

October 29, 2015

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4473 - Fiscal Year 2015 Electric Infrastructure, Safety, and Reliability Plan
Docket 4573 – 2015 Distribution Adjustment Charge
Responses to Record Requests**

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed the Company's responses to record requests that were issued at the Public Utilities Commission's evidentiary hearing on October 26, 2015 in the above-referenced dockets.

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

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4473 Service List
Docket 4573 Service list
LeoWold, Esq.
Steve Scialabba, Division

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

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket Nos. 4573 and 4473
2015 Distribution Adjustment Charge Filing and
FY 2015 Electric Infrastructure, Safety, and Reliability Plan Reconciliation Filing
Responses to Record Requests Issued at the Commission's Evidentiary Hearing
On October 26, 2015

Record Request No. 1

Request:

Provide a breakdown of the \$3.5 million NOL adjustment for Gas. The Company has stated that \$900,000 is for FY14. What amount was for FY13 and FY12?

Response:

For a breakdown of the Gas revenue requirement due to NOL by revenue requirement year and by vintage capital investment year, please refer to Page 15, Lines 3 through 7 of Attachment MAL-1 Supplemental of the Company's FY 2015 Gas ISR Supplemental Reconciliation Filing. The \$900,000 referred to in this data request and which was discussed during the October 26, 2015 hearing is actually \$888,311 and can be found on Page 15 of Attachment MAL-1 Supplemental on Line 5, column (c).

As described during the October 26, 2015 hearing and in the Company's response to COMM 2-3, the amount of Gas NOL revenue requirement that relates to vintage FY 12 and FY 13 that could have been in ISR reconciliation submissions prior to FY 15 is \$2,648,054. This amount is derived by deducting the \$888,311 referred to above from the \$3,536,365 on Line 7, column (e) on Page 15 of Attachment MAL-1 Supplemental.

The comparable Electric revenue requirement due to NOL can be found on Page 15, Lines 3 through 7 of Attachment AST-2 of the Company's FY 2015 Electric ISR Revised Reconciliation Filing. The amount of Electric NOL revenue requirement that relates to vintage FY 12 and FY 13 that could have been in ISR reconciliation submissions prior to FY 15 is \$1,383,827. This amount is derived by deducting the \$27,000 on Line 6, column (c) on Page 15 of Attachment AST-2 from the \$1,410,826 on Line 7, column (e) on Page 15 of Attachment AST-2.

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Record Request No. 2

Request:

Please provide the typical gas customer bill impact comparing recovery of NOL revenue requirement all in one-year to the recovery of the NOL revenue requirement over the three-year period proposed by the Division.

Response:

The bill impact of the Distribution Adjustment Clause (DAC) rate reflecting an ISR reconciliation rate with a one-year recovery period of the NOL requirement for a typical gas customer using 846 therms a year would be an annual increase of \$6.00 from the rates currently in effect, or 0.5%, from \$1,249.69 to \$1,255.69 (Docket 4573, Schedule SLN-12S Revised). The bill impact of the DAC rate reflecting a three-year recovery period on the same typical gas customer would be an annual decrease of \$0.97 from the rates currently in effect, or 0.1%, from \$1,249.69 to \$1,248.72 (Docket 4573, Schedule SLN-16). Therefore, the implementation of a three-year NOL recovery, instead of a one-year NOL recovery, will result in an annual decrease of \$6.97 for a residential heating customer.

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Record Request No. 3

Request:

The Company's response to Commission Request 2-3 referred to \$413,511 included in the FY 15 Gas ISR Reconciliation filing that is proposed to be returned to customers related to periods prior to FY 15. Please provide the components of the \$413,511 and describe the portion that the Company suggests would not be returned to customers if pre-FY 15 NOL costs were not approved to be recovered.

Response:

The components of the \$413,511 in pre-FY 15 adjustments are shown below by vintage investment year:

Vintage Investment Year	Components				Total
	FY 2012 Capital Repairs Rate	FY 2014 Capital Repairs & Bonus Depreciation Rates	FY 2014 Weighted Average Rate Base	Audit Findings	
Vintage 2012	(\$10,357)	\$0	\$0	(\$84,332)	(\$94,689)
Vintage 2013	\$0	\$0	\$0	(\$14,276)	(\$14,276)
Vintage 2014	\$0	(\$75,632)	(\$187,333)	(\$41,581)	(\$304,546)
Total	(\$10,357)	(\$75,632)	(\$187,333)	(\$140,189)	(\$413,511)

The Company suggests that \$337,879 of the total \$413,511 in pre-FY 2015 adjustments would not be returned to customers if pre-FY 2015 NOL costs were not approved for recovery. The remaining \$75,632 should be returned to customers, as it represents the actualization of tax assumptions used in the FY 2014 Gas ISR Plan filing, which due to the timing of the filing of the Company's fiscal year tax returns, the Company's first opportunity to adjust FY 2014 estimated capital repairs and bonus depreciation deductions to actual would be the FY 2015 Gas ISR reconciliation.

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

October 29, 2015

Date

Docket No. 4473 National Grid's FY 2015 Electric Infrastructure, Safety and Reliability Plan - Service List as of 10/30/14

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