

January 24, 2017

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4676-Proposed National Grid Proposal to Bid Capacity of Customer-Owned
DG Facilities into the Forward Capacity Market
Response to PUC Data Request 1-9**

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed the Company's response to PUC Data Request 1-9 in the above-referenced docket.

This transmittal completes the Company's responses to the first set of data requests issued by the Rhode Island Public Utilities Commission in this docket.

Thank you for your attention to this filing. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4676 Service List
Leo Wold, Esq.
Jon Hagopian, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

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.



Liana Moore, Esq.

January 24, 2017
Date

**Docket No. 4676 National Grid – Forward Capacity Market Proposal
Service List updated 12/22/16**

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In Re: Proposal to Bid Capacity of Customer-Owned DG Facilities
Into Forward Capacity Market
Responses to the Commission's First Set of Data Requests
Issued on January 5, 2017

PUC 1-9

Request:

Please itemize and total the administrative activities and associated costs related to all distributed generation standard contracts or Renewable Energy Growth Program activities in Calendar Year 2016 and Calendar Year 2015. Please include the number of Full Time Equivalents (FTEs) that were involved in these administrative activities.

Response:

Renewable Energy Growth Program:

The Renewable Energy (“RE”) Growth Cost Recovery Provision (RIPUC No. 2153) provides for the recovery of the following incremental costs: (1) the revenue requirement on RE Growth capital investment for the installation of separate meters for small-scale solar projects; (2) the incremental expense the Company incurs to meet program objectives, including the cost of making billing system improvements to achieve the goals of the RE Growth Program; (3) costs incurred for consultants hired by the Office of Energy Resources or the Company and approved by the PUC to perform ceiling price studies and other reports or studies as approved by the PUC; and (4) forfeited Performance Guarantee Deposits, which will be an offset to RE Growth Program expenses.

The Company is interpreting this request as asking for information on the incremental labor costs related to administrative activities of the RE Growth Program included in (2) above. Attachment PUC 1-9 provides a breakdown of calendar year 2015 and 2016 labor costs for the administrative activities associated with the RE Growth Program, as well an estimate of the FTEs that were involved in these administrative activities.¹ A general description of the job functions of the Energy Procurement, Customer Solutions, Accounts Processing and Technical Sales and Engineering Support (“TSES”) employees involved in these administrative activities is provided below. The Company has not quantified the RE Growth Program incremental costs associated with TSES resources at this time. The incremental cost of TSES employees' support for the RE Growth Program, along with the other costs included in Attachment PUC 1-9, will be included in the Company's next reconciliation filing.

¹ Expenses for the period January 2015 through March 2016 were reflected as labor related administrative expenses in the Company's RE Growth cost reconciliation filed in Docket No. RIPUC 4626. Expenses for the period April 2016 through December 2016 are preliminary and have not been reflected in any Company's cost recovery filings made to date.

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Energy Procurement – Handles the procurement aspect and tactical implementation of the overall RE Growth Program, with a particular emphasis on non-Small-Scale Solar Projects, and manages the RE Growth webpage (ngrid.com/REGrowth). Leads development and design of the RE Growth web application (and subsequent modifications) and contributes in drafting the enrollment rules and tariffs. Responds to customer questions and educates customers about the RE Growth Program by presenting information to customers at Company webinars and distributed generation (“DG”) seminars. Conducts periodic open enrollments, evaluates project applications and awards and/or offers Certificates of Eligibility to applicants as appropriate based on those evaluations. Creates and manages process and aggregation of small-scale solar projects as eligible renewable energy resources in Rhode Island. Leads the monthly small-scale solar aggregation. Additional tasks in the Energy Procurement department include tracking and processing of aggregate renewable energy certificates (“REC”) related to the RE Growth Program.

Customer Solutions – Acts as the primary point of contact for RE Growth Program customer requests. Provides support, resolves issues, and ensures that orders (requests) are fulfilled and delivered against service-level agreements. Processes all transactional fulfillment requests and ensures completion of all job requirements. Processes, troubleshoots, and monitors the resolution of any applicable miscellaneous inquiries. Works with other business stakeholders to support the fulfillment of all applicable external customer requests. Utilizes the necessary Company systems in order to manage jobs, invoice customers, and investigate and respond to customer inquiries.

Accounts Processing – Researches billing-related requests in developing responses, inputs customer and account information into the billing system, processes adjustments to customer accounts in the billing system, and updates information in the billing system. Performs accounts processing duties including, but not limited to, complex billing. Completes the appropriate back-office function to ensure a quick and satisfactory response to the customer. Handles emergency outage calls, as needed.

The Accounts Processing team also performs various functions and activities specifically related to the RE Growth Program, including:

- Review, approve, and process program applications;
- Provide analytical support, analyze and collect data, and create and monitor reports;
- Order and track meter exchanges; and
- Respond to incoming customer calls and emails.

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Technical Sales and Engineering Support – Once an interconnection application is received, acts as the primary point of contact for expedited and standard DG applications that are associated with the RE Growth Program. Performs technical reviews of interconnection application packages and coordinates with Company support functions and the customer to advance the application through the DG interconnection process. The interconnection process includes application screening, impact and detailed studies, execution of interconnection service agreements, Company and customer construction and issuance of authority to interconnect.

Distributed Generation Standard Contracts:

The Long Term Contracting for Renewable Energy Recovery Reconciliation Provision (RIPUC No. 2125) does not explicitly provide a mechanism for cost recovery of administrative costs related to the administration of the Distributed Generation Standard Contracts (“DGSC”) Program (R.I. Gen. Laws §39-26.1 et. Seq.). As a result, the administrative activities and associated costs related to distributed generation standard contracts are not specifically tracked. However, the Company has included a general description of the job functions of the Energy Procurement and Energy Accounting employees involved in these administrative activities below.

Energy Procurement – Responsible for development and implementation of the DGSC Program, which included conducting periodic open enrollments, evaluating project proposals, and contract execution. Energy Procurement continues to manage contract administration and serves as the primary point of contact for all contracts. Contract implementation tasks include activities related to the management, interpretation and enforcement of such contracts, including, monitoring time frames and performance, notifications, assignments, reviewing claims, dispute resolution, management of performance guarantee deposits, and other contract issues. Energy procurement also tracks and processes the REC purchases related to the DGSC.

Energy Accounting - Manages the invoicing and contract payments related to the distributed generation standard contracts. Monthly, payment amounts are calculated for DGSC Program participants based on contract prices provided by Energy Procurement and volumes based on meter data. Energy Accounting also handles any customer inquiries relating to the contract payments.

Administrative Costs for the Renewable Energy Growth Program

CY 2015				
	Labor Expense Customer Solutions	Labor Expense Energy Procurement	Labor Expense Accounts Processing	Total
(1) January	\$0	\$2,829	\$0	\$2,829
February	\$0	\$3,329	\$0	\$3,329
March	\$0	\$4,292	\$0	\$4,292
April	\$0	\$6,099	\$0	\$6,099
May	\$0	\$7,455	\$0	\$7,455
June	\$0	\$3,727	\$0	\$3,727
July	\$0	\$7,053	\$0	\$7,053
August	\$3,454	\$6,972	\$0	\$10,426
September	\$2,909	\$7,138	\$0	\$10,047
October	\$1,590	\$6,972	\$0	\$8,562
November	\$1,510	\$6,723	\$0	\$8,234
December	\$1,431	\$5,727	\$0	\$7,158
Total	\$10,894	\$68,317	\$0	\$79,211
(2) FTE Estimate	\$106,541	\$176,198	\$53,889	
(3) # of FTE	0.1	0.4	0.0	0.5

CY 2016				
	Labor Expense Customer Solutions	Labor Expense Energy Procurement	Labor Expense Accounts Processing	Total
(1) January	\$1,410	\$11,693	\$0	\$13,103
February	\$1,537	\$10,771	\$0	\$12,309
March	\$1,776	\$10,038	\$0	\$11,815
April	\$10,328	\$8,710	\$0	\$19,038
May	\$20,656	\$11,280	\$706	\$32,643
June	\$9,879	\$11,132	\$2,099	\$23,110
July	\$9,526	\$11,576	\$1,228	\$22,330
August	\$8,963	\$14,103	\$1,618	\$24,684
September	\$12,943	\$13,924	\$2,382	\$29,249
October	\$18,518	\$13,635	\$4,013	\$36,165
November	\$18,005	\$13,990	\$2,023	\$34,018
December	\$19,426	\$13,340	\$1,311	\$34,077
Total	\$132,967	\$144,193	\$15,380	\$292,540
(2) FTE Estimate	\$106,541	\$176,198	\$53,889	
(3) # of FTE	1.2	0.8	0.3	2.4

Line Descriptions:

- (1) per Company accounting records, includes direct labor and overheads
- (2) FTE Estimated Salary from RE Growth Factor Filing, Docket No. 4626, Schedule NG-2, Page 4
- (3) Total ÷ Line (2)