

July 7, 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 (RESA)
Petition for Implementation of Purchase of Receivables Program
Response to Follow-up Record Request No. 7**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”) enclosed please find an electronic version¹ of the Company’s response to the Commission’s Follow-up Record Request No. 7 in the above-referenced matter.

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

Enclosures

cc: Docket 5073 Service List
Jon Hagopian, Esq., Division
John Bell, Division

¹ Per Commission counsel’s update on October 2, 2020, concerning the COVID-19 emergency period, the Company is submitting an electronic version of this filing. The Company will provide the Commission Clerk with five (5) hard copies and, if needed, additional hard copies of the enclosures upon request.

National Grid
Follow-Up Record Request No. 7

RR-7 (Grid) Does the AMP threshold write-off test affect the POR uncollectible percentage or does POR affect the calculation of the AMP write-off threshold test? Is there any shifting of risks between groups of customers as a result of the threshold write-off test in the context of POR?

National Grid Response:

The AMP threshold write-off test does not affect the POR uncollectible percentage. The approval of a No-Recourse POR program would affect the calculation of the AMP-write off threshold test. Pursuant to the Residential Assistance Provision, R.I.P.U.C. No. 2239, at the end of each calendar year, the Company performs a test to determine if the amount of bad debt for the year exceeds the adjusted allowable bad debt allowances in the Company's rates. This allowable bad debt recovery is calculated using the distribution uncollectible amount determined in the last general rate case, updated for the current calendar year allowances includes in the rates for Last Resort Service, transmission, Renewable Energy Growth, Long Term Contracting for Renewable Energy Recovery, and Energy Efficiency. To the extent the actual amount of net charge offs for the year in the test includes bad debt associated with the receivables purchased by the Company, the allowable bad debt recovery in the test will need to be adjusted to include the amount of the discount taken on the purchased suppliers accounts receivables during the calendar year through the uncollectible percentage ("UP") component of the Standard Complete Billing Percentage. With the modification of the threshold test to incorporate the POR program's UP discount taken on purchased accounts receivable, the Company does not believe there is a shift of risk between groups of customers.

Follow-Up Request:

Please provide an illustrative example of the underlined portion of the response.

Response:

Please see Attachment RR-7 for an illustrative example of the underlined portion of the response. For the purposes of this response, the Company has modified page 2 of Schedule DEG-1 which was filed by the Company in its Residential Assistance Recovery Filing in Docket No. 5156. The threshold test is calculated on lines (1) through (10) of the attachment. In the underlined portion of the response, "the actual amount of net charge offs in the test year" is presented on line (9) of the attachment. "The allowable bad debt recovery in the test," as modified for the POR program, is presented on lines (1) through (8). Lines (1) through (6).

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5073
In Re: Retail Energy Supply Association (RESA)
Implementation of Purchase of Receivables Program
Response to Commission's Follow-Up to Record Requests
Issued at the Evidentiary Hearing
On June 17, 2021

National Grid
Follow-Up Record Request No. 7, page 2

present the current components of the allowable bad debt recovery, including allowance in base distribution rates on line (1), adjusted by allowances included in the rates for Last Resort Service, transmission, Renewable Energy Growth, Long Term Contracting for Renewable Energy Recovery, and Energy Efficiency, on lines (2) through (6), respectively. To the extent the actual amount of net charge offs for the year in the test on line (9) includes bad debt associated with the receivables purchased by the Company, the Company would include an allowance for uncollectibles retained by the Company from non-regulated power producers through the uncollectible percentage ("UP") component of the standard complete billing percentage ("SCBP"). For illustrative purposes, the Company is presenting this additional POR allowance on line (7), which is now included in the calculation of Total Allowable Bad Debt presented on line (8).

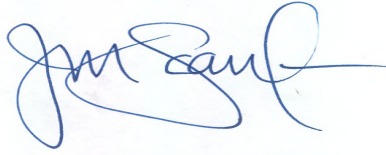
The Narragansett Electric Company
Calculation of Recoverable Arrearage Foregiveness Amount
Illustrative Modification to Threshold Test for Calendar Year

<u>Uncollectible Recovery from:</u>		
(1)	Rate Year Base Distribution Rates	\$4,338,446
(2)	Calendar Year Commodity Rates	\$4,658,934
(3)	Calendar Year Transmission Rates	\$2,448,431
(4)	Calendar Year Energy Efficiency Program Factor	\$1,177,164
(5)	Calendar Year Long Term Contract Renewable Energy Recovery Factor	\$570,095
(6)	Calendar Year RE Growth Factors	\$238,906
(7)	Calendar Year Purchase of Receivables (POR) Uncollectible Percentage (UP) Component of Standard Complete Billing Percentage Discount - ILLUSTRATIVE	<u>\$500,000</u>
(8)	Total Allowable Bad Debt	\$13,931,976
(9)	Total Actual Net Charge Offs (Including Net Charge Offs Associated with POR)	<u>\$8,838,343</u>
(10)	Actual Above / (Below) Allowable Bad Debt	(\$5,093,632)
(11)	Amount of AMP Successful Participants Arrearage Foregiveness	\$493,702
(12)	Recoverable Arrearage Foregiveness Due to AMP Successful Participants	\$0
(13)	Recoverable Arrearage Foregiveness Due to AMP Unsuccessful Participants (Cancelled)	\$47,744
(14)	Recoverable Arrearage Foregiveness Due to AMP Unsuccessful Participants (Default)	<u>\$357,571</u>
(15)	Total Recoverable Arrearage Foregiveness Amount	\$405,315
(1)	R.I.P.U.C. Docket No. 4770, August 16, 2018 Compliance Filing, [Compliance Attachment 2, Schedule MAL-3, Page 3, Line (11) Column (c) of \$4,279,125, plus May 30th Second Compliance Filing Attachment 2, Schedule 1-ELEC, Page 2, Line 7, Column (d) of \$48,263] ÷ 12 x 8	
	R.I.P.U.C. Docket No. 4770, August 16, 2018 Compliance Filing, [Compliance Attachment 2, Schedule MAL-3, Page 3, Line (11) Column (e) of \$4,329,551, plus May 30th Second Compliance Filing Attachment 2, Schedule 1-ELEC, Page 2, Line 7, Column (d) of \$31,011] ÷ 12 x 4	
(2)	R.I.P.U.C. Docket No. 5127 Schedule NG-5, Page 6, Column (f) + Page 7, Column (f) + Page 8, Column (f)	
(3)	R.I.P.U.C. Docket No. 5127 Schedule NG-15, Page 1, Line (7)	
(4)	Page 3, Section 1, Line (13), Column (a)	
(5)	R.I.P.U.C. Docket No. 5127 Schedule NG-18, Page 3, Column (f)	
(6)	R.I.P.U.C. 5156 Schedule DEG-1 Page 3, Section 2, Line (3), Column (a)	
(7)	ILLUSTRATIVE AMOUNT	
(8)	Sum of Lines (1) through (7)	
(9)	R.I.P.U.C. 5156 Schedule DEG-1 Page 4, Column (d)	
(10)	Line (9) - Line (8)	
(11)	R.I.P.U.C. 5156 Schedule DEG-1 Page 5, Line (6)	
(12)	If Line (10) > 0 then Min of Line (10) or Line (11), Else 0	
(13)	R.I.P.U.C. 5156 Schedule DEG-1 Page 5, Line (4)	
(14)	R.I.P.U.C. 5156 Schedule DEG-1 Page 5, Line (2)	
(15)	Line (12) + Line (13) + Line (14)	

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

July 7, 2021
Date

**Docket No. 5073 – Retail Energy Supply Association Petition for Implementation of
Purchase of Receivables Program
Service List updated 5/17/2021**

Name/Address	E-mail Distribution	Phone
NRG Energy, Inc. Ryan M. Murphy, Esq. Eckert Seamans Cherin & Mellott, LLC Two International Place, 16 th Floor Boston, MA 02110	rmmurphy@eckertseamans.com ;	617-342-6884
	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 ; Rudolph.S.Falcone@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 ; Becca.Trietch@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 ;	