

September 21, 2017

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4708 - 2017 Distribution Adjustment Charge
Responses to Division Data Requests – Set 2**

Dear Ms. Massaro:

Enclosed please find 10 copies of National Grid's¹ responses to the second set of data requests issued by the Rhode Island Division of Public Utilities and Carriers in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7415.

Very truly yours,



Robert J. Humm

Enclosures

cc: Docket 4708 Service List
Leo Wold, Esq.
Steve Scialabba, Division
Bruce Oliver, Division

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

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4708
2017 Distribution Adjustment Charge Filing
Responses to Division's Second Set of Data Requests
Issued August 31, 2017

Division 2-1

Request:

Please provide Schedule WRR-1 in Excel spreadsheet format.

Response:

Please see Attachment DIV-2-1 for the Excel version of Schedule WRR-1 in the above-captioned docket.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4708
Gas Pension Adjustment Mechanism
Schedule WRR-1
August 1, 2017
Page 1 of 4

Narragansett Electric - Gas Operations
Pension Costs
12 Months Ended March 31, 2017

Line No.		April 2016 thru March 2017
1	<u>Rate Allowance:</u>	
2	National Grid - RI Gas Pension Costs Allowance	\$4,702,324
3	National Grid - Service Company Allocated Pension Costs Allowance	\$2,977,528
4	Total Pension Costs in Base Rates	<u>\$7,679,852</u>
5	<u>Expense Reconciliation:</u>	
6	Current Year actual Pension Expense Direct	\$2,753,414
7	Current Year actual Service Company Allocated Pension Expense	\$3,155,938
8	Current Year actual Affiliated Allocated Pension Expense	\$63,432
9	Total Current Year Pension Expense Including Service Company-Allocated Expense	<u>\$5,972,785</u>
10	Rate Allowance	\$7,679,852
11	Current Year Pension Expense Reconciliation	(\$1,707,068)
12	Funding Carrying Charge	(\$401,195)

Line Notes:

- 2 Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 Line 1 (e)
- 3 Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 sum of Lines 2 (e) through 5 (e)
- 4 Line 2 plus Line 3
- 6-8 Per Company Books
- 9 Sum of Lines 6 through 8
- 10 Line 4
- 11 Line 9 minus Line 10
- 12 Minus Page 3 of 4 Line 18 (f)

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4708
Gas Pension Adjustment Mechanism
Schedule WRR-1
August 1, 2017
Page 2 of 4

Narragansett Electric - Gas Operations
Post-Retirement Benefits Other Than Pension (PBOP) Costs
12 Months Ended March 31, 2017

Line No.		April 2016 thru March 2017
1	<u>Rate Allowance</u>	
2	National Grid - RI Gas PBOP Costs Allowance	\$2,470,365
3	National Grid - Service Company Allocated PBOP Costs Allowance	1,852,439
4	Total PBOP Costs	<u>\$4,322,804</u>
5	<u>Expense Reconciliation</u>	
6	Current Year actual PBOP Expense Direct	\$626,927
7	Current Year actual Service Company Allocated PBOP Expense	\$1,049,777
8	Current Year actual Affiliated Allocated PBOP Expense	\$80,719
9	Total Current Year PBOP Expense Including Service Company-Allocated Expense	<u>\$1,757,422</u>
10	Rate Allowance	\$4,322,804
11	Current Year PBOP Expense Reconciliation	(\$2,565,382)
12	Total Funding Carrying Charge	(\$6,329)

Line Notes:

- 2 Docket No. 4323 Attachment MDL-3-GAS page 35 of 65 Line 1 (e)
- 3 Docket No. 4323 Attachment MDL-3-GAS page 35 of 65 sum of Lines 2 (e) thru 5 (e)
- 4 Line 2 plus Line 3
- 6-8 Per Company Books
- 9 Sum of Lines 6 through 8
- 10 Line 4
- 11 Line 9 minus Line 10
- 12 Minus Page 4 of 4 Line 18 (f)

Narragansett Electric - Gas Operations
Pension Funding Carrying Charges
12 Months Ended March 31, 2017

	(a)	(b)	(c)	(d)	(e)	(f)
	Dkt 4323	Mar-2016	Jun-2016	Sep-2016	Dec-2016	Mar-2017
Customer Funding						
1 Base Rate Recovery:						
2 Direct	\$4,702,324	\$1,175,581	\$1,175,581	\$1,175,581	\$1,175,581	\$1,175,581
3 Servco	\$2,977,528	\$744,382	\$744,382	\$744,382	\$744,382	\$744,382
4 PAF Surcharge Recovery:		(\$253,160)	(\$253,160)	(\$253,160)	(\$99,992)	(\$23,409)
5 Pension Capitalized Amount:						
6 Direct		\$921,980	\$963,840	\$1,061,813	\$960,691	\$868,101
7 Servco/Other Affiliates		\$382,367	\$388,360	\$381,644	\$385,730	\$419,352
8 Total Customer Funding:		\$2,971,150	\$3,019,003	\$3,110,261	\$3,166,391	\$3,184,007
9 Company Contributions¹		Jun-2016	Sep-2016	Dec-2016	Mar-2017	Jun-2017
10 Pension		1,422,000	\$1,422,000	\$1,422,000	\$1,422,000	7,431,039
11 Service Company Allocated Costs		\$1,126,749	\$1,132,742	\$1,126,026	\$1,130,112	\$1,163,734
12 Total Contributions		2,548,749	\$2,554,742	\$2,548,026	\$2,552,112	\$8,594,773
13 Under/(Over) Funding		\$422,401	\$464,261	\$562,235	\$614,279	(\$5,410,766)
14 Cumulative Under/(Over) Funding		\$4,119,685	\$4,583,946	\$5,146,180	\$5,760,460	\$349,694
15 Five Quarter Average						\$3,991,993
16 Base for Carrying Charge (greater of line 22 or zero)						\$3,991,993
17 Pre-tax WACC						10.05%
18 Carrying Charge						<u>\$401,195</u>

Company Contributions¹-This amount represents dollars funded in the subsequent quarter

Line Notes

- 2(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 line 1 (e)
- 2(b) - 2(f) Line 2 (a) divided by 12 times 3
- 3(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 sum of lines 2 (e) through 5 (e)
- 3(b) - 3(f) Line 3 (a) divided by 12 times 3
- 4(b) - 4(d) Docket No. 4573 Schedule WRR-3 Revised, page 1 of 4, Line 11 divided by 12 times 3
- 4(e) Docket No. 4573 Schedule WRR-3 Revised, page 1 of 4, Line 11 divided by 12 times 1 plus Docket No. 4634 Schedule WRR-1 Revised, page 1 of 4, Line 11 divided by 12 times 2
- 4(f) Docket No. 4634 Schedule WRR-1 Revised, page 1 of 4, Line 11 divided by 12 times 3
- 6(b) - 6(f) Per Company Books
- 7(b) - 7(f) Per Company Books
- 8(b) - 8(f) Sum of Line 2 through Line 7
- 10 Per Company Books
- 11 Line 3 plus line 7
- 12 Line 10 plus Line 11
- 13 Line 8 minus Line 12
- 14 Current year Line 13 plus prior year Line 14
- 15 Average of column (b) through column (e)
- 16 If Line 15 is greater than zero, Line 15 if not, zero
- 17 Docket No 4323
- 18 Line 16 times Line 17

**Narragansett Electric - Gas Operations
PBOP Funding - Carrying Charges
12 Months Ended March 31, 2017**

	(a) Dkt 4323	(b) Mar-2016	(c) Jun-2016	(d) Sep-2016	(e) Dec-2016	(f) Mar-2017
Customer Funding						
1 Base Rate Recovery:						
2 Direct	\$2,470,365	\$617,591	\$617,591	\$617,591	\$617,591	\$617,591
3 Servco	\$1,852,439	\$463,110	\$463,110	\$463,110	\$463,110	\$463,110
4 PAF Surcharge Recovery:		(\$517,894)	(\$517,894)	(\$517,894)	(\$481,933)	(\$463,952)
5 PBOP Capitalized Amount:						
6 Direct		\$264,191	\$219,457	\$241,765	\$218,740	\$197,659
7 Servco/Other Affiliates		\$140,829	\$134,773	\$141,062	\$110,718	\$143,604
8 Total Customer Funding:		\$967,827	\$917,038	\$945,634	\$928,227	\$958,011
9 Company Contributions¹		Jun-2016	Sep-2016	Dec-2016	Mar-2017	Jun-2017
10 PBOP		\$263,826	\$263,750	\$263,750	\$263,750	\$500,000
11 Service Company Allocated Costs		603,939	597,883	604,171	573,828	606,714
12		\$867,765	\$861,633	\$867,921	\$837,578	\$1,106,714
13 Under/(Over) Funding		\$100,062	\$55,405	\$77,712	\$90,649	(\$148,702)
14 Cumulative Funding Under/(Over) Funding		(\$34,491)	\$20,914	\$98,626	\$189,275	\$40,573
15 Five Quarter Average						\$62,979
16 Base for Carrying Charge (greater of line 22 or zero)						\$62,979
17 Pre-tax WACC						10.05%
18 Carrying Charge						\$6,329

Company Contributions¹-This amount represents dollars funded in the subsequent quarter

Line Notes

- 2(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 line 1 (e)
- 2(b) - 2(f) Line 2 (a) divided by 12 times 3
- 3(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 sum of lines 2 (e) thru 5 (e)
- 3(b) - 3(f) Line 3 (a) divided by 12 times 3
- 4(b) - 4(d) Docket No. 4573 Schedule WRR-3 Revised, page 2 of 4, Line 11 divided by 12 times 3
- 4(e) Docket No. 4573 Schedule WRR-3 Revised, page 2 of 4, Line 11 divided by 12 times 1 plus Docket No. 4634 Schedule WRR-1 Revised, page 2 of 4, Line 11 divided by 12 times 2
- 4(f) Docket No. 4634 Schedule WRR-1 Revised, page 2 of 4, Line 11 divided by 12 times 3
- 6(b) - 6(f) Per Company Books
- 7(b) - 7(f) Per Company Books
- 8 (b) - 8(f) Sum of Line 2 through Line 7
- 10 Per Company Books
- 11 Line 3 plus line 7
- 12 Line 10 plus Line 11
- 13 Line 8 minus Line 12
- 14 Current year Line 13 plus prior year Line 14
- 15 Average of column (b) through column (e)
- 16 If Line 15 is greater than zero, Line 15 if not, zero
- 17 Docket No 4323
- 18 Line 16 times Line 17

Division 2-2

Request:

Referring to Schedule WRR-1, Page 1, please provide supporting documentation for the Current Year actual Pension Expense Direct, Current Year actual Service Company Allocated Pension Expense, and Current Year actual Affiliated Allocated Pension Expense.

Response:

Please see Attachment DIV-2-2 for the following supporting documentation:

- Current year actual Pension expense direct: Column (d), line 13 and Column (g), line 13;
- Service Company allocated Pension expense: Column (d), line 14 and Column (g), line 14; and
- Affiliated allocated Pension expense: Column (d), line 15 and Column (g), line 15.

The Narragansett Electric Company
d/b/a National Grid
Pension Costs - BI4505
FY 2017

Pension Costs charged to Narragansett Electric Company - (GAS)

Row Labels	Pensions (Multiple Items) RIGASD		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Sum of CAPEX - Amount	Sum of COR - Amount								
Narragansett Electric Co	4,994,279.79	293,161.98	5,972,784.71	142,087.96	5,972,784.71	5,972,784.71	11,402,314.44			
1 Boston Gas Company	1,821.86	1,555.27	3,971.82		3,971.82	3,971.82	7,348.95			
2 Brooklyn Union Gas-KEDNY	2,407.18	93.75	3,319.35		3,319.35	3,319.35	5,820.28			
3 Colonial Gas Company	6,665.50	1,595.46	6,320.25		6,320.25	6,320.25	14,581.21			
4 KS Gas East Corp-KEDLI	770.40		5,428.76		5,428.76	5,428.76	6,199.16			
5 Massachusetts Electric Co	1,691.96		2,530.76	63.66	2,530.76	2,530.76	4,286.38			
6 Nantucket Electric Co	18.18		18.73		18.73	18.73	36.91			
7 Narragansett Electric Co	3,541,380.32	266,513.47	2,753,414.04	46,550.40	2,753,414.04	2,753,414.04	6,607,858.23			
8 NG Engineering Srves, LLC	140.42		862.20		862.20	862.20	1,002.62			
9 NG LNG LP Regulated Entity	156.10	360.23	11.77		11.77	11.77	528.10			
10 NGUSA Service Company	1,437,643.85	22,693.01	3,155,938.19		3,155,938.19	3,155,938.19	4,706,913.14			
11 Niagara Mohawk Power Corp	1,584.02	350.79	40,968.84		40,968.84	40,968.84	47,739.46			
Grand Total	4,994,279.79	293,161.98	5,972,784.71	142,087.96	5,972,784.71	5,972,784.71	11,402,314.44			
13 Direct	3,541,380.32	266,513.47	2,753,414.04	46,550.40	2,753,414.04	2,753,414.04	6,607,858.23			
14 NGrid ServCo	1,437,643.85	22,693.01	3,155,938.19	90,638.09	3,155,938.19	3,155,938.19	4,706,913.14			
15 Affiliates	15,255.62	3,955.50	63,432.48	4,899.47	63,432.48	63,432.48	87,543.07			

Division 2-3

Request:

Referring to Schedule WRR-1, Page 2, please provide supporting documentation for the Current Year actual PBOP Expense Direct, Current Year actual Service Company Allocated PBOP Expense, and Current Year actual Affiliated Allocated PBOP Expense.

Response:

Please see Attachment DIV 2-3 for the following supporting documentation:

- Current year actual PBOP expense direct: Column (d), line 13 and Column (g), line 13;
- Service Company allocated PBOP expense: Column (d), line 14 and Column (g), line 14; and
- Affiliated allocated PBOP expense: Column (d), line 15 and Column (g), line 15.

The Narragansett Electric Company
d/b/a National Grid
PBOP Costs - BI 4505
FY 2017

PBOP Costs charged to Narragansett Electric Company - (GAS)

L03 Cost Type G/L Account - Key Receiving Segment - Key	OPEB (Multiple Items) RIGASD	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Narragansett Electric Co		1,288,983.02		69,268.37	1,757,422.45		1,407,777.73	1,757,422.45	3,165,200.18
1 Boston Gas Company		544.57		412.62	1,119.75		957.19	1,119.75	2,076.94
2 Brooklyn Union Gas-KEDNY		898.24		36.59	1,130.78		934.83	1,130.78	2,065.61
3 Colonial Gas Company		1,314.59		307.32	1,277.01		1,621.91	1,277.01	2,898.92
4 KS Gas East Corp-KEDLI		343.96			2,736.23		343.96	2,736.23	3,080.19
5 Massachusetts Electric Co		541.35			790.91	7.30	548.65	790.91	1,339.56
6 Nantucket Electric Co		12.91			11.92		12.91	11.92	24.83
7 Narragansett Electric Co		806,339.44		60,682.64	626,926.83	10,599.09	877,621.17	626,926.83	1,504,548.00
8 NG Engineering Svcs, LLC		77.23			473.71		77.23	473.71	550.94
9 NG LNG LP Regulated Entity		9.72		13.34	0.44		23.06	0.44	23.50
10 NGUSA Service Company		475,814.85		7,079.66	1,049,776.58		513,077.48	1,049,776.58	1,562,854.06
11 Niagara Mohawk Power Corp		3,086.16		736.20	73,178.29		12,559.34	73,178.29	85,737.63
Grand Total		1,288,983.02		69,268.37	1,757,422.45	49,526.34	1,407,777.73	1,757,422.45	3,165,200.18
13 Direct		806,339.44		60,682.64	626,926.83	10,599.09	877,621.17	626,926.83	1,504,548.00
14 NGrid ServCo		475,814.85		7,079.66	1,049,776.58		513,077.48	1,049,776.58	1,562,854.06
15 Affiliates		6,828.73		1,506.07	80,719.04	8,744.28	17,079.08	80,719.04	97,798.12