



# MEMORANDUM

**TO:** Rhode Island Division of Public Utilities and Carriers

**FROM:** Carrie Gilbert and Kathleen Kelly

**DATE:** February 10, 2022

**SUBJECT:** Review of January 7, 2022 Filing by National Grid in Docket 5073: Purchase of Receivables Program

## INTRODUCTION

The Retail Energy Supply Association (RESA) filed a petition for Implementation of Purchase of Receivables (POR) Program filed on September 16, 2021 in Docket No. 5073. On June 2, 2021, RESA and National Grid filed a Settlement Term Sheet with the Public Utilities Commission (Commission), and the Commission approved this term sheet with modification at its open meeting on July 27, 2021.

The POR program will require the electric distribution companies (EDCs)<sup>1</sup> in Rhode Island to purchase the receivables of nonregulated power producers (NPPs or Suppliers) at a discounted rate. The purpose of the POR program is to shift the risk of non-collection of payment from Suppliers to EDCs thereby enabling Supplier entry into the market and facilitating the development of a competitive retail market for the provision of electric generation services in Rhode Island.

At the July 27, 2021 open meeting, the Commission directed National Grid to file tariff language reflecting the term sheet within 30 days of the open meeting. The Company filed the tariff language on August 26, 2021 and then filed an amended Attachment E on October 8, 2021. Attachment E contains the transition rate calculation methodology.

At its December 21, 2021 Open Meeting, the Commission approved the Terms and Conditions with modifications. These modifications were filed with the requested modifications by the Company on December 23, 2021.

On January 7, 2022, the Company filed its calculation of the Standard Complete Billing Percentages with the Commission.

The Division of Public Utilities and Carriers (Division) retained Daymark Energy Advisors (Daymark) to review the POR proposal. We filed our review of RESA's proposal on February 3, 2021 and have participated in the docket since that time. This memo summarizes our review of the Company's January 7, 2022 filing.

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<sup>1</sup> National Grid is the only EDC in Rhode Island open to competition

## **JANUARY 7, 2022 FILING**

In its January 7, 2022 filing, the Company presents the results of its SCBP calculations for and the components of the calculation including the Uncollectible Percentage, Administrative Cost Percentage, and the Prior Period Reconciliation Percentage. Figures were provided for residential, commercial, and industrial customers. The Company also included the payment periods that will be in place when the POR program goes into effect.

We reviewed the calculations against the approved Terms and Conditions and found them to be consistent with the Terms and Conditions of the POR program.

## **FILINGS BY OTHER PARTIES**

Both RESA and Direct Energy filed letters in the Docket regarding the Company's January 7<sup>th</sup> filing. Both parties found the Company's January 7 filing to be acceptable.

## **CONCLUSION**

Daymark believes the SCBP figures in the January 7, 2022 Filing are consistent with the Terms and Conditions approved by the Commission and filed by the Company on December 23, 2021.