

August 4, 2015

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4542 – 2015 RE Growth Factor Filing
Responses to Division Data Requests – Set 1**

Dear Ms. Massaro:

On behalf of National Grid¹, I enclose the Company's responses to the first set of data requests that were issued by the Division of Public Utilities and Carriers on August 14, 2015 in the above-referenced docket.

Thank you for your attention to this transmittal. If you have any questions concerning this filing, please contact me at 781-907-2153.

Very truly yours,



Celia B. O'Brien

Enclosures

cc: Docket 4542 Service List
Leo Wold, Esq.
Steve Scialabba

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

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.

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 4, 2015

Date

**Docket No. 4542 – National Grid’s Renewable Energy Growth Factor Filing
Service List updated 5/22/15**

Name/Address	E-mail	Phone
Celia O’Brien, Esq. National Grid 280 Melrose St. Providence, RI 02907	Celia.obrien@nationalgrid.com ;	781-907-2153
	Raquel.webster@nationalgrid.com ;	
	Joanne.scanlon@nationalgrid.com ;	
	Amy.tabor@nationalgrid.com ;	
	Jeanne.lloyd@nationalgrid.com ;	
	corinne.didomenico@nationalgrid.com ;	
Jon Hagopian, Sr. Counsel Division of Public Utilities and Carriers 89 Jefferson Blvd. Warwick, RI 02888	Jon.hagopian@dpuc.ri.gov ;	401-784-4775
	Steve.scialabba@dpuc.ri.gov ;	
	Al.contente@dpuc.ri.gov ;	
	Joseph.shilling@dpuc.ri.gov ;	
Richard Hahn Lacapra Associates 1 Washington Mall, 9th floor Boston, MA 02108	rhahn@lacapra.com ;	
	apereira@lacapra.com ;	
Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Klyons@riag.ri.gov ;	401-222-2424
	dmacrae@riag.ri.gov ;	
	jmunoz@riag.ri.gov ;	
File an original & 9 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Amy.Dalessandro@puc.ri.gov ;	
Christopher Kearns, Chief Program Dev. Office of Energy Resources (OER)	Christopher.Kearns@energy.ri.gov ;	
	Nicholas.Ucci@energy.ri.gov ;	

Division 1-1

Request:

In Schedule NG-1, page 3 of 4 description of column (d), please explain why the total hours of estimated output was divided by two.

Response:

In Schedule NG-1, page 3 of 4, Section 1, the Company is providing an estimate of the kWh expected to be generated by customers participating in the Renewable Energy (RE) Growth Program during the first program year, which ends March 31, 2016. To estimate expected generation for a 12-month period, the kWh estimate is calculated as the number of participating units in each category multiplied by the estimated nameplate capacity of the unit multiplied by the capacity factor associated with each type of generation. On an ongoing basis, the program year for the RE Growth Program will commence on April 1 and end on the following March 31. However, during the initial program year, the implementation of the program did not occur until June 2015. Therefore, any units that participate in the program during the initial program year will have less than 12 full months of generation. Dividing the estimated kWh generation in column (d) on page 3, Section 1 of Schedule NG-1 assumes that each participating unit will be in service for six months during the initial year. The Company cannot accurately predict the number of units that will participate in the initial program year, or the timing of their commercial operation dates and, therefore, is using this method as an approximation of the estimated generation during the initial program year.

Division 1-2

Request:

In Schedule NG-1, page 4 of 4, please explain the following Detail of Incremental Labor Resources:

- (a) Line (3) Percent Dedicated to Re Growth: Provide the basis for the estimate of 70% for the four full-time employees. What will be the employees' functions when time is not allocable to the RE growth Program?
- (b) Please supply calculations detailing the 70% Overhead Rate. Also, why are pension and PBOP costs excluded?
- (c) Have the new employees been hired yet? Please provide Company job descriptions for the incremental positions that are charged to the RE Growth Program.

Response:

- (a) The estimate of 70% time spent on RE Growth Program activities is comprised of the time associated with four full-time employees as follows:

Employee 1 (Accounts Processing)	100% dedicated to RE Growth
Employee 1 (Tech Sales and Eng. Support)	100% dedicated to RE Growth
Employee 1 (Contract Administration)	50% dedicated to RE Growth
Employee 1 (Lab & Testing)	35% dedicated to RE Growth

$$(100\% + 100\% + 50\% + 35\%) \div 4 = 71.25\%$$

When not working directly on RE Growth Program activities, these employees will be assigned to tasks within their work function that support other National Grid USA operating companies. Time spent in support of RE Growth Program activities will be directly charged by each employee to the Company through specific work orders related to the RE Growth Program to ensure accurate tracking for cost recovery purposes.

- (b) The Company calculates monthly burden rates for benefits, payroll, and time not worked for each operating company and the service company. The calculation shown below is based on the calculation for The Narragansett Electric Company for the month of December 2014. Pension and other post-employment benefits (OPEB) expense is recovered through the Company's Pension Adjustment Mechanism Provision. The

Division 1-2, page 2

pension and OPEB-related rates were removed from the calculation to ensure that the costs are not recovered twice through separate cost recovery mechanisms.

Description	Percentage
401K Match Burden Thrift	3.5%
Group Insurance	1.5%
Healthcare	14.0%
Other Post Employment FAS 112 Benefits	n/a
Other Post Employment FAS 106 OPEB	n/a
Payroll Taxes Burden	8.5%
Pension Burden	n/a
Time Not Worked	20.0%
Variable Pay Management Incentive Comp	15.5%
Variable Pay Non Management Gainsharing	4.0%
Workers' Compensation Burden	<u>2.0%</u>
Total	69.0%

- (c) Job descriptions for the four full-time employees expected to be hired to support the RE Growth Program are provided in Attachment DIV 1-2. At this time, only the employee who supports Contract Administration has been hired.

National Grid USA Service Company, Inc – Northboro Office

Position Title: Customer Service Representative – Accounts Processing

Reports To: Accounts Processing Supervisor

Job Purpose: Position is responsible for completing complex detailed transactions and extensive research, analysis and problem-solving necessary to ensure a quick and satisfactory response to customer issues and concerns. Provide prompt, accurate and professional response to internal customer requests and inquiries to ensure effective customer relations.

Representatives will be provided with adequate training to allow them to perform the position's responsibilities.

Position Responsibilities:

1. Research and accurately input and edit information in CSS.
2. Under general supervision must be able to successfully perform any Accounts Processing duties including but not limited to complex billing.
3. Successfully complete the appropriate back office function to ensure a quick and satisfactory response to the customer.
4. Handle emergency outage calls, as needed.

Qualifications: Knowledge of customer service techniques, strategies, and approaches. The successful candidate must have excellent oral and written communication and interpersonal skills. Ability to develop positive customer relations; anticipate, identify, and respond to customer needs; and ensure customer loyalty. Ability to work independently to resolve customer concerns and problems. Ability to work successfully in teams with co-workers. The successful candidate must pass the Customer Contact Center test on record

Role Outline	
Region	US
Function	Customer
Sub-Function	Generic
Department	Generic
Band	D/E
Location	
Job Title	Technical Support Consultant / Customer Engineer
Reports to	Manager of Technical Sales and Engineering Support

National Grid is looking for a Technical Support Consultant (TSC) who will provide technical expertise and oversight for the assessment and development of Distributed Generation and Renewable Energy projects. The position will work in a cross functional environment to ensure that customer projects brought to the company are processed within state regulated timelines. The TSC will act as the customer's primary point of contact to guide them through the distributed generation process, obtaining required documentation, perform preliminary screenings and helping coordinate internal functions to meet customer expectations. TSC could also be involved in the preliminary stages of large complex gas and electric projects in assisting customers with evaluating feasibility of such projects. Other responsibilities include but are not limited to:

- Conduct technical reviews and maintain systems and procedures to support the design of solutions that enhance National Grid's Distributed Generation programs.
- Develop and maintain effective relationships with the technical support team, account development, inside and outside sales, energy product & program management, jurisdictional teams and external vendors in order to facilitate communications, integrate work and ensure the successful delivery of customer organization products and programs.
- Coordinate internal and external resources to provide mandated technical sessions to various distributed generation stakeholders.
- Challenge existing policies and procedures to continuously seek ways to do enhance customer service and cost-effectiveness.
- Provide technical guidance, support and coaching to others in order to share knowledge and increase understanding of National Grid's Distributed Generation programs and services.
- Analyze and evaluate developments in Distributed Generation and Renewable Energy technologies in order to identify how different scenarios may impact the business and to deliver strategies for integrating cost efficiencies.
- Provide energy efficiency and growth leads to the sales organization as applicable.
- Update company websites with latest program information.
- Be a resource for technical Distributed Generation issues that may arise within National Grid's customer base

Qualifications:

- Bachelor's degree in mechanical / electrical / chemical engineering, other related field or equivalent work experience. And 3+ years of experience. Masters degree, PE & DGCP certification preferred.

- Experience with utility electric and gas construction a plus.
- Ability to develop proficiency with NY, MA, RI and NH tariffs, especially as they relate to Distributed Generation
- Excellent communication skills, both written and verbal
- Demonstrated superior customer service skills
- Demonstrates the ability to interpret information and analyze relationships among several parts of a problem or situation in order to clearly articulate the findings and anticipates obstacles and thinks ahead about next steps.
- Understands and identifies training or developmental needs of others and has the ability to design and establish new programs of work to support them.
- Support and be part of a team environment.
- Demonstrates strong interpersonal skills including human resource management, negotiations and communications. Lets people affected by a decision know what's happening and is able to clearly articulate reasons for a decision.
- Understands theory behind policies and processes and demonstrates the ability to challenge existing processes and ways of working e.g. taking action to avoid future crisis or create opportunities to improve existing practices.
- Excellent organizational, data management and computer skills

Screening Questions

Do you have a Bachelor's degree in mechanical / electrical / chemical engineering, other related field or equivalent work experience and 3+ years of experience.

If you answered yes to the above question please indicate your level of degree and/or experience.

Do you currently hold a PE or DGCP certification?

Do you have an understanding of renewable technologies?

Do you have have experience with installation of distributed generation projects (CHP, biomass, solar, wind, etc)?

Do you have knowledge of electric and/or gas utility distribution systems and their operations?

Position Information

POSITION TITLE: Specialist/Engineer

BUSINESS UNIT/Function/Depart.: Lab & Test Electric

REPORTS TO: MANAGER, Lab & Test Electric

JOB PURPOSE: Position providing comprehensive engineering, design, and construction support services for electricity metering projects and programs.

POSITION RESPONSIBILITIES:

- ◆ Provide engineering and design recommendations on metering systems, equipment and applications.
- ◆ Design, develop and promulgate standards of contemporary electricity metering principles and practices.
- ◆ Create methods and tools to teach and guide other personnel in current metering technology.
- ◆ Maintain accurate records and documentation of all activities.
- ◆ Effectively communicate with all levels of employees.
- ◆ Provide support in team efforts to complete all assignments on a thorough, accurate, and timely basis.
- ◆ Perform other duties as assigned.

QUALIFICATIONS: Associate's Degree in Engineering Technology; Bachelor of Science degree in Electrical Engineering required for Engineer position. Familiarity with utility engineering practices, ability to read and interpret electrical prints, and related standards is required.

PHYSICAL REQUIREMENTS: Perform light work. Be able to communicate clearly, both orally and in writing, with all personnel.

WORK CONDITIONS: Office environment with occasional field trips involving hazardous electrical environments such as substations, switchyards, etc. Occasional off-site storm emergency duty.

SALARY GRADE RANGE: Level dependent upon education and work experience

Role Outline	
Region	US
Function	Customer
Sub-Function	Energy Procurement
Department	Wholesale Electric Supply OR Environmental Transactions
Band	F / E / D
Location	Hicksville, NY
Job Title	Electric Trader
Reports to	Manager, Wholesale Electric Supply NE OR Principal Program Manager, Environmental Transactions

Job Purpose:

National Grid is looking for an Electric Trader who will perform renewables or energy trading and portfolio analysis in order to meet the service needs of the customer and financial and business objectives of National Grid. In this role you will contribute to the planning, contracting and procurement process for supply of electricity and capacity for National Grid's electric local distribution territories. In addition you will ensure supply meets the Company's goal of providing reliable and cost effective service while obtaining full cost recovery on a current basis.

Key Accountabilities:

- Independently collate and analyze renewables and electric supply portfolio data using pre-determined tools, methods and formats in order to support the department's planning and volatility management process.
- Perform daily load forecasting, load scheduling and bidding with the New York Independent System Operator (NYISO), as well as interaction with Independent System Operator-New England (ISO-NE).
- Ensure compliance with meeting Renewable Portfolio/Energy Standard requirements in the NE states as well as applicable federal requirements.
- Monitor schedule and trade data in order to identify opportunities for improvement.
- Execute energy service scheduling, purchasing and selling instructions and requests, plan and organize resources and make appropriate arrangements to ensure that work is carried out efficiently and in line with relevant policies and processes.
- Develop relationships with key stakeholders in order to fully explain and support the implementation of National Grid policies and processes.
- Monitor and/or assess working practices to ensure they are compliant with legislation and governance.
- Test and challenge existing scheduling and trading procedures and highlight areas for improvement in order to ensure they are robust.
- Plan and contract for the Company's four local electric distribution utilities, ensuring contracts for the electricity and capacity necessary to provide adequate and reliable electric supply are executed and managed consistent with the goals of the Company and state regulators. The value of these contracts is approximately \$3 billion annually.

- Provide analytical insight into the supply portfolios across jurisdictions.
- Support regulatory filings related to power supply and renewable standards.
- Assist in the development of electric hedging and procurement strategies consistent with the regulatory policies and practices applicable in each jurisdiction in which the Company operates.
- Ensure all energy planning and procurement activities comply with corporate and industry standards for risk management.

Additional Accountabilities for Band E:

Band E employees are expected to deliver on the key accountabilities list above as well as those listed below.

- Manage the day to day relationship with service providers, including negotiation, interpretation and application of established contractual agreements and/or service level agreements to ensure adherence to standards and best outcomes for National Grid. (CM2)
- Research and select relevant cost, policy and other information in order to enable analysis of key renewable/electric supply market themes and trends. (DA2)
- Produce high level and detailed electric scheduling and/or trading models to support senior management in defining operating strategies. (PD2)
- Keep up to date with market developments within own discipline in order to ensure the optimization of best practice for National Grid. (PS2)
- Develop and maintain electric scheduling and/or trading, planning, and bidding models and procedures in order to support design solutions and enhance efficiency and operability. (TR2)
- Provide technical guidance, support and coaching to others in order to share knowledge and develop technical understanding within discipline. (TL2)
- Challenge existing ways of working and continuously seek better ways to perform renewable and electric procurement and scheduling in order to drive greater efficiencies within assigned area. (CI2)
- Utilize established systems to track electric purchases and sales and highlight variances in order to manage and control specific cost variables. (FM2)
- Develop and maintain effective relationships with key stakeholders in order to share best practices, understand capacity needs and develop efficient purchasing strategies. (BP2)

Additional Accountabilities for Band D:

Band D employees are expected to deliver on the key accountabilities list above as well as those listed below.

- Negotiate and develop electric supply contracts with third parties including standards of work to ensure best value for National Grid's customers and shareholders. (CM3)
- Research and analyze key electric supply market themes from a wide range of data sources in order to identify how different resources options and scenarios may impact upon the business. (DA3)
- Develop high level electric scheduling and/or trading plans and champion innovation through the use of pilots, in conjunction with business partners and service providers in order to test their validity across the business. (PD3)
- Develop and utilize peer group network in order to absorb and apply technical and professional best practice within own area of specialism in order to drive customer and shareholder value. (PS3)
- Draw up requirement specifications, conduct feasibility studies and produce high level business models to support senior management in defining renewable/electric procurement strategies to ensure least cost, reliable electric supply. (TR3)
- Lead, motivate and develop a professional team, prioritize work and allocate resources in order to ensure results are delivered in line with expectations and customer and business objectives. (TL3)

- Translate business objectives into clearly defined business cases, costs and schedules in order to support achievement of operational area in order to establish and maintain the organization's role as a trusted adviser to the state regulators. (FM3)
- Monitor and control allocated human and material resources, maintaining full compliance with all state regulatory requirements such that the company is able to achieve full and timely cost recovery of all renewable and electric related expenditures. (PRM3)
- Translate functional policy into processes and procedures that drive greater efficiencies for National Grid and ensure compliance with State and Federal regulatory standards and governance. (RM3)

Qualifications - Knowledge & Experience Requirements:

- A Bachelor's degree, preferably in Engineering, Finance, Math, Business Administration, Economics, Computer Science or other analytical discipline is required, or equivalent work experience.
- Minimum of 3 years' experience, preferably in the utility industry or the wholesale markets.
- Proficient in relevant software; e.g. Microsoft Office.
- Knowledge of relevant industry operations and legislation.
- Understanding of project management techniques and methods.
- Knowledge of:
 - Regional (Northeast) electricity markets and infrastructure, including supply, transmission, generation, and capacity
 - State (NY, MA and RI) regulatory policies applicable to electric supply procurement and pricing
 - Energy commodity trading and procurement practices, products/instruments (physical and financial), and processes
 - Financial markets and hedging products
 - Energy risk management practices, standards, and processes
 - Contract negotiation processes and practices; negotiation skills
 - NYISO and ISO-NE policies, bid practices and strategies, and FERC tariffs
 - Ability to bring creative and innovative approaches to the business
 - Exhibit high personal standards of commitment, integrity, and reliability
 - Ability to build and maintain relationships with suppliers and regulators
- Knowledge of wholesale energy markets, independent system operator market, and state and federal legislation, with a deep understanding of interconnected utility operations.
- Demonstrates the ability to network internally and externally and to develop successful, long lasting business relationships with others and seeks to understand and challenge business scenarios to the benefit of all parties.

Knowledge & Experience Requirements for Band E:

Band E employees are expected to have the knowledge & experience listed below.

- A Bachelor's degree, preferably in Engineering, Math, Business Administration, Economics, Finance, Accounting, Computer Science or other analytical discipline or equivalent work experience is required.
- Typically role requires a minimum of 3 years' experience, preferably in the utility industry.
- Proficient in relevant software e.g. Microsoft Excel.

- Knowledge of relevant industry operations and legislation, with an understanding of interconnected utility operations.
- Knowledge of National Grid's policies and processes and how to apply them effectively.
- Experience of managing project teams and projects independently.

Knowledge & Experience Requirements for Band D:

Band D employees are expected to have the knowledge & experience listed below.

- A Bachelor's degree, preferably in Engineering, Math, Business Administration, Economics, Finance, Accounting, Computer Science or other analytical discipline or equivalent work experience is required.
- Typically role requires a minimum of 5 years' experience, preferably in the utility industry.
- Proficient in relevant software e.g. Microsoft Excel.
- Ability to work independently and arrive at optimal solutions to complex challenges with a strategic approach to problem solving
- Extensive knowledge of wholesale electric supply markets, independent system operator market, power generation fuel requirements, and state and federal legislation, with a deep understanding of interconnected utility operations.
- Demonstrates the ability to network internally and externally and to develop successful, long lasting business relationships with others and seeks to understand and challenge business scenarios to the benefit of all parties.
- Knowledge of National Grid's policies and processes and how to apply them effectively.
- Demonstrates the ability to translate National Grid policies into processes and procedures and peel back multiple layers of a problem and balance the value of different solutions; understands how best to utilize them in order to drive greater performance, taking into account the wider business context.
- Experience of managing project teams and projects independently.
- Knowledge of budgeting and operational planning.

Capability Requirements:

- Analytical Thinking (2): Identifies basic relationships, such as cause and effect or if-then relationships, e.g. when analyzing renewable or electric supply portfolio data.
- Impact and Influence (1): Uses direct persuasion to influence others, using basic data, logic or a solid business case.
- Customer Orientation (2): Takes personal responsibility for correcting problems promptly and undefensively and communicates trader or scheduler customer expectations to monitor delivery and satisfaction.
- Attention to Detail (2): Reviews accuracy of own work and checks that all details are completed
- Communication skills with the ability to explain needs and instructions clearly and articulately.
- Good fact finding skill including knowledge and understanding of where to find relevant data.
- Strong problem solving skills with the ability to solve routine and uncommon problems.
- Ability to multi-task and meet specific deadlines.
- Ability to work independently and in a team environment.

Capability Requirements for Band E:

Band E employees should be evaluated against the capabilities listed below.

- Analytical Thinking (1): Breaks problems into simple lists of tasks or activities and follows procedures e.g. when analyzing electric supply portfolio data.
- Information Seeking (3): Establishes the facts by digging deeper, asking probing questions and challenging initial responses from different sources such as electric supply, renewables, electric trading stakeholders and colleagues.
- Impact and Influence (2): Adapts approach and considers what is important to the audience by tailoring message accordingly.
- Leveraging Networks (1): Actively builds and maintains a network of relationships, outside normal business contacts.
- Teamwork and Collaboration (2): Possesses positive expectations for Trader team members and expresses regard for them.
- Adaptability (1): Is receptive to change and is willing to change ideas or opinions based on new information or contrary evidence. Demonstrates good negotiation and communication skills and able to understand the needs of key stakeholders.

Capability Requirements for Band D:

Band D employees should be evaluated against the capabilities listed below.

- Analytical Thinking (3): Sees multiple relationships, identifying several likely causes or consequences of a situation e.g. when analyze key electric market themes or developing high level portfolio design.
- Information Seeking (3): Establishes the facts by digging deeper, asking probing questions and challenging initial responses from different sources such as electric supply, renewables, electric trading stakeholders and colleagues.
- Impact and Influence (2): Adapts approach and considers what is important to the audience, e.g. electric supply, renewables or other electric stakeholders, by tailoring message accordingly.
- Leveraging Networks (1): Actively builds and maintains a network of relationships, outside normal business contacts.
- Team Leadership (2): Promotes team effectiveness by soliciting input from Trader team members, communicating expectations of the team and delegating responsibilities while providing support and structure.
- Teamwork and Collaboration (2): Possesses positive expectations for Trader team members and expresses regard for them.
- Adaptability (1): Is receptive to change and is willing to change ideas or opinions based on new information or contrary evidence.

Division 1-3

Request:

In Schedule NG-1, on page 4 of 4, NGrid estimates the \$723,000k for Bill System Modifications. In testimony submitted in this Docket on 12/30/14, the modifications were described as necessary to apply PBI payments and bill credits to customers participating in the RE growth Program (see page 15 of 19). Please provide more detail as to the nature of the Bill System Modification costs. Are the costs for the purchase of software, outside consultants and/or vendors, overtime for in-house IT personnel, etc.

Response:

The following changes to the Company's customer system are required to support the Renewable Energy Growth Program:

Cost Recovery Mechanism: A new charge was added to 24 existing rate codes in the billing system for bill calculation and bill print with the exception of street lighting.
Implementation: 06/26/2015

Metering Component: A new meter program id that identifies the generation meter for billing purposes was created in the billing system.
Implementation: 08/07/2015

Cost Recovery Mechanism for Street Lighting: A new charge was added to nine street lighting rate codes in the billing system for bill calculation and bill print. A new process was developed to add the number of luminaires to the account from inventory, and to check this value and update monthly if changes occurred. The new charge is calculated by multiplying price times the number of luminaires.
Implementation: 07/24/2015

Modifications to Rate Structures for Billing and Bill Print to Support New Program:
Programming required on 18 applicable rate codes to bill Option 1 and Option 2 with significant bill print changes. A new contract (a term associated with billing system account setup) was required to calculate the performance-based incentive (PBI) payment. Sixteen new charge types were added to reflect the new PBI payment on the bill. Bill print was modified by adding a new section to display the new PBI information and payment.
Implementation: 09/11/2015

Division 1-3, page 2

New Online Screen in Billing System: A new online screen/window was developed to enter the vendor or customer information necessary for PBI payment processing and 1099 reporting. This included the creation of a new table to store information needed by the Accounts Payable system to process payments.

Implementation: 09/25/2015

PBI Rebates and Payments: A new process was developed to capture customer system billing data and feed that data to Accounts Payable for payment processing. In addition, a new process was created to reconcile payment requests and cleared payments in the Accounts Payable system. A new table was also created to store this information.

Implementation: 09/25/2015

Reporting: Several new reports are required to track program activities within the customer system. Special attention was given to a new metering report that will provide generation information to NEPOOL.

Implementation: 09/25/2015

1099 Process: Programming was required to generate 1099 income statements for program participants.

Implementation: 01/01/2016

System development costs for this project have been broken down by project phase rather than by component. The table below provides these phase costs.

Costs have exceeded the initial estimate due to additional program complexity discovered during design (e.g. bill format changes and the online window required for capturing payable information for PBI credits) and the addition of an automated payment feed to the Company's Accounts Payable system. These design elements are critical to proper delivery and management of this program.

Costs shown are for IS technical design, programming, and project management labor sourced through the Company's normal system development contract vendors (IBM and Wipro). These costs represent straight contract time, not overtime.

Division 1-3, page 3

Project Cost	
Start up	\$16,624
Requirements	\$82,081
Design	\$118,561
Development	\$564,912
Implementation	\$144,465
	\$926,644

Division 1-4

Request:

Please explain the timeframe the Bill System Modifications will be completed.

Response:

Implementation dates associated with all project deliverables are provided in the Company's response to data request Division 1-3.

Division 1-5

Request:

In Docket 4568 (rate design modifications to accommodate the RE Growth Program), on page 9 of 68 there is discussion that *“any new electric rate structure will require the Company to modify its billing system to implement the new rates. The Company is requesting recovery of the costs associated with billing system modifications and customer outreach and education that will be incurred to implement the approved rates in this proceeding.”* Are the billing system modifications and associated costs discussed in Docket 4568 testimony the same billing system modifications discussed in Docket 4542? To the extent they are additional system modifications, please explain.

Response:

No. The billing system modifications that are currently underway and for which the Company is requesting cost recovery in Docket No. 4542 are the modifications necessary to accurately bill customers participating in the new Renewable Energy Growth Program. These modifications include, but are not limited to, the ability to accurately calculate performance-based incentive (PBI) payments and bill credits for each eligible rate class, the ability to issue checks or electronic payments to recipients of residual PBI payments, and the ability to track and report generation, on-site use, PBI payment, and bill credits for cost recovery and tax reporting purposes.

The billing system modifications anticipated as part of the implementation of new rates in Docket No. 4568 will be additional changes to the system in order to implement revised base distribution rates for each rate class affected by the Company's proposal.

Division 1-6

Request:

Will the modifications to the billing system discussed in dockets 4542 and / or Docket 4568 provide other benefits and billing system improvements beyond the need to meet compliance with the RE Growth Program requirements?

Response:

System modifications in support of these dockets are specific to the requirements of each. The Renewable Energy Growth Program in particular requires several new components and data structures (such as the new generation meter configuration and interface to the Accounts Payable system) that may be reusable in future designs. The electric distribution rate proposal also contains some new structures that will likely aid the Company in future designs. Significant changes to bill display in both of these projects provide valuable experience in that area that will likely be used again in the future.

Division 1-7

Request:

Why wouldn't the cost of the billing system modifications discussed in Dockets 4542 and 4568 be capitalized as opposed to being expensed and recovered through an adjustment factor?

Response:

The Company anticipates that a portion of the total cost associated with the Renewable Energy Growth Program billing system modifications will ultimately be capitalized by National Grid USA Service Company, Inc. (the Service Company). The billing system is owned and recorded on the books of the Service Company. The estimated billing system costs included in Schedule NG-1, Supplemental did not distinguish between costs that will be expensed and those that will be capitalized, because these amounts were not known at the time of the Company's filing in this proceeding. Costs associated with changes to the Company's billing system are capitalized or expensed, as appropriate, in accordance with generally accepted accounting principles. Any capitalized costs associated with the billing system modifications shall be recorded as assets on the Service Company's books and recovered from the Company over the useful life of the asset along with a return on the net investment. The Company will recover the costs annually through the Renewable Energy Growth Program Cost Recovery Mechanism as they are billed to the Company until the cost associated with the asset has been fully recovered.