,970,184)	\$1,200,098	\$15,601	\$1,184,497	(\$14,785,687)	(\$15,377,936)	2.95%	(\$37,804)	(\$14,823,491)
(6)	Jun-23	(\$14,823,491)	\$1,250,594	\$16,258	\$1,234,336	(\$13,589,155)	(\$14,206,323)	2.95%	(\$34,924)	(\$13,624,079)
(7)	Jul-23	(\$13,624,079)	\$1,566,782	\$20,368	\$1,546,414	(\$12,077,665)	(\$12,850,872)	2.95%	(\$31,592)	(\$12,109,257)
(8)	Aug-23	(\$12,109,257)	\$1,754,897	\$22,814	\$1,732,083	(\$10,377,174)	(\$11,243,216)	2.95%	(\$27,640)	(\$10,404,814)
(9)	Sep-23	(\$10,404,814)	\$1,610,005	\$20,930	\$1,589,075	(\$8,815,739)	(\$9,610,277)	2.95%	(\$23,625)	(\$8,839,364)
(10)	Oct-23	(\$8,839,364)	\$1,338,731	\$17,404	\$1,321,327	(\$7,518,037)	(\$8,178,701)	2.95%	(\$20,106)	(\$7,538,143)
(11)	Nov-23	(\$7,538,143)	\$1,206,933	\$15,690	\$1,191,243	(\$6,346,900)	(\$6,942,522)	2.95%	(\$17,067)	(\$6,363,967)
(12)	Dec-23	(\$6,363,967)	\$1,281,910	\$16,665	\$1,265,245	(\$5,098,722)	(\$5,731,345)	2.95%	(\$14,090)	(\$5,112,812)
(13)	Jan-24	(\$5,112,812)	\$1,438,204	\$18,697	\$1,419,507	(\$3,693,305)	(\$4,403,059)	2.95%	(\$10,824)	(\$3,704,129)
(14)	Feb-24	(\$3,704,129)	\$0	\$0	\$0	(\$3,704,129)	(\$3,704,129)	2.95%	(\$9,106)	(\$3,713,235)
(15)	Mar-24	(\$3,713,235)	\$0	\$0	\$0	(\$3,713,235)	(\$3,713,235)	3.96%	(\$12,254)	(\$3,725,489)
(16)	Apr-24	(\$3,725,489)	\$0	\$0	\$0	(\$3,725,489)	(\$3,725,489)	3.96%	(\$12,294)	(\$3,737,783)

- (a) Beginning balance per R.I.P.U.C. Docket No. 23-03-EL, filed March 2023, Schedule NECO-17 - Corrected, Page 1, Line (16) Prior month Column (i)
- (b) per Company records
- (c) Column (b) x uncollectible percentage (1.30%)
- (d) Column (b) - Column (c)
- (e) Column (a) + Column (d)
- (f) [Column (a) + Column (e)] ÷ 2
- (g) Customer Deposit Rate
- (h) Column (f) x (Column (g) ÷ 12)
- (i) Column (e) + Column (h)

Section 2. Calculation of LTC Reconciliation Factor Revenue

Mo/Yr	kWh Deliveries (i)	LTC Reconciliation Factor (j)	LTC Reconciliation Factor Rev (k)	
(1)	Apr-23	245,253,340	\$0.00230	\$564,083
(2)	May-23	521,781,835	\$0.00230	\$1,200,098
(3)	Jun-23	543,736,450	\$0.00230	\$1,250,594
(4)	Jul-23	681,209,423	\$0.00230	\$1,566,782
(5)	Aug-23	762,998,742	\$0.00230	\$1,754,897
(6)	Sep-23	700,002,294	\$0.00230	\$1,610,005
(7)	Oct-23	582,057,050	\$0.00230	\$1,338,731
(8)	Nov-23	524,753,599	\$0.00230	\$1,206,933
(9)	Dec-23	557,352,249	\$0.00230	\$1,281,910
(10)	Jan-24	625,306,268	\$0.00230	\$1,438,204
(11)	Feb-24	-	\$0.00230	\$0
(12)	Mar-24	-	\$0.00230	\$0
(13)	Apr-24	-	\$0.00230	\$0

- (i) per Company revenue reports
- (j) Reconciliation Factor in eff. April 1, 2023 through March 31, 2024 per R.I.P.U.C. Docket No. 23-03-EL, March 2023, Schedule NECO-17-Corrected, page 1, Line (22)
- (k) Column (i) x Column (j)

**Forward Capacity Market ("FCM") Administration Expense associated with
Long-Term Contracting for Renewable Energy Recovery ("LTCRER")**

	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
	Docket No.	Exhibit	Year	Contract Costs	Labor Cost	Total Cost
(1)	24-07-EL	Attachment Record Request 1-1, Page 4	2023	\$5,704	\$398	\$6,102
(2)	23-03-EL	Schedule NECO-17 - Corrected, Page 4	2022	\$2,668	\$0	\$2,668
(3)	5234	Schedule NECO-18, Page 4	2021	\$24,531	\$6,367	\$30,897
(4)	5127	Schedule NG-18, Page 4	2020	\$6,658	\$3,291	\$9,948

- (a) Annual Retail Rate Filing Docket Number
- (b) Associated Schedule where FCM Administrative Expense is located
- (c) Year of Reconciliation for Annual Retail Rate Filing
- (d) FCM Administration Expense (Contractor)
- (e) FCM Administration Expense (Internal Labor)
- (f) Calculated total may differ slightly due to rounding

Record Request No. 3

Request:

Referencing Schedule AS-1 of the Company's 2024 Annual Retail Rate Filing, please describe the drivers behind the \$25,229,094 increase in transmission expenses, specifically the RIE Local Charges and ISO-NE Regional Charges.

Response:

Of the total forecasted transmission expense year-over-year increase for Rhode Island Energy customers of \$25.23 million, approximately \$18.44 million, or 73 percent of the year-over-year increase, is attributable to the pooled transmission facilities ("PTF") demand charge. This charge is calculated by the Independent System Operator ("ISO") based on an annual FERC-approved regional network service ("RNS") rate per kW. The RNS rate itself is a forward-looking rate that encompasses the regional revenue requirement of all New England Participating Transmission Owners ("PTOs"), of which Rhode Island Energy makes up roughly five percent of the total. The rate is calculated using the most recently available actuals, plus the incremental revenue requirement on two years' worth of forecasted plant additions, and other items such as prior year true-ups and other adjustments. As an example, the Calendar Year ("CY") 2024 filed annual RNS rate of \$154.35 per kW is derived from gathering the following for all PTOs: CY2022 actual data, plus the incremental revenue requirement for CY2023 and CY2024 forecasted plant additions, plus any true-ups or adjustments.

Regional costs have generally increased year-over-year primarily due to asset health projects to replace aging infrastructure and upgrades for capacity, which allow for the interconnection of generating facilities in a way that avoids any significant adverse effects on the reliability, stability, and operability of the New England Transmission System.

Of the \$25.23 million year-over-year increase in forecasted transmission expense, approximately \$5 million, or 20 percent of the year-over-year increase, is related to local charges. These are costs largely related to serving Rhode Island customers under Rhode Island Energy's local transmission service. Specifically, the local network service ("LNS") rate, which is calculated solely on Rhode Island Energy's revenue requirement, is driving a \$1.8 million year-over-year increase in Non-PTF Demand Charges, a component of local charges. This is primarily due to the increase in project costs related to replacing aging infrastructure. The remainder of the increase in local charges is related to the Block Island Transmission System ("BITS") surcharge, mostly due to an increase in the carrying charge used. This year's forecast is using 2022 data to estimate the carrying charge, which increased from 5.82 percent to 7.41 percent due to a higher year-over-year rate base. Once 2023 actual data is available and finalized, the Company will true-up to actuals through a FERC filing.