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September 6, 2017

Via Regular U.S. Mail

Luly Massaro
Public Utilities Commission Clerk
89 Jefferson Boulevard
Warwick, RI 02888

RE: PUC DOCKET # 4600A - PUC GUIDANCE DOCUMENT

Dear Ms. Massaro:

Please find the Rhode Island Office of Energy Resources' comments in response to the Notice to Accept Comments on Draft Guidance Document issued by the Rhode Island Public Utilities Commission in connection with the above referenced docket.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

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

Andrew S. Marcaccio
Senior Legal Counsel

Enclosure

Rhode Island Office of Energy Resources
One Capitol Hill, 4th Floor
Providence, RI 02908



STATE OF RHODE ISLAND
**OFFICE OF
ENERGY RESOURCES**
Commissioner Carol J. Grant

September 6, 2017

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

Re: Notice to Accept Comments on Draft Guidance Document, Docket No. 4600 – Investigation into the Changing Electric Distribution System and the Modernization of Rates in Light of the Changing Distribution System

Dear Ms. Massaro:

On behalf of the Rhode Island Office of Energy Resources (OER), I am pleased to offer the following comments in response to the Notice to Accept Comments on the Draft Guidance Document issued under Docket 4600.

As expressed in our public comments at the April 28, 2017 Technical Record Session, OER commends the Public Utilities Commission for the good work done in Docket 4600, including the development of a robust Benefit/Cost Framework to be used in future Commission proceedings. OER believes that the Framework represents an important tool for policy development and system planning, and will aid Rhode Island in achieving an optimized development of energy and infrastructure resources.

In line with the comments submitted by the DPUC, OER would like to raise one note of caution regarding the Draft Guidance Document's proposed application of the 4600 Benefit/Cost Framework to evaluate rate design proposals. Under conventional regulatory practice, rate design proposals are typically evaluated based on how well they meet the rate design principles adopted by a jurisdiction. As noted by the DPUC, there is limited experience to draw on applying benefit/cost evaluation to a rate design proposal, and this approach presents several analytical challenges. Therefore, OER respectfully agrees with the DPUC's recommendations in this area, including that the Commission clarify the role that the Benefit/Cost Framework will play in making decisions regarding rate design proposals.

Thank you for your time and consideration of these comments.

Sincerely,

A handwritten signature in blue ink that reads "Carol J. Grant".

Carol J. Grant
Commissioner