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Also admitted in Massachusetts

October 24, 2024

**VIA HAND DELIVERY & ELECTRONIC MAIL**

Stephanie De La Rosa, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

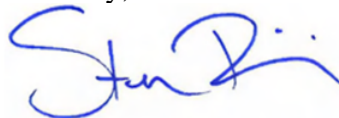
**RE: Docket 24-29-NG – 2024 Distribution Adjustment Clause and Gas Cost Recovery Filing - Response to Public Utilities Commission’s Record Requests**

Dear Ms. De La Rosa:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), I have enclosed the Company’s responses to the Public Utilities Commission’s Record Requests issued at the October 16, 2024 hearing in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at (401) 709-3359.

Sincerely,



Steven J. Boyajian

Enclosure

cc: Docket 24-29-NG 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.



Heidi J. Seddon

October 24, 2024

Date

**Docket No. 24-29-NG – Narragansett Electric Co. d/b/a Rhode Island Energy  
2024 Gas Cost Recovery Filing (GCR) and 2024 Distribution Adjustment Clause (DAC)  
Service List as of 7/31/2024**

<b>Name/Address</b>	<b>E-mail</b>	<b>Phone</b>
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<b>Rhode Island Energy</b> Stephanie A. Briggs Jeffrey D. Oliveira Tyler G. Shields Peter R. Blazunas James M. Stephens Stuart Wilson Tim Jones Michele V. Leone Laeyeng H. Hunt Brandon W. Flynn Kim Dao	<a href="mailto:SBriggs@pplweb.com">SBriggs@pplweb.com</a> ;	
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<b>File an original &amp; 9 copies w/ PUC:</b> Stephanie De La Rosa, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:stephanie.delarosa@puc.ri.gov">stephanie.delarosa@puc.ri.gov</a> ;	401-780-2107
	<a href="mailto:Patricia.lucarelli@puc.ri.gov">Patricia.lucarelli@puc.ri.gov</a> ;	
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	
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Nicholas Vaz, Esq. <b>RI Attorney General Office</b>	<a href="mailto:nvaz@riag.ri.gov">nvaz@riag.ri.gov</a> ;	
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James Crowley, Esq. <b>Conservation Law Foundation</b>	<a href="mailto:jcrowley@clf.org">jcrowley@clf.org</a> ;	

Record Request 1

Request:

Please identify the causes of the large under-collection of \$11,403,556 (with an itemization if possible) on DAC-7, page 1 of 2, column (f), line (10). In performing the comparison, please use the yet to be corrected revenue requirement amounts that will be reflected in the Company’s updated Schedule DAC-7.

Response:

First, the Fiscal Year (“FY”) 2024 Infrastructure, Safety, and Reliability (“ISR”) Factors (excluding the ISR Reconciliation Factor) were originally designed to collect a revenue requirement of \$58,623,688 over the period April 2023 through March 2024. The actual revenue requirement for the period of April 2023 through March 2024, however, was \$60,853,881. Hence, rates were designed to collect a forecasted revenue requirement that was \$2,230,193 lower than the actual revenue requirement for the period. Assuming the Company’s throughput forecast was accurate, the Company still would have experienced an under-recovery of ISR Factor (excluding the ISR Reconciliation Factor) revenue because the revenue requirement used to design rates was lower than the actual revenue requirement for the period.

Second, the remaining under-recovery of \$8,675,390 is consistent with the fact that the Company’s actual throughput for the period April 2023 through March 2024 was approximately 11% lower than the Company’s forecast throughput used to design rates for that same period.

<b>April 2023 – March 2024 Throughput (millions of Dth)</b>	
Forecast Throughput	40.5
Actual Throughput	36.0
<b>% Variance</b>	<b>11%</b>

The practical effect of actual lower throughput as compared to projected throughput is two-fold. First, rates were designed based upon a forecast that assumed higher than actual throughput and, therefore, were lower than they would have been had lower throughput been forecasted. Second, the lower rates were applied to volumes that were lower than forecasted. Put differently, rates were designed using forecasted throughput of 40.5 million Dth and then applied to actual throughput of 36.0 million Dth. All else being equal, these two effects drive the remaining under-recovery for the period April 2023 through March 2024.

The Narragansett Electric Company  
d/b/a Rhode Island Energy  
RIPUC Docket No. 24-29-NG  
In Re: 2024 Distribution Adjustment Clause Filing  
Responses to Record Requests  
Issued at the Commission’s Hearing  
On October 16, 2024

Record Request 2

Request:

Explain why CY 2022 enrollments were almost 5k while all the other recent years (CY2019-2021 & CY 2023) were in the 1k range?

Response:

In Docket No. 23-23-NG for calendar year (“CY”) 2022, the Company erroneously presented the number of times an arrearage management program credit was applied to a participating customer’s account in each category instead of the number of participating accounts and, in doing so, presented figures that overstated the actual number of participating accounts in each category. Please refer to the table below that provides the number of participating accounts in each category for each calendar year (“CY”) from 2019 through 2023. Please note that, for “CY 2022,” the affected figures are highlighted, and the corrected number is presented along with the originally presented incorrect number in strikethrough. The corrected number of 1,189 enrolled accounts for CY 2022 is in the range of the other calendar years presented.

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
<b>Docket No.</b>	5040	5165	22-13-NG	23-23-NG	24-29-NG
<b>Schedule</b>	RMS/MJP-6	RMS-6	PRB-5	PRB/TGS-5	DAC-5
<b>Unsuccessful Accounts (Default)</b>					
<b>Number of Accounts Not Successful as of December 31st</b>	1,197	571	341	324 <del>802</del>	388
<b>Unsuccessful Accounts (Cancelled)</b>					
<b>Number of Accounts Not Successful as of December 31st</b>	198	102	52	256 <del>1,029</del>	58
<b>Successful Accounts</b>					
<b>Number of Accounts Successfully Completing the Program as of December 31st</b>	341	498	152	277 <del>1,660</del>	177
<b>Enrolled Accounts</b>					
<b>Number of Accounts Enrolled as of December 31st</b>	1,005	318	543	332 <del>1,449</del>	454
<b>Total Enrolled Accounts</b>					
<b>Number of Accounts Enrolled as of December 31st</b>	2,741	1,489	1,088	1,189 <del>4,940</del>	1,077

The Narragansett Electric Company  
d/b/a Rhode Island Energy  
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Record Request 2, Page 2

Please note that this error did not affect the calculation of the Arrearage Management Adjustment Factor (“AMAF”) in effect November 1, 2023. The AMAF is a function of arrearage forgiveness amounts and a bad debt test. The Company confirms that the arrearage forgiveness amounts utilized in the bad debt test in the calculation of the AMAF effective November 1, 2023 were correct.

Record Request 3

Request:

Identify all of the projects at Scott Road that have gone into service in the last year and that are forecasted to go into service in the next year.

Response:

Please see Attachment RR-3 for the requested information. To provide a more comprehensive overview of recent and upcoming developments at Scott Road, Attachment RR-3 identifies all projects and their associated workorders that have gone into service since Fiscal Year ("FY") 2023, along with forecasted capital additions to be in service through FY2027.

**Attachment RR-3: Summary of Project Activity at Scott Road**

A B C D E F G H I J K L M												
1 <b>Scott Road Projects (initially reported)</b>					2 <b>In-Service Total by FY (\$000)</b>							
3 <b>Workorder</b>	<b>Workorder Description</b>	<b>Super Project</b>	<b>Super Project Description</b>	<b>First Quarter In-Service</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>Notes</b>
4 90000216520	PRE-TSI-RINC046-ScottRdTS-Rebuild	C079174	CLD - Scott Rd GS Rebuild - RINC046	Incorrectly placed in-service Q2FY2023. Forecasted to physically go in-service Q3FY2025.	\$ -	\$ -	\$ 514	\$ 2,430	\$ 4,339	\$ 924	\$ 10	Project was incorrectly placed in-service in FY2023. This first table shows how in-service dollars were initially reported. The table below shows a corrected forecast of capital additions placed in-service in FY2025. Essentially, all FY2023-FY2024 in-service dollars will be rolled into FY2025.
5 90000244041	Scott Rd Stormwater Mangmnt Install	C079174	CLD - Scott Rd GS Rebuild - RINC046	TBD - FY2026	\$ -	\$ -	\$ -	\$ -	\$ 105	\$ 2,600	\$ -	
6 90000220362	CMB-TSE-RINC046-ScottRd-Header&OV	C084983	Take Station Enhancement-RI	Q2FY2022	\$ -	\$ -	\$ 521	\$ 10	\$ -	\$ -	\$ -	
7 90000217255	SCOTT RD GS POSITION INDICATORS	CRIC213	I&R - Reactive	Q4FY2023	\$ -	\$ -	\$ 39	\$ -	\$ -	\$ -	\$ -	
8 <b>Scott Road Projects (corrected)</b>					9 <b>In-Service Total by FY (\$000)</b>							
10 <b>Workorder</b>	<b>Workorder Description</b>	<b>Super Project</b>	<b>Super Project Description</b>	<b>First Quarter In-Service</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>Notes</b>
11 90000216520	PRE-TSI-RINC046-ScottRdTS-Rebuild	C079174	CLD - Scott Rd GS Rebuild - RINC046	Incorrectly placed in-service Q2FY2023. Forecasted to physically go in-service Q3FY2025.	\$ -	\$ -	\$ 514	\$ 2,430	\$ 4,339	\$ 924	\$ 10	This table shows a corrected forecast of capital additions placed in-service in FY2025. Essentially, all FY2023-FY2024 in-service dollars will be rolled into FY2025.
12 90000244041	Scott Rd Stormwater Mangmnt Install	C079174	CLD - Scott Rd GS Rebuild - RINC046	TBD - FY2026	\$ -	\$ -	\$ -	\$ -	\$ 105	\$ 2,600	\$ -	
13 90000220362	CMB-TSE-RINC046-ScottRd-Header&OV	C084983	Take Station Enhancement-RI	Q2FY2022	\$ -	\$ -	\$ 521	\$ 10	\$ -	\$ -	\$ -	
14 90000217255	SCOTT RD GS POSITION INDICATORS	CRIC213	I&R - Reactive	Q4FY2023	\$ -	\$ -	\$ 39	\$ -	\$ -	\$ -	\$ -	

\*Highlighted cells indicate a change from what was initially reported to what is now being corrected as part of FY2024 Gas ISR Reconciliation.



Record Request 4

Request:

Identify all of the projects at Laten Knight that have gone into service in the last year and that are forecasted to go into service in the next year.

Response:

Please see Attachment RR-4 for the requested information. To provide a comprehensive overview of recent and upcoming developments at Laten Knight, Attachment RR-4 identifies all projects and their associated workorders that have gone into service since FY2021, along with forecasted capital additions to be in service thru FY2026.

**Attachment RR-4: Summary of Project Activity at Laten Knight - Cranston Take Station**

Laten Knight - Cranston Take Station (initially reported)												
In-Service Total by FY (\$000)												
Workorder	Workorder Description	Super Project	Super Project Description	First Quarter In-Service	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Notes
90000181511	CRA-LATEN KNIGHT GS-REPLHTR-RIS334	C077172	CRA-LATEN KNIGHT GS-REPLHTR-RIS334	Q3FY2021	3,969	\$ 108	\$ (1)	\$ -	\$ -	\$ -	\$ -	
90000199455	Cranston Take Station Upgrades	C082302	GrowthPoint-Existing PRE Facilities	Incorrectly placed in-service Q4FY2024. Was actually placed in-service Q2FY2025.	\$ -	\$ -	\$ -	\$ 2,903	\$ 3,912	\$ 248	\$ -	Project was incorrectly placed in-service in FY2024. This first table shows how in-service dollars were initially reported. The table below shows a corrected forecast of capital additions placed in-service in FY2025. Essentially, all FY2024 in-service dollars will be rolled into FY2025.

Laten Knight - Cranston Take Station (corrected)												
In-Service Total by FY (\$000)												
Workorder	Workorder Description	Super Project	Super Project Description	First Quarter In-Service	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Notes
90000181511	CRA-LATEN KNIGHT GS-REPLHTR-RIS334	C077172	CRA-LATEN KNIGHT GS-REPLHTR-RIS334	Q3FY2021	3,969	\$ 108	\$ (1)	\$ -	\$ -	\$ -	\$ -	
90000199455	Cranston Take Station Upgrades	C082302	GrowthPoint-Existing PRE Facilities	Incorrectly placed in-service Q4FY2024. Was actually placed in-service Q2FY2025.	\$ -	\$ -	\$ -	<del>\$ 2,903</del>	<del>\$ 3,912</del>	\$ 248	\$ -	This table shows a corrected forecast of capital additions placed in-service in FY2025. Essentially, all FY2024 in-service dollars were rolled into FY2025.

\*Highlighted cells indicate a change from what was initially reported to what is now being corrected as part of FY2024 Gas ISR Reconciliation.

Record Request 5

Request:

Provide a schedule or table showing the calculation of the revenue requirement resulting from the errors set forth in the Company's October 11 correspondence.

Response:

Please see Attachment RR-5 for the requested schedule. The following is an explanation of the calculation of the revenue requirement impact of the errors described in the Company's October 11, 2024 correspondence to the Commission.

- a. **Scott Road Take Station Rebuild:** With respect to the Scott Road Take Station Rebuild, the Company's initial investigation into the error revealed that the FY2024 Gas ISR Reconciliation reflects capital additions placed in service of \$2,430,474 (See Attachment RR-5, Line 1, Column (b)) that must be removed. These capital additions were reflected in the Mandated Programs category in Row 4, Column C on Table C – Adjusted Plant In Service Summary at Bates page 41 of the FY2024 Gas ISR Reconciliation. Additionally, there were premature capital additions related to the project in FY2023, which together with the test hole work that was properly charged to the Scott Road Take Station Rebuild workorder in FY2023, totaled \$499,186. (See Attachment RR-5, Line 1, Column (a)). Those capital additions should also be removed, from FY2023.

As a result of these errors with respect to the Scott Road Take Station Rebuild project, the revenue requirement attributable to FY2024 capital additions reflected in the FY2024 Gas ISR Reconciliation was overstated by \$197,025 (See Attachment RR-5, Line 7, Column (b)). The FY2023 revenue requirement for FY2023 capital additions was overstated by \$37,955 (See Attachment RR-5, Line 5, Column (a)) and the FY2024 revenue requirement attributable to FY2023 capital additions was overstated by \$65,648 (See Attachment RR-5, Line 6, Column (b)).

- b. **Laten Knight - Cranston Take Station Upgrades:** With respect to Laten Knight, the capital additions reflected in the FY2024 Gas ISR Reconciliation were overstated by \$2,902,637 (See Attachment RR-5, Line 2, Column (b)) and the revenue requirement attributable to those FY2024 capital additions was overstated by \$235,300 (See Attachment RR-5, Line 10, Column (b)). These capital additions were reflected in the Southern Rhode Island Gas Expansion Project category in Row 12, Column C on Table C – Adjusted Plant in Service Summary at Bates page 41 of the FY2024 Gas ISR

Record Request 5, Page 2

Reconciliation. The mistaken placement of this project into service, which occurred in FY2024, did not impact the revenue requirement attributable to FY2023 capital additions.

Taken together, the premature placement of the Projects into service resulted in FY2023 capital additions of \$499,186 (See Attachment RR-5, Line 3, Column (a)) and FY2024 capital additions of \$5,333,111 (See Attachment RR-5, Line 3, Column (b)) for a total of \$5,832,297 (See Attachment RR-5, Line 3, Column (c)). The FY2023 revenue requirement for FY2023 capital additions was overstated by \$37,955 (See Attachment RR-5, Line 12, Column (a)). The FY2024 revenue requirement for FY 2023 and FY 2024 capital additions was overstated by \$497,973 (See Attachment RR-5, Line 12, Column (b)). The combined FY2023 and FY2024 revenue requirement impact of these errors was an overstatement of the Company's revenue requirement by \$535,929.

Please note that the FY2023 revenue requirement impact of the errors identified in the Company's October 11, 2024 correspondence is \$845 lower than initially indicated, and the FY2024 revenue requirement impact is \$845 higher. This difference does not impact the total revenue requirement impact of the identified errors. The difference results from a tax adjustment to the FY2023 revenue requirement that, in the absence of any errors, would be made in the FY2024 Gas ISR Reconciliation. Stated differently, in each annual Gas ISR Reconciliation there is tax adjustment that is made to the prior year's revenue requirement that is reconciled in the ensuing year's Gas ISR reconciliation. In this instance, the FY2023 tax adjustment true-up included in the FY2024 revenue requirements to correct the revenue requirement impact of the Company's errors was \$845.

Plant Additions Incorrectly Recorded as In Service

	(a) FY 2023	(b) FY 2024	(c) = (a) + (b) Total
1 <b>Scott Road Take Station Rebuild</b>	\$499,186	\$2,430,474	\$2,929,660
2 <b>Laten Knight-Cranston Take Sta. Upgrades</b>	\$0	\$2,902,637	\$2,902,637
3 <b>Total</b>	<u>\$499,186</u>	<u>\$5,333,111</u>	<u>\$5,832,297</u>

Impact on Revenue Requirement

4 <b>Scott Road Take Station Rebuild</b>			
5 Actual 2023 Revenue Requirement on FY 2023 Incremental Capital Included in ISR Rate Base	\$37,955	\$0	\$37,955
6 Actual 2024 Revenue Requirement on FY 2023 Incremental Capital Included in ISR Rate Base	\$0	\$65,648	\$65,648
7 Actual 2024 Revenue Requirement on FY 2024 Incremental Capital Included in ISR Rate Base	\$0	\$197,025	\$197,025
8 <b>Scott Road Take Station Rebuild Total</b>	<u>\$37,955</u>	<u>\$262,673</u>	<u>\$300,629</u>
9 <b>Laten Knight-Cranston Take Sta. Upgrades</b>			
10 Actual 2024 Revenue Requirement on FY 2024 Incremental Capital Included in ISR Rate Base	\$0	\$235,300	\$235,300
11 <b>Laten Knight-Cranston Take Sta. Upgrades Total</b>	<u>\$0</u>	<u>\$235,300</u>	<u>\$235,300</u>
12 <b>Total Impact on Revenue Requirement</b>	<u>\$37,955</u>	<u>\$497,973</u>	<u>\$535,929</u>