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February 5, 2025

VIA ELECTRONIC MAIL AND HAND DELIVERY

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

RE: Docket No. 22-53-EL - FY 2024 Electric Infrastructure, Safety, and Reliability Plan - Reconciliation Filing Responses to PUC Data Requests – Set 7

Dear Ms. De La Rosa:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), enclosed please find the Company’s responses to the Seventh Set of Data Requests issued by the Public Utilities Commission concerning the Company’s Fiscal Year 2024 Electric Infrastructure, Safety, and Reliability (“ISR”) Plan Reconciliation 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,

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

Andrew S. Marcaccio

Enclosures

cc: Docket No. 22-53-EL Service List

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 22-53-EL
In Re: FY 2024 Electric Infrastructure, Safety, and Reliability Plan
Reconciliation Filing
Responses to the Commission's Seventh Set of Data Requests
Issued on January 29, 2025

PUC 7-1¹

Request:

In PUC 6-1, the Company provided information on Project 00198789 (ISM Solar). Please refer to the following:

- a. The Cost Estimate Section in the Impact Study included \$754,558 for System Modification Costs. This is a plus/minus 25% estimate.
- b. The Interconnection Service Agreement includes System Modification Costs of \$520,861, stated as a plus/minus 25% estimate.
- c. The Payment Terms require \$520,861 to be paid in two installments.
- d. There were no Amendments to the ISA.
- e. Section 5.1 of the ISA states, "The Company will, in writing, advise the Interconnecting Customer in advance of any cost increase for work to be performed up to a total amount of increase of 10% only. Any such changes to the Company's costs for the work shall be subject to the Interconnecting Customer's consent. *The Interconnecting Customer shall, within thirty (30) days of the Company's notice of increase, authorize such increase and make payment in the amount up to the 10% increase cap, or the Company will suspend the work and the corresponding agreement will terminate.*"
- f. The Final Accounting shows a total system modification cost of \$623,962.97.
 - i. Please explain how the original cost estimate was able to be significantly reduced between the Impact Study and the ISA.
 - ii. Please explain why the Company did not collect \$520,861 from the Customer consistent with the ISA payment terms.
 - iii. Does the Company assert that it should receive cost recovery for the \$52,810 difference between the required payment and what was collected from the DG Customer?
 - iv. On what date did the Company become aware of the cost increases to this project?
 - v. Did the Company notify the Customer and attempt to collect on the cost increase up to the 10%? If not, why not?
 - vi. Based on the italicized language that the Company will suspend work absent consent and additional payment, why does the Company assert it is "nearly impossible to collect any amount above the original estimate from DG customers due to the tariff language and the types of cost increases incurred on projects?" (Gooding Rebuttal at 10).
 - vii. Why did the ISA use a plus/minus 25% estimate if the Company cannot charge the Customers for cost increases over 10%?

¹ The Company's response begins on page 2.

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PUC 7-1, page 2

Response:

- i. The original cost estimate in the Impact Study included the full costs associated with common system modifications. However, due to cost-sharing of substation modifications for 3V0, this Customer was responsible only for a portion of these costs.
- ii. The Company did collect \$520,861 from the Customer; however, this was not reflected on the Final Accounting Report.

When the Company completed the Final Accounting Report for the Customer, it included only a subset of the project costs in the reconciliation; specifically, work orders that were directly associated with this project. The portion of the contributions in aid of construction ("CIAC") that was applied to a separate work order relating to substation 3V0 cost sharing was not included in the reconciliation process.

As part of the Company's revised reconciliation process, the Company is now including a check to ensure that the amounts collected match what was invoiced to the customer.

- iii. No, in this case the Company does not assert that it should receive cost recovery for the \$52,810 difference between the required payment and what was collected from the distributed generation ("DG") Customer. The Company is removing this project, and all other projects included in the \$2.2 million in DG costs for which it was seeking recovery. The Company will file a letter with the Public Utilities Commission memorializing the withdrawal of its request to seek cost recovery of the \$2.2 million in DG plant additions previously included in the Company's reconciliation filing in this docket.

As mentioned in the response to part ii, above, the Company is now doing additional checks to ensure that the payments collected match what was invoiced. If the Company were to seek recovery for DG projects in the future, it would seek recovery for amounts above what was included in the Interconnection Service Agreement ("ISA") and invoiced.

- iv. The Company did not find any documentation during its review to help identify when it became aware of cost increases on the project.

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PUC 7-1, page 3

- v. The Company did not notify the Customer nor attempt to collect the cost increase up to the 10%.
- vi. The Company sees most of its cost increases on projects during the construction phase. These increases typically are not identified in advance of when they are found or incurred in the field.

In some instances, prior to construction, the Company has been able to identify cost increases and collect the additional 10% from the developer. For example, one project had significantly higher estimated police detail costs than were in the original estimate. The Company amended the ISA and collected 10% from the developer in this instance.

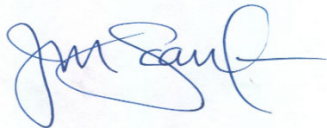
The Company is now including an additional check into its process to re-estimate after the design is complete and compare that with the estimate in the executed ISA. An estimate after the design phase has greater accuracy. If the new estimate is higher than the Impact Study estimate, the Company will amend the ISA and collect up to 10% from the developer.

- vii. The Company's ISA is based off the Impact Study estimate. The ISA must be executed before detailed design begins. Engineering design provides additional information for a more refined and accurate estimate than +/-25%.

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

February 5, 2025

Date

**Docket No. 22-53-EL – RI Energy’s Electric ISR Plan FY 2024
Service List as of 1/14/2025**

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