



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

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Peter F. Kilmartin, Attorney General

April 26, 2018

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02889

Re: Docket No. 4686

Dear Ms. Massaro,

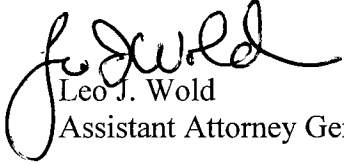
I write regarding the Exhibit List for tomorrow's hearing that was circulated by Commission counsel in the above matter and the hearing on the proposed settlement in Docket No. 4686 that has been noticed to take place on April 27, 2018. While the Division does not object to any of the items designated on the Exhibit List, the Division would observe that most of them are dated *prior to* the consummation of the Joint Proposal and Settlement ("Joint Exhibit 1" or "Settlement"), which is dated September 25, 2017. The Division does not oppose the Commission taking administrative notice of these exhibits for the purposes of the hearing on the Settlement. However, the Division would observe that the Division's litigation position reflected most notably in "Division Exhibit 1 - Testimony and Schedule of David Effron (5/12/17) - Full 6/21/17", has little bearing on the justness or reasonableness of Joint Exhibit 1 which is being considered by the Commission on Friday.

By way of explanation, after the hearing in Docket No. 4686 transpired, the Division engaged in a careful and thoughtful reexamination of its litigation position. The Division was concerned that its proposed principal adjustment on a prospective basis – prohibiting affiliate base pay and overheads from the storm fund recovery – would provide a material economic disincentive to National Grid as a whole to provide first-class and rapid storm response to Rhode Islanders. That outcome was unacceptable to the Division. Most important, Rhode Island receives a substantial benefit from being affiliated with the larger Massachusetts and New York companies in the context of storm restoration capabilities. If and when Rhode Island experiences the devastation of a storm, the other affiliates can send crews without delay after they have taken care of damages in their own areas. It is not in the interest of Rhode Island ratepayers to send financial signals that will detract the Company from utilizing these resources when available and needed in times of emergency.

While Mr. Effron testified in support the Division's litigation position at hearing, with the Division' reassessment of that position, the Division did not retain Mr. Effron further to negotiate or review the Settlement, and has not retained Mr. Effron to testify at the Friday's hearing. Deputy Administrator Shrag, however, will be available to answer Commission questions regarding policy bases that underpin the Division's support of the Settlement.

If you have any questions or comments regarding the Division's envisioned presentation in advance of Friday's hearing, please do not hesitate to contact me.

Very truly yours,


Leo J. Wold
Assistant Attorney General

cc: Service List