

September 21, 2017

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4709 - National Grid's Electric Pension Adjustment Factor Filing
For the Twelve-Month Period Ending March 31, 2017
Responses to Division Data Requests – Set 1**

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed the Company's responses to the first set of data requests issued by the Division of Public Utilities and Carriers in the above-referenced docket.

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 4709 Service List
Leo Wold, Esq.
Steve Scialabba, Division

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.

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, 2017

Date

Docket No. 4709 - National Grid's Electric 2017 Pension Adjustment Factor Service List as of 8/2/17

| Name/Address | E-mail Distribution | Phone |
|---|--|---------------------------|
| Raquel J. Webster, Esq. National Grid. 280 Melrose St. Providence, RI 02907 | raquel.webster@nationalgrid.com ; | 781-907-2121 |
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| | Joanne.scanlon@nationalgrid.com ; | |
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The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4709
2017 Electric Pension Adjustment Factor Filing
Responses to the Division's First Set of Data Requests
Issued on August 31, 2017

Division 1-1

Request:

Please provide Revised Schedule WRR-1 in Excel spreadsheet format.

Response:

Please see Attachment DIV-1-1 (ELEC) for the Excel version of Schedule WRR-1.

**Narragansett Electric - Electric 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 Electric Pension Costs Allowance ¹ | \$4,100,051 |
| (3) | National Grid - Service Company Allocated Pension Costs Allowance | \$3,623,508 |
| (4) | Total Pension Costs | \$7,723,559 |
| (5) | <u>Expense Reconciliation:</u> | |
| (6) | Current Year actual Pension Expense Direct | \$3,790,028 |
| (7) | Current Year actual Service Company Allocated Pension Expense | \$7,213,776 |
| (8) | Current Year actual Affiliated Allocated Pension Expense | \$171,688 |
| (9) | FY 2017 Pension Costs Recovered Through Integrated Facilities Agreement (IFA) | (\$1,192,915) |
| (10) | Total Current Year Pension Expense | \$9,982,577 |
| (11) | Rate Allowance | \$7,723,559 |
| (12) | Current Year Pension Expense Reconciliation | \$2,259,018 |
| (13) | Funding Carrying Charge | (\$118,658) |

Line Notes:

- (2) Docket No. 4323 Compliance Attachment 1 Schedule MDL-3-ELEC page 35 of 71 line 26 (k) less line 24 (k)
- (3) Docket No. 4323 Compliance Attachment 1 Schedule MDL-3-ELEC page 35 of 71 sum of lines 26 (l) thru 26 (n)
- (4) Line (2) + Line (3)
- (6)-(9) Per Company Books
- (10) Sum of Line (6) through Line (9)
- (11) Line (4)
- (12) Line (10) - Line (11)
- (13) = - Page 3 of 4 Line (19) (f)

¹ Pension rate allowance for purposes of this reconciliation excludes the 10-year recovery of pension and PBOP costs from Docket No. 3617 of \$2,511,132. This recovery ended on December 31, 2013. The amount of amortization of these pension and PBOP costs is also excluded from the expense amount shown on Line 6 above.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4709
Electric Pension Adjustment Mechanism
Schedule WRR-1
August 1, 2017
Page 2 of 4

Narragansett Electric - Electric 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 Electric PBOP Costs Allowance | \$1,813,275 |
| (3) | National Grid - Service Company Allocated PBOP Costs Allowance | \$1,728,301 |
| (4) | Total PBOP Costs | <u>\$3,541,576</u> |
| (5) | <u>Expense Reconciliation</u> | |
| (6) | Current Year actual PBOP Expense Direct | \$2,063,811 |
| (7) | Current Year actual Service Company Allocated PBOP Expense | \$2,400,636 |
| (8) | Current Year actual Affiliated Allocated PBOP Expense | \$194,151 |
| (9) | FY 2017 PBOP Costs Recovered Through IFA | <u>(\$1,126,563)</u> |
| (10) | Total Current Year PBOP Expense | \$3,532,035 |
| (11) | Rate Allowance | \$3,541,576 |
| (12) | Current Year PBOP Expense Reconciliation | (\$9,541) |
| (13) | Funding Carrying Charge | (\$159,992) |

Line Notes:

- (2) Docket No. 4323 Compliance Attachment 1 Schedule MDL-3-ELEC page 34 of 71 line 1(e)
(3) Docket No. 4323 Compliance Attachment 1 Schedule MDL-3-ELEC page 34 of 71 sum of lines 2(e) through 5(e)
(4) Line (2) + Line (3)
(6)-(9) Per Company Books
(10) Sum of Line (6) through Line (9)
(11) Line (4)
(12) Line (10) - Line (11)
(13) = - Page 4 of 4 Line (18) (f)

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

| Line No. | | (a) Dkt 4323 | (b) Mar-2016 | (c) Jun-2016 | (d) Sep-2016 | (e) Dec-2016 | (f) Mar-2017 |
|----------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| (1) | <u>Customer Funding</u> | | | | | | |
| | Base Rate Recovery: | | | | | | |
| (2) | Direct | \$4,100,051 | \$1,025,013 | \$1,025,013 | \$1,025,013 | \$1,025,013 | \$1,025,013 |
| (3) | Servco | \$3,623,508 | \$905,877 | \$905,877 | \$905,877 | \$905,877 | \$905,877 |
| (4) | Recovery of Pension and PBOP per R.I.P.U.C Docket No. 3617 | \$2,511,132 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (5) | PAM Surcharge Recovery: | | \$466,972 | \$544,801 | \$544,801 | \$1,416,349 | \$1,416,349 |
| (6) | Pension Capitalized Amount: | | | | | | |
| (7) | Direct | | \$1,335,962 | \$942,009 | \$929,225 | \$946,207 | \$1,042,034 |
| (8) | <u>Servco/Other Affiliates</u> | | \$1,082,312 | \$968,869 | \$823,074 | \$804,495 | \$756,132 |
| (9) | Total Customer Funding: | | \$4,816,136 | \$4,386,569 | \$4,227,989 | \$5,097,940 | \$5,145,404 |
| (10) | <u>Company Contributions¹</u> | | Jun-2016 | Sep-2016 | Dec-2016 | Mar-2017 | Jun-2017 |
| (11) | Pension | | \$1,887,500 | \$1,887,500 | \$1,887,500 | \$1,887,500 | \$4,634,443 |
| (12) | <u>Service Company Allocated Costs</u> | | \$1,988,189 | \$1,874,746 | \$1,728,951 | \$1,710,372 | \$1,662,009 |
| (13) | Total Contributions | | \$3,875,689 | \$3,762,246 | \$3,616,451 | \$3,597,872 | \$6,296,452 |
| (14) | Under/(Over) Funding | | \$940,447 | \$624,322 | \$611,538 | \$1,500,069 | (\$1,151,048) |
| (15) | Cumulative Under/(Over) Funding | | (\$10,398) | \$613,925 | \$1,225,463 | \$2,725,532 | \$1,574,484 |
| (16) | Five Quarter Average | | | | | | \$1,225,801 |
| (17) | Base for Carrying Charge (greater of line 22 or zero) | | | | | | \$1,225,801 |
| (18) | Pre-tax WACC | | | | | | 9.68% |
| (19) | Carrying Charge | | | | | | \$118,658 |

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

Line Notes:

- (2) (a) Docket No. 4323 Compliance Attachment 1 Schedule MDL-3-ELEC page 35 of 71 line (1) (e)
- (2) (b)-(2) (f) Line (2) (a) ÷ 12 × 3
- (3) (a) Docket No. 4323 Compliance Attachment 1 Schedule MDL-3-ELEC page 35 of 71 sum of lines (2) (e) thru (5) (e)
- (3) (b)-(3) (f) Line (3) (a) ÷ 12 × 3
- (4) (a) Docket No. 4323 Compliance Attachment 1 Schedule MDL-3-ELEC page 35 of 71 line (24) (p)
- (5) (b) Docket No. 4518 Schedule WRR-1 Revised, page 1 of 4, Line (13) ÷ 12 × 3
- (5) (c), (5) (d) The electric pension PAM surcharge for the recovery period ended September 30, 2016 was \$1,867,888 collected over an 11 month period. The surcharge recoveries reflected in the prior year PAM reconciliation totaled \$778,287, leaving a remaining surcharge of \$1,089,601 for the recovery period ended September 30, 2016. Half of this amount is reflected each of the quarters ended June 30, 2016 and September 30, 2016.
- (5) (e), (5) (f) Docket No. 4637 Schedule WRR-1 Revised, page 1 of 4, Line (11) ÷ 12 × 3
- (7) (b)-(7) (f) Per Company Books
- (8) (b)-(8) (f) Per Company Books
- (9) Sum of Line (2) through Line (8)
- (11) Per Company Books
- (12) Line (3) + Line (8)
- (13) Line (11) + Line (12)
- (14) Line (9) - line (13)
- (15) Current year line (14) plus prior year line (15)
- (16) Average of column (b) through column (f)
- (17) If line (16) is greater than zero, line (16) if not, zero
- (18) Docket No. 4323
- (19) Line (17) × line (18)

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

| Line No. | | (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 | \$1,813,275 | \$453,319 | \$453,319 | \$453,319 | \$453,319 | \$453,319 |
| (3) | Servco | \$1,728,301 | \$432,075 | \$432,075 | \$432,075 | \$432,075 | \$432,075 |
| (4) | PAM Surcharge Recovery: | | (\$244,002) | (\$284,669) | (\$284,669) | \$362,556 | \$362,556 |
| (5) | PBOP Capitalized Amount: | | | | | | |
| (6) | Direct | | \$486,038 | \$510,573 | \$503,643 | \$512,848 | \$564,786 |
| (7) | Servco/Other Affiliates | | \$426,659 | \$357,100 | \$330,087 | \$279,557 | \$289,700 |
| (8) | Total Customer Funding: | | 1,554,089 | 1,468,398 | 1,434,456 | 2,040,354 | 2,102,435 |
| (9) | Company Contributions ¹ | | Jun-2016 | Sep-2015 | Dec-2015 | Mar-2016 | Jun-2016 |
| (10) | PBOP | | \$562,500 | \$562,500 | \$562,500 | \$562,500 | \$3,000,000 |
| (11) | ServCo/Other Affiliates Allocated Costs | | \$858,734 | \$789,176 | \$762,162 | \$711,632 | \$721,775 |
| (12) | | | \$1,421,234 | \$1,351,676 | \$1,324,662 | \$1,274,132 | \$3,721,775 |
| (13) | Under/(Over) Funding | | \$132,855 | \$116,723 | \$109,794 | \$766,222 | (\$1,619,339) |
| (14) | Cumulative Funding Under/(Over) Funding | | \$1,510,930 | \$1,627,652 | \$1,737,446 | \$2,503,668 | \$884,329 |
| (15) | Five Quarter Average | | | | | | \$1,652,805 |
| (16) | Base for Carrying Charge (greater of line 22 or zero) | | | | | | \$1,652,805 |
| (17) | Pre-tax WACC | | | | | | 9.68% |
| (18) | Carrying Charge | | | | | | \$159,992 |

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

Line Notes:

- (2) (a) Docket No. 4323 Compliance Attachment 1 Schedule MDL-3-ELEC page 35 of 71 line (1) (e)
(2) (b)-(2) (f) Line (2) (a) ÷ 12 × 3
(3) (a) Docket No. 4323 Compliance Attachment 1 Schedule MDL-3-ELEC page 35 of 71 sum of lines (2) (e) thru (5) (e)
(3) (b)-(3) (f) Line (3) (a) ÷ 12 × 3
(4) (b) Docket No. 4518 Schedule WRR-1 Revised, page 2 of 4, Line (13) ÷ 12 × 3
(4) (c), (4) (d) The electric PBOP PAM surcharge/(refund) for the recovery period ended September 30, 2016 was (\$976,007) refunded over an 11 month period. The refund reflected in the prior year PAM reconciliation totaled (\$406,670), leaving a remaining refund of (\$569,337) for the recovery period ended September 30, 2016. Half of this amount is reflected each of the quarters ended June 30, 2016 and September 30, 2016.
(4) (e), (4) (f) Docket No. 4637 Schedule WRR-1 Revised, page 2 of 4, Line (11) ÷ 12 × 3
(6) (b)-(6) (f) Per Company Books
(7) (b)-(7) (f) Per Company Books
(8) Sum of Line (2) through Line (7)
(10) Per Company Books
(11) Line (3) + Line (7)
(12) Line (10) + Line (11)
(13) Line (8) - line (12)
(14) Current year line (13) plus prior year line (14)
(15) Average of column (b) through column (f)
(16) If line (15) is greater than zero, line (15) if not, zero
(17) Docket No. 4323
(18) Line (16) × line (17)

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4709
In Re: Electric 2017 Pension Adjustment Factor
Responses to Division's First Set of Data Requests
Issued on August 31, 2017

Division 1-2

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 1-2 (ELEC) for the following supporting documentation:

- Current year actual Pension expense direct: Column (d), line 12 and Column (g), line 12;
- Service Company allocated Pension expense: Column (d), line 13 and Column (g), line 13; and
- Affiliated allocated Pension expense: Column (d), line 14 and Column (g), line 14.

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

Pension Costs charged to Narragansett Electric Company - (ELEC)

| | (a) | (b) | (c) | (c) | (d) | (e) | (f) | (g) | (h) |
|---|------------------------------|-----------------------|----------------------|----------------------|-------------------------------------|----------------------|----------------------|---------------|-----|
| LO3 Cost Type G/L Account - Key Receiving Segment - Key | Pensions (Multiple Items) | Sum of CAPEX - Amount | Sum of COR - Amount | Sum of OPEX - Amount | Sum of Other Balance Sheet - Amount | Total CapEx | Total OpEx | Total Amount | |
| Narragansett Electric Co | 6,021,587.28 | 795,902.53 | 11,175,491.48 | 276,806.83 | 7,094,296.64 | 11,175,491.48 | 18,269,788.12 | | |
| 1 Boston Gas Company | | | 307.54 | | | | 307.54 | 307.54 | |
| 2 Brooklyn Union Gas-KEDNY | | | 5,548.37 | | | | 5,548.37 | 5,548.37 | |
| 3 Colonial Gas Company | | | 627.86 | | | | 627.86 | 627.86 | |
| 4 KS Gas East Corp-KEDLI | | | 49.00 | | | | 49.00 | 49.00 | |
| 5 Massachusetts Electric Co | 69,460.50 | 8,032.01 | 66,311.65 | 177.58 | | 77,670.09 | 66,311.65 | 143,981.74 | |
| 6 Nantucket Electric Co | | | (23.72) | | | | (23.72) | (23.72) | |
| 7 Narragansett Electric Co | 3,005,076.76 | 719,349.41 | 3,790,027.90 | 85,510.70 | | 3,809,936.87 | 3,790,027.90 | 7,599,964.77 | |
| 8 NG Engineering Svcs, LLC | 2,860,938.86 | 68,373.10 | 7,213,776.07 | 181,393.71 | | 3,110,705.66 | 7,213,776.07 | 10,324,481.74 | |
| 9 NGUSA Service Company | 86,111.16 | 148.02 | 96,133.29 | 9,724.83 | | 95,984.01 | 96,133.29 | 192,117.30 | |
| 10 Niagara Mohawk Power Corp | | | | | | | | | |
| Grand Total | 6,021,587.28 | 795,902.53 | 11,175,491.48 | 276,806.83 | 7,094,296.64 | 11,175,491.48 | 18,269,788.12 | | |
| 12 Direct | 3,005,076.76 | 719,349.41 | 3,790,027.90 | 85,510.70 | | 3,809,936.87 | 3,790,027.90 | 7,599,964.77 | |
| 13 NGrid ServCo | 2,860,938.86 | 68,373.10 | 7,213,776.07 | 181,393.71 | | 3,110,705.66 | 7,213,776.07 | 10,324,481.74 | |
| 14 Affiliates | 155,571.66 | 8,180.03 | 171,687.51 | 9,902.42 | | 173,654.10 | 171,687.51 | 345,341.61 | |

Division 1-3

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 1-3 (ELEC) for the following supporting documentation:

- Current year actual PBOP expense direct: Column (d), line 12 and Column (g), line 12;
- Service Company allocated PBOP expense: Column (d), line 13 and Column (g), line 13;
and
- Affiliated allocated PBOP expense: Column (d), line 14 and Column (g), line 14.

The Narragansett Electric Company
d/b/a National Grid
PEOP Costs - B1.4505
FY 2017

OPEB Costs charged to Narragansett Electric Company - (ELEC)

| L03 Cost Type G/L Account - Key Receiving Segment - Key | OPEB (Multiple Items) | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|---|------------------------------|----------------------------|-----------------------------|--|---------------------|---------------------|---------------------|-----|-----|-----|
| | Sum of CAPEX - Amount | Sum of OPEX - Amount | | | | | | | | |
| Row Labels | Sum of CAPEX - Amount | Sum of COR - Amount | Sum of OPEX - Amount | Sum of Other Balance Sheet - Amount | Total CapEx | Total OpEx | Total Amount | | | |
| Narragansett Electric Co | 2,762,735.10 | 417,052.31 | 4,658,597.56 | 124,417.52 | 3,304,204.93 | 4,658,597.56 | 7,962,802.49 | | | |
| 1 Boston Gas Company | | | 86.50 | | - | 86.50 | 86.50 | | | |
| 2 Brooklyn Union Gas-KEDNY | | | 1,869.02 | | - | 1,869.02 | 1,869.02 | | | |
| 3 Colonial Gas Company | | | 118.77 | | - | 118.77 | 118.77 | | | |
| 4 KS Gas East Corp-KEDLI | | | 18.93 | | - | 18.93 | 18.93 | | | |
| 5 Massachusetts Electric Co | 19,188.57 | 1,974.01 | 19,400.29 | 30.87 | 21,193.45 | 19,400.29 | 40,593.74 | | | |
| 6 Nantucket Electric Co | | | (69.93) | | - | (69.93) | (69.93) | | | |
| 7 Narragansett Electric Co | 1,636,375.90 | 391,712.47 | 2,063,810.95 | 46,563.75 | 2,074,652.12 | 2,063,810.95 | 4,138,463.07 | | | |
| 8 NG Engineering Svcs, LLC | 952,524.35 | 23,106.82 | 2,400,636.00 | 60,270.06 | - | 1,502.51 | 1,502.51 | | | |
| 9 NGUSA Service Company | 154,646.28 | 259.01 | 171,224.52 | 17,552.84 | 1,035,901.23 | 2,400,636.00 | 3,436,537.23 | | | |
| 10 Niagara Mohawk Power Corp | | | | | 172,458.13 | 171,224.52 | 343,682.65 | | | |
| Grand Total | 2,762,735.10 | 417,052.31 | 4,658,597.56 | 124,417.52 | 3,304,204.93 | 4,658,597.56 | 7,962,802.49 | | | |
| 12 Direct | 1,636,375.90 | 391,712.47 | 2,063,810.95 | 46,563.75 | 2,074,652.12 | 2,063,810.95 | 4,138,463.07 | | | |
| 13 NGrid ServCo | 952,524.35 | 23,106.82 | 2,400,636.00 | 60,270.06 | 1,035,901.23 | 2,400,636.00 | 3,436,537.23 | | | |
| 14 Affiliates | 173,834.85 | 2,233.02 | 194,150.61 | 17,583.71 | 193,651.58 | 194,150.61 | 387,802.19 | | | |