

RFP 012019
Question & Answer Document

1. Can you please provide the latest update (and any relevant data, if possible) for the mappings of GST and LPT to the Standard Service and LRS products for both energy and demand?

Answer: For the 1 year period that ended December, 2018, the following mapping represents actual mapping of GST and LPT load: For GST, 72.1% was mapped to Standard Service eligibility for energy (kWh) and 71.1% for demand (kW). For LPT, about 32.2% was mapped to Standard Service eligibility for energy and about 35.4% for demand. For GST, 27.9% was mapped to Last Resort Service eligibility for energy (kWh) and 28.9% for demand (kW). For LPT, about 67.8% was mapped to Last Resort Service eligibility for energy and about 64.6% for demand.

2. Connecticut recently decided to procure zero-carbon energy from the Millstone plant starting later this year. With regards to the January 2019 procurement, what will the impact be on load obligations for wholesale suppliers? What mechanism will be employed to allocate the cost of this contract to the consumers? Will it affect the volume suppliers serve? What about the energy cost, the capacity cost, the ancillaries cost? In the end, who bears this regulatory risk: the wholesale suppliers or the utility?

Answer: With regard to this January 2019 SS LRS RFP power procurement, the recent Connecticut Department of Energy and Environmental Protection (DEEP) Zero Carbon Request for Proposals (RFP) to which you refer will not result in any impact to the load obligations for wholesale suppliers. Any Power Purchase Agreement (PPA) that may result from the Zero Carbon RFP would be a financial arrangement in which the energy purchased under such PPA is not used to serve retail customers, and the net cost of such PPA is allocated to ratepayers using a non-bypassable charge.

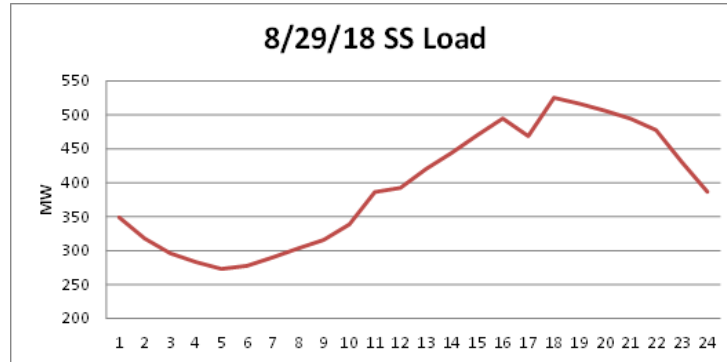
3. In October 2018, we were awarded a tranche of Standard Service, for delivery beginning in the second half of 2019. With regard to the previously awarded tranche, will it also be subjected to the Connecticut decision to procure zero-carbon energy. If so, and similar to the question above, how will the previously awarded tranches be affected?

Answer: See answer to Question 2 above.

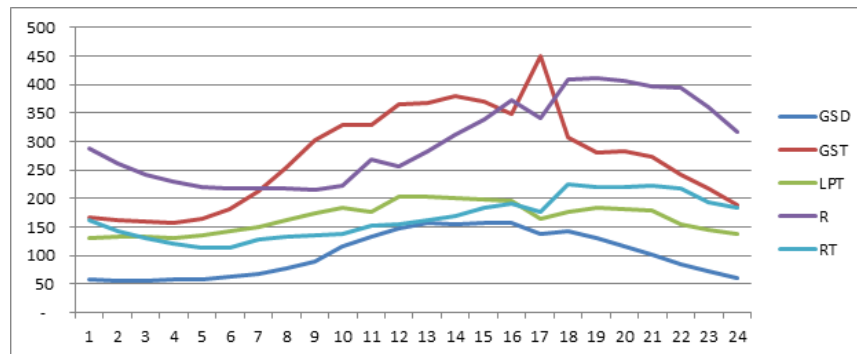
4. National Grid Rhode Island decided to remove capacity obligations from the responsibility of wholesale suppliers. Capacity cost will become a direct pass-through to the consumers. Is there a similar push in Connecticut?

Answer: UI is not aware of any similar movement in Connecticut.

- In the process of evaluating the load data for the 2018 coincident peak on 8/29/18, some significant discrepancies in the data were noted. More specifically, during the currently specified coincident peak hour (HE17) there is a significant drop in reconciled load reported - both versus the prior HE16 and the following HE18 - as can be noted in the chart below.



When observing the day’s load data by rate class, the drop in SS load for HE17 appears to be driven by a corresponding spike in GST load for the same hour. Note the increase of nearly 120 MW for GST eligible load against what might be expected in the chart below.



Can UI please provide further explanation as to what is causing this discrepancy? We are concerned with potential changes/corrections to this load data and/or the derivative ICAP Tags for PY 19/20.

Answer: This data will not be revised. UI is reviewing the circumstances associated with the spike in terms of identifying the cause. However, this will not require any adjustment because the size does not rise to the level of the threshold criterion for such.

- Do we use the historical load spreadsheets and multiply it by the monthly percentages from the Migration Percentage file? I also noticed the same issue on the PLC tags – there is just one tag given for SS and LRS. It’s not broken out by customer group.

| Customer Class | UI Retail Rate | On Peak period - weekday hours only | Off Peak period - all weekend hours plus weekday hours below |
|--|----------------|-------------------------------------|--|
| Residential | R, RT | HE* 13 - HE 20 | HE 21 - HE 12 |
| Small C&I | GS, GST | HE 11 - HE 18 | HE 19 - HE 10 |
| Large C&I | LPT | HE 11 - HE 18 | HE 19 - HE 10 |
| Street Lighting | M, U, MC, MH | ----- | All Hours |
| * HE = Hour Ending | | | |
| <i>Note: All UI historical load data is provided as HE data.</i> | | | |

Answer: In terms of calculations regarding “Customer Class” as provided in the table above, Last Resort Service is comprised of the customer class Large C&I. Standard Service is comprised of customer classes Residential, Small C&I, and Street Lighting. If you are referring to customer rate classes, Last Resort Service is comprised of GST and LPT; and Standard Service is comprised of GS, GST, LPT, R, RT, SL-GS, SL-GST, SL-O, SL-SS, SL-U, Residential R and RT, Small C&I summation of – GSD, GST, SL-GS, SL-GST, and SL-SS, Large C&I LPT, and Street Light summation of – SL-O and SL-U.

Additionally, see response to Question 1 above for mapping of GST and LPT to Standard Service and Last Resort Service.

- Specifically, can UI please confirm that it plans to allow banking of 2018 RECs as it did for 2017 RECs? Additionally, Sec. 16-245a-1(e) allows for banked RECs to be utilized for compliance in either of the two following years. For the RECs that █████ banked in 2017, can UI confirm that if desired █████ will be able to use those RECs for 2019 compliance? To do so, presumably during the upcoming delivery period for 2018 RECs, █████ would elect to *not* use its 2017 RECS for 2018 compliance and instead those 2017 RECs would remain banked to use for 2019 compliance.

Answer: Until the Connecticut Public Utilities Regulatory Authority (PURA) renders a final decision in the 2017 Renewable Portfolio Standard (RPS) compliance docket (Docket No. 17-06-23), UI can only confirm that the intent is to allow REC banking going forward as long as UI is not subject to any adverse impacts for doing so. The banking of 2017 RECs was the first time such banking has been permitted for UI by the Authority. Thus, if no issues associated with REC banking come to light (whether in the PURA docket or otherwise), then UI’s plan would be to allow banking on a going forward basis.