

November 29, 2021

VIA ELECTRONIC MAIL

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

RE: Docket 5073 - Retail Energy Supply Association Petition for Implementation of Purchase of Receivables - Terms and Conditions for Municipal Aggregators and Nonregulated Power Producers
Response to PUC Data Requests – Set 2

Dear Ms. Massaro:

Enclosed is National Grid's¹ responses to the Rhode Island Public Utilities Commission's Second Set of Data Requests in the above-referenced docket issued at the Commission's Technical Session on November 18, 2021.²

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-4263.

Very truly yours,



Andrew S. Marcaccio

Enclosure

cc: Docket 5073 Service List
John Harrington, Esq.
Christy Hetherington, Esq.
John Bell, Division

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

² Per a communication from Commission counsel on October 4, 2021, the Company is submitting an electronic version of this filing followed by six (6) hard copies filed with the Clerk within 24 hours of the electronic filing.

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

November 29, 2021

Date

Docket No. 5073 – Retail Energy Supply Association Petition for Implementation of Purchase of Receivables Program Service List updated 10/4/2021

Name/Address	E-mail Distribution	Phone
NRG Energy, Inc. Craig Waksler, Esq. Eckert Seamans Cherin & Mellott, LLC Two International Place, 16 th Floor Boston, MA 02110	CWaksler@eckertseamans.com;	
	Kmoury@eckertseamans.com;	
	DODell@eckertseamans.com;	
National Grid Andrew Marcaccio, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Andrew.Marcaccio@nationalgrid.com;	401-784-7263
	CELIA.OBRIEN@nationalgrid.com;	
	Jennifer.hutchinson@nationalgrid.com;	
	Juliana.Griffiths@nationalgrid.com;	
	Joanne.scanlon@nationalgrid.com;	
	Josh.Pasquariello@nationalgrid.com;	
	Manprit.Aneja@nationalgrid.com;	
Division of Public Utilities Leo Wold, Esq. John Spirito, Esq. Division of Public Utilities and Carriers	Leo.wold@dpuc.ri.gov;	
	John.spirito@dpuc.ri.gov;	
	Margaret.L.Hogan@dpuc.ri.gov;	
	John.bell@dpuc.ri.gov;	
	Joel.Munoz@dpuc.ri.gov;	
	eullucci@riag.ri.gov;	
	Mfolcarelli@riag.ri.gov;	
Kathy Kelly Carrie Gilbert Daymark Energy Advisors	kkelly@daymarkea.com;	
	cgilbert@daymarkea.com;	

Direct Energy Business LLC Joseph A. Farside, Jr. Locke Lord LLP 2800 Financial Plaza Providence, RI 02903	Joseph.Farside@lockelord.com ;	401-274-9200
Good Energy, Inc. James G. Rhodes, Esq. 205 Governor St. Providence, RI 02906	jamie.rhodes@goodenergy.com ; philip.carr@goodenergy.com ; stefano@goodenergy.com ; patrick@goodenergy.com ;	401-225-3441
File an original & 9 copies w/: Luly E. Massaro, Commission Clerk Cynthia Wilson-Frias, Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ; Alan.nault@puc.ri.gov ; Cynthia.WilsonFrias@puc.ri.gov ; Todd.bianco@puc.ri.gov ; John.harrington@puc.ri.gov ;	401-780-2017
Office of Energy Resources Albert Vitali, Esq. Nicholas Ucci Christopher Kearns	Nicholas.ucci@energy.ri.gov ; Christopher.Kearns@energy.ri.gov ; Nathan.Cleveland@energy.ri.gov ; Carrie.Gill@energy.ri.gov ; Albert.vitali@doa.ri.gov	
Michael McElroy, Esq. McElroy & Donaldson	Michael@mcelroylawoffice.com ;	
PPL Electric Utilities Ronald Reybitz Stephen Breininger	rjreybitz@pplweb.com ; skbreininger@pplweb.com ;	

The Narragansett Electric Company
d/b/a National Grid
In Re: Petition of Retail Energy Supply Association of
Purchase of Receivables Program
Terms and Conditions for Municipal Aggregators and
Non-Regulated Power Producers
Responses to the Commission's Second Set of Data Requests
Issued at the Commission's Technical Session
On November 18, 2021

PUC 2-1

Request:

Which NPPs are eligible to have their existing accounts receivables purchased? The context of this question was to understand if it is any former or existing NPP or if there are requirements to qualify, and if so, what those are.

Response:

The NPPs who are eligible to have their existing receivables purchased fulfill three requirements:

1. The NPP previously went through National Grid's current onboarding process, is an active supplier serving National Grid customers in the period leading up to its enrollment in POR, and has not alerted National Grid that it is leaving the market.
2. The NPP is not a GreenUp supplier.
3. The NPP completes the additional documentation required ahead of the switch from pay-as-you-get-paid to POR:
 - a. signed Billing Services Agreement with Data Security Agreement attached
 - b. lien search
 - c. Certificate of Good Standing and/or Tax Compliance
 - d. Sales and Use Tax Registration Certificate – Though there is currently no sales tax on utility service, the Company is reviewing whether this should be collected in case this changes in the future.

The Narragansett Electric Company
d/b/a National Grid
In Re: Petition of Retail Energy Supply Association of
Purchase of Receivables Program
Terms and Conditions for Municipal Aggregators and
Non-Regulated Power Producers
Responses to the Commission’s Second Set of Data Requests
Issued at the Commission’s Technical Session
On November 18, 2021

PUC 2-2

Request:

What is the timing for National Grid to implement the POR filing following Commission approval of Terms and Conditions? Please assume for this answer that Terms and Conditions would be approved on December 21, 2021 (initial filing, IT updates, etc.)?

Response:

Please see the table outlining the timing for National Grid to implement Purchase of Receivables (“POR”) Program in Rhode Island. The table below assumes that the Terms and Conditions and templates for the Billing Services Agreement (“BSA”) with attachments including the Data Security Agreement (“DSA”) will be approved by the Public Utilities Commission (“PUC”) on **December 21, 2021** and that Nonregulated Power Producers (“NPPs”) will execute the BSA and DSA and return lien search results and certificate of good standing by **January 18, 2021**.

Task	Time to Complete	Estimated Completion Date (using assumptions above)
Calculate Discount Rate for Existing A/R to be applied for purchase of existing accounts receivables from participating NPPs	Few days (from approval date)	December 31, 2021
Calculate Standard Complete Billing Percentage (“SCBP”) and average payment period for timing of payment to NPPs for each customer group	Few days (from approval date)	December 31, 2021
Draft and send letter to NPPs asking for execution of BSA and DSA, lien search, and certificate of good standing	Few days (from calculation of Discount Rate for Existing A/R)	January 4, 2022
File with PUC for approval proposed SCBP and average payment period for each customer group	Few days (from calculation of SCBP)	January 7, 2022

The Narragansett Electric Company
d/b/a National Grid
In Re: Petition of Retail Energy Supply Association of
Purchase of Receivables Program
Terms and Conditions for Municipal Aggregators and
Non-Regulated Power Producers
Responses to the Commission’s Second Set of Data Requests
Issued at the Commission’s Technical Session
On November 18, 2021

PUC 2-2, page 2

Review results of NPPs lien search	Few days (from NPPs return of lien search and certificate of good standing)	January 21, 2021
Request Company’s contractor to file UCC-1 lien for each participating NPP	Few days (from NPPs return of lien search and certificate of good standing)	January 21, 2021
Company’s contractor to file UCC-1 liens in approximate jurisdictions	2 weeks (from request by Company to contractor)	February 4, 2021
IT Updates – i.e., coding of Transition Rate and SCBP and other requirements	45 days (from calculation of SCBP and Transition Rate)	February 15, 2021

The Narragansett Electric Company
d/b/a National Grid
In Re: Petition of Retail Energy Supply Association of
Purchase of Receivables Program
Terms and Conditions for Municipal Aggregators and
Non-Regulated Power Producers
Responses to the Commission's Second Set of Data Requests
Issued at the Commission's Technical Session
On November 18, 2021

PUC 2-3

Request:

Referring to an A-60 customer's bill, please show the following:

- a. How the gross earnings tax is calculated for an LRS customer;
- b. How the gross earnings tax is calculated for a customer on competitive supply;
- c. Whether the gross earnings tax is calculated on the undiscounted amount or the discounted amount.
- d. If the gross earnings tax is calculated on the undiscounted amount, which amount is sent to the state and which amount is included in the LIDRF (the total amount of the discount or an amount that is reduced by the gross earnings tax already assessed to the customer and sent to the State)? Possible examples: ($\$100/0.96 = 104.16 * 0.25 = \26.04 to pass through to LIDRF; \$78.12 bill to customer; \$4.16 to the state) OR ($\$100 \text{ bill} * 0.25 = \25 to be passed through to LIDRF; \$75/0.96 = \$78.13 bill to customer; \$3.13 to the state). Please provide the accurate example using a \$100 bill and a 25% discount for each an LRS customer, a current competitive supply customer, and a competitive supply customer under a POR.

Response:

- a. The gross earnings tax ("GET") for all customers receiving Last Resort Service ("LRS") from the Company, including customers on Low Income Rate A-60, is calculated on the total amount of the Company charges, including both the delivery and the supply or LRS components. The GET is shown on a single line item of the bill for customers receiving LRS.
- b. The GET for all customers receiving supply from a non-regulated power producer ("NPP"), including customers on Low Income Rate A-60, is calculated separately for the total delivery charges from the Company and the supply charges from the NPP. The GET related to Company delivery charges and the GET related to NPP supply charges are on separate line items on the bill.
- c. The GET calculated on a Rate A-60 bill is based on the amount of the bill after the reduction of the low income discounted (i.e., on the discounted amount billed). The discount is reflected in the delivery section of the bill.

The Narragansett Electric Company
d/b/a National Grid
In Re: Petition of Retail Energy Supply Association of
Purchase of Receivables Program
Terms and Conditions for Municipal Aggregators and
Non-Regulated Power Producers
Responses to the Commission's Second Set of Data Requests
Issued at the Commission's Technical Session
On November 18, 2021

PUC 2-3, page 2

- d. As discussed in response to c., the GET is calculated on the discounted amount billed. Please see Attachment PUC 2-3 for examples of Rate A-60 bills on LRS (page 1) and receiving supply from an NPP (page 2). The bill of a Rate A-60 customer with an NPP and Rate A-60 customer with an NPP under a POR program would be the same.

The Company does not accumulate the individual amounts billed to customers for GET and pay the total billed to the State of Rhode Island. The Company remits quarterly estimated tax payments to the State of Rhode Island for GET based on the prior year's tax liability. The annual GET tax return is filed prior to April 15 of each year for the prior calendar year. The completion of the annual tax return determines the Company's actual annual tax liability based on actual annual operating revenue for the Company's electric and gas businesses. Any remaining balance due for the year's tax liability after consideration of the estimated tax payments is remitted to the state along with the annual return.

Rate A-60 Bill on Last Resort Service ("LRS")
Calculation of Low Income Discount and Gross Earnings Tax ("GET")

Delivery Services					
(1)	Customer Charge			\$6.00	
(2)	LIHEAP Enhancement Charge			\$0.80	
(3)	Distribution Energy Charge	0.05607 x	203	\$11.38	
(4)	Renewable Energy Dist Charge	0.01116 x	203	\$2.27	
(5)	Transmission Charge	0.03574 x	203	\$7.26	
(6)	Transition Charge	-0.00145 x	203	(\$0.29)	
(7)	Energy Efficiency Programs	0.01143 x	203	\$2.32	
(8)	RE Growth Program			\$2.16	
(9)	Low Income Discount	-25.0% x	\$47.38	(\$11.85)	Amount to be recovered in LIDRF. Does not included GET on Supply or Delivery Charges.
(10)	Total Delivery Services			\$20.05	
Supply Services					
(11)	Energy Charge (LRS)	0.07628 x	203	\$15.48	
(12)	Total Supply Services			\$15.48	
Other Charges/Adjustments					
(13)	Gross Earnings Tax	0.04166667 x	\$35.53	\$1.48	Tax associated with Company charges.
(14)	Total Other Charges/Adjustments			\$1.48	
(15)	Total Amount Billed to Customer				\$37.01 Lines (10) + (13) + (16)
(16)	Total Amount of GET Billed to Customer				\$1.48 Line (15)
(17)	Low Income Discount				(\$11.85) Line (9)

Charges included in calculation of discount

Rate A-60 Bill with a Non-regulated Power Producer ("NPP")
 Calculation of Low Income Discount and Gross Earnings Tax ("GET")

Delivery Services					
(1)	Customer Charge			\$6.00	
(2)	LIHEAP Enhancement Charge			\$0.80	
(3)	Distribution Energy Charge	0.05607 x	203	\$11.38	
(4)	Renewable Energy Dist Charge	0.01116 x	203	\$2.27	
(5)	Transmission Charge	0.03574 x	203	\$7.26	
(6)	Transition Charge	-0.00145 x	203	(\$0.29)	
(7)	Energy Efficiency Programs	0.01143 x	203	\$2.32	
(8)	RE Growth Program			\$2.16	
(9)	Low Income Discount	-25.0% x	\$47.38	(\$11.85)	Amount to be recovered in LIDRF. Does not included GET on Supply or Delivery Charges.
(10)	Total Delivery Services			\$20.05	
Supply Services					
(11)	Electric Supply (NPP)	0.07628 x	203	\$15.48	
(12)	Gross Earnings Tax	0.04166667 x	\$15.48	\$0.65	Tax associated with Supplier charges.
(13)	Total Supply Services			\$16.13	A/R to be Purchased. Includes GET as it is part of Supplier A/R.
(14)					
Other Charges/Adjustments					
(15)	Gross Earnings Tax	0.04166667 x	\$20.05	\$0.83	Tax associated with Company charges.
(16)	Total Other Charges/Adjustments			\$0.83	
(17)					
(18)	Total Amount Billed to Customer			\$37.01	Lines (10) + (14) + (17)
(19)	Total Amount of GET Billed to Customer			\$1.48	Lines (13) + Line (16)
(20)	Low Income Discount			(\$11.85)	Line (9)

Charges included in calculation of discount

The Narragansett Electric Company
d/b/a National Grid
In Re: Petition of Retail Energy Supply Association of
Purchase of Receivables Program
Terms and Conditions for Municipal Aggregators and
Non-Regulated Power Producers
Responses to the Commission's Second Set of Data Requests
Issued at the Commission's Technical Session
On November 18, 2021

PUC 2-4

Request:

Please provide an update of the projected initial Administrative Cost Percentage.

Response:

Pursuant to Section C.1 of the Settlement Term Sheet between the Retail Energy Supply Association and the Company, the Company's implementation costs are to be recovered over a three-year period. Please see the calculation below using a current estimate of implementation and ongoing costs.

1	Estimated Implementation Costs	\$1,174,000
2	Number of Years	<u>3</u>
3 = 1 ÷ 2	Amortization of Implementation Costs per Year	\$391,333
4	Estimated Ongoing Annual Operating Costs	<u>\$5,000</u>
5 = 3 + 4	Total Estimated Annual Costs	\$396,333
6	Annual Generation Revenue	<u>\$164,623,034</u>
7 = 5 ÷ 6	Projected Initial Administrative Cost Percentage	0.24%