

September 21, 2021

BY ELECTRONIC MAIL

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

**RE: Docket 5180 – 2021 Gas Cost Recovery Filing
Responses to PUC Data Requests – Set 1**

Dear Ms. Massaro:

I have enclosed an electronic version of National Grid's¹ responses to the Rhode Island Public Utilities Commission's First Set of Data Requests, containing one question, in the above-referenced matter.²

Thank you for your attention to this matter. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 5180 Service List
Leo Wold, Esq.
John Bell, Division
Al Mancini, Division
Jerome D. Mierzwa, Division Consultant

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

² 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.

PUC 1-1

Request:

Referring to the Scheib testimony at pages 10-11, relating to the COVID deferral, please provide a summary explanation of the cause for the reduction in the deferral – which was originally forecasted to be \$5.3 million – but is now forecasted to be \$4.9 million.

Response:

In Docket No. 5066, the PUC directed the Company to defer the recovery of 50 percent of its proposed increase in Gas Cost Recovery (“GCR”) revenue of \$5,292,263, which was based upon a forecast of gas costs for the then-upcoming GCR year. Rather than reduce the various components of the low load and high load GCR factors by their proportionate share of this amount, the Company calculated two single “COVID Deferral” credit factors designed on this amount. Please see Attachment PUC 1-1, page 2, lines (12) and (13) for a calculation of the “COVID Deferral” credit factors.¹ The Company then reduced the final low load and high load GCR factors by the low load and high load “COVID Deferral” credit factors and the lower GCR factors were billed to sales customers. The Company chose to apply the credit as one factor rather than limiting the increase in each individual component of the GCR to enable easier review and tracking of the deferral.

The Company tracked the COVID Deferral on a monthly basis based on actual throughput billed to sales customers multiplied by the “COVID Deferral” credit factors. Based on actual throughput and billing data, which was lower than what was forecasted in calculated the “COVID Deferral” credit factors, (and forecasted throughput for July through October), the deferral accrued during the GCR year is estimated to be less than what was forecasted in last year’s GCR filing.

¹ The calculation of the COVID Deferral factors are presented in Schedule RMS/MJP-8 of the Compliance Filing in Docket No. 5066.

The Narragansett Electric Company
DAC / GCR Recovery and Increase from Prior Year
2020/2021 vs. 2019/2020

Section 1: 50% Increase of DAC/GCR as filed in Compliance Filing

		Compliance DAC & Compliance GCR Filing (a)	September 3, 2019 DAC & GCR Filing (b)	Increase (c)
(1)	DAC	\$14,212,251	(\$5,911,553)	\$20,123,804
(2)	GCR	<u>\$156,236,983</u>	<u>\$145,652,457</u>	<u>\$10,584,526</u>
(3)	Total	\$170,449,234	\$139,740,904	\$30,708,330
(4)	50% Reduction in DAC Increase to be Credited to Customers and Recovered at a Future Date		50%	(\$10,061,902)
(5)	50% Reduction in GCR Increase to be Credited to Customers and Recovered at a Future Date		50%	(\$5,292,263)
(1)	(a) Compliance Schedule RMS/MJP-1, Line (16) plus October 9, 2020 Schedule RMS/MJP-8S, Column (h), Line (11) ÷ (1-0.0191) (b) Docket 4955, September 3, 2019 DAC Filing, Schedule RMS/AEL-1S, Line (17) plus Schedule RMS/AEL-8S, Column (h), Line (11) ÷ (1-0.0191)			
(2)	(a) Docket 5066, October 9, 2020 Attachment RMS/MJP-1 Second Revision, Page 2, Line (15), Column (e) + Column (f) plus Page 3, Line (12), adjusted by 1.91% for uncollectible recovery (b) Docket 4963, September 3, 2019 GCR Filing, Attachment MJP/AEL-1, Page 2, Line (15), Column (e) + Column (f) plus Page 3, Line (12), adjusted by 1.91% for uncollectible recovery			
(3)	Line (1) + Line (2)			
(4)	Column (b) x Line (1), Column (c)			
(5)	Column (b) x Line (2), Column (c)			

Section 2: Development of Allocator to Allocate 50% Reduction in the Increase in the DAC/GCR to Rate Classes

		DAC Factor per PUC 1-1 (a)	April 2020 DAC (b)	per therm Increase (c)	2020/2021 Throughput (d)	Increase in DAC Revenue (e)	Allocator (f)
(5)	Residential-Non Heating	\$0.2048	\$0.1849	\$0.0199	316,082	\$62,900	0.31%
(6)	Residential-Non Heating-Low Income	\$0.1884	\$0.1709	\$0.0175	11,245	\$1,968	0.01%
(7)	Residential-Heating	\$0.1130	\$0.0536	\$0.0594	18,259,753	\$10,846,293	53.82%
(8)	Residential-Heating-Low Income	\$0.0966	\$0.0396	\$0.0570	1,582,675	\$902,125	4.48%
(9)	Small C&I	\$0.1115	\$0.0511	\$0.0604	2,570,841	\$1,552,788	7.70%
(10)	Medium C&I	\$0.0839	\$0.0154	\$0.0685	6,107,404	\$4,183,572	20.76%
(11)	Large C&I Low Load	\$0.0747	\$0.0532	\$0.0215	2,884,361	\$620,138	3.08%
(12)	Large C&I High Load	\$0.0609	\$0.0347	\$0.0262	1,193,189	\$312,616	1.55%
(13)	X-Large C&I Low Load	\$0.0478	\$0.0268	\$0.0210	1,318,881	\$276,965	1.37%
(14)	X-Large C&I High Load	\$0.0459	\$0.0201	\$0.0258	5,403,799	\$1,394,180	6.92%
(15)	Total					\$20,153,545	100.00%
		GCR Factor per Oct 9 Filing (a)	November 2019 GCR Factor (b)	per therm Increase (c)	2020/2021 Throughput (d)	Increase in GCR Revenue (e)	Allocator (f)
(16)	High Load Factor	\$0.5093	\$0.4736	\$0.0357	645,959	\$230,607	1.87%
(17)	Low Load Factor	\$0.5757	\$0.5302	\$0.0455	26,562,363	\$12,085,875	98.13%
(18)	Total					\$12,316,482	100.00%

(5)-(14)(a) Attachment PUC 1-1

(5)-(14)(b) DAC Factors currently in effect

(c) Column (a) - Column (b)

(d) Company Forecast

(e) Column (c) x Column (d)

(5)-(14)(f) Each line of Column (e) as a percent of Column (e), Line (15)

(16)-(17)(f) Each line of Column (e) as a percent of Column (e), Line (18)

The Narragansett Electric Company
DAC / GCR Recovery and Increase from Prior Year
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Section 3: Allocation of 50% Reduction to Rate Classes and Resulting Factors

	<u>Allocator from Section 2</u> (a)	<u>Allocation of Reduction</u> (b)	<u>2020/2021 Throughput</u> (c)	<u>Covid Deferral per Therm</u> (d)	
<u>DAC Factors</u>					
(1)	Residential-Non Heating	0.31%	(\$31,404)	316,082	(\$0.0099)
(2)	Residential-Non Heating-Low Income	0.01%	(\$983)	11,245	(\$0.0087)
(3)	Residential-Heating	53.82%	(\$5,415,143)	18,259,753	(\$0.0296)
(4)	Residential-Heating-Low Income	4.48%	(\$450,397)	1,582,675	(\$0.0284)
(5)	Small C&I	7.70%	(\$775,248)	2,570,841	(\$0.0301)
(6)	Medium C&I	20.76%	(\$2,088,699)	6,107,404	(\$0.0341)
(7)	Large C&I Low Load	3.08%	(\$309,611)	2,884,361	(\$0.0107)
(8)	Large C&I High Load	1.55%	(\$156,077)	1,193,189	(\$0.0130)
(9)	X-Large C&I Low Load	1.37%	(\$138,278)	1,318,881	(\$0.0104)
(10)	X-Large C&I High Load	6.92%	(\$696,061)	5,403,799	(\$0.0128)
(11)	Total	100.00%	(\$10,061,901)		

	<u>Allocator from Section 2</u> (a)	<u>Allocation of Reduction</u> (b)	<u>2020/2021 Throughput</u> (c)	<u>Covid Deferral per Therm</u> (d)	
<u>GCR Factors</u>					
(12)	High Load	1.87%	(\$99,089)	645,959	(\$0.0153)
(13)	Low Load	98.13%	(\$5,193,174)	26,562,363	(\$0.0195)
(14)	Total	100.00%	(\$5,292,263)		

Lines (1) through (10) & Lines (12) through (13)

- (a) Page 1, Section 2, Column (f)
- (1)-(10)(b) Page 1, Section 1, Line (4), Column (c) x Column (a)
- (12)-(13)(b) Page 1, Section 1, Line (5), Column (c) x Column (a)
- (c) Page 1, Section 2, Column (d)
- (d) Column (b) ÷ Column (c), truncated to 4 decimal places

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

September 21, 2021
Date

Docket No. 5180 – National Grid – 2021 Annual Gas Cost Recovery Filing (GCR) - Service List as of 8/5/2021

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