

January 23, 2018

**BY HAND DELIVERY AND ELECTRONIC MAIL**

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

**RE: Docket 4774 - Proposed 2018 Renewable Energy Growth Program Tariff and Rule Changes**  
**Responses to PUC Data Requests – Set 1**

Dear Ms. Massaro:

I have enclosed ten copies of National Grid's<sup>1</sup> response to data request PUC 1-4.

The Company is also enclosing a CD-ROM containing an updated Excel version of Attachment PUC 1-1-b-1 and the updated .pdf version of Attachment PUC 1-1-b-2.

Please be advised that this transmittal completes the Company's responses to the PUC's first set of data requests 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 4774 Service List  
Leo Wold, Esq.  
Jon Hagopian, Esq.

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

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4774  
In Re: 2018 Renewable Energy Growth Program  
Responses to the Commission's First Set of Data Requests  
Issued on January 8, 2018

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PUC 1-4

Request:

The Company presents administrative expenses of \$1,442,963 in its December 18 filing. Is this the total cost of the program for the Fiscal Year 2019? Or are there expenses for Fiscal Year 2019 included in the Rate Year in Docket No. 4770? If yes, please provide a schedule showing the total administrative costs of the program Fiscal Year 2019.

Response:

The \$1,442,963 presented in the Company's December 18, 2017 filing represented the Company's best current estimate of the operating expenses and capital expenditures the Company expects to incur during the period from April 1, 2018 through March 31, 2019, which is both the "2018 Program Year" and the National Grid 2019 fiscal year (FY 2019). Some of the incremental labor will be partly incurred and collected through the RE Growth factor (e.g., incremental labor costs); the Company proposes to shift approximately \$352,000 of estimated costs, including overheads, to the Rate Year in Docket No. 4770 (i.e., the twelve-month period ended August 31, 2019). Please see Attachment PUC 1-4 for the revised detail on these labor expenses, which the Company has included for informational purposes at this time. In Attachment PUC 1-4, line 5 of footnote 1, the Company incorporates the FY 2019 labor expenses, which will be transferred to collection through base distribution rates effective September 1, 2018. The table in Attachment PUC 1-4 only includes expenses that the Company expects to incur in FY 2019.

**Renewable Energy Growth Program  
Estimated Administrative Costs  
for the Program Year Ending March 31, 2019**

**Summary of Estimated Annual Administrative Expenses**

|  |             |
|--|-------------|
| (1) Billing System Modifications - Estimated CapEx Spend FY19                            | \$321,300   |
| (2) Billing System Modifications - FY19 O&M Budget Estimate for Additional Modifications | \$103,000   |
| (3) Incremental Labor Resources (1)  | \$1,012,828 |
| (4) Estimated Solar Marketplace Program Implementation/Support Costs                     | \$145,000   |
| (5) DG Board Expense   | \$213,000   |
| (6) Revenue Requirement - Meter Investment   | TBD         |
| (7) Estimated Remuneration   | TBD         |
| (8) Total  | \$1,795,128 |

- (1) Figure reflects the estimated FY 2019 portion of \$1,226,950 total estimated CapEx for Shared Solar and Community Remote Distributed Generation program requirements, compared to \$778,000 in the RE Growth Cost Recovery filing of June 30, 2017, per updated Company budget estimates;  
(2) Estimated FY 2019 O&M budget related to Shared Solar and Community Remote Distributed Generation program requirements, not reflecting a decrease in expected FY 2018 OpEx of approximately \$24,000  
(3) Footnote (1) below;  
(4) Per Company budget estimates of \$125,000 for Marketplace outreach program, and \$20,000 for EnergySage estimated costs for website revisions and program O&M, not including an expected reduction in FY 2018 spending of \$55,000 due to delayed implementation of Marketplace activities per PUC direction on Oct. 13, 2017  
(5) RIPUC Docket 4604, OER's budget request dated November 25, 2017, and \$145,000 estimated for Cadmus quality assurance program continuation  
(6) Actual Revenue Requirement will be calculated in the upcoming RE Growth Factor filing, to be submitted no later than June 30, 2018  
(7) Estimated Program Year 18 Remuneration will be calculated in the upcoming RE Growth Factor filing, to be submitted no later than June 30, 2018  
(8) Sum of Lines (1) through (7)

| <b><u>(1) Detail of Incremental Labor Resources</u></b>   | <u>Accounts Processing</u> | <u>Customer Solutions</u> | <u>Billing Implementation/Support</u> | <u>Billing Implementation/Support</u> | <u>Customer Solutions</u> | <u>DG Customer Facilitator</u> | <u>Interconnection Consultant</u> | <u>FCM Administration</u> | <u>Energy Procurement</u> | <u>Total</u> |
|---|----------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------|--------------------------------|-----------------------------------|---------------------------|---------------------------|--------------|
| (1) Full Time Employees   | 1                          | 1                         | 1                                     | 1                                     | 2                         | 1                              | 1                                 | 1                         | 1                         | 10           |
| (2) Average Salary  | \$31,699                   | \$71,000                  | \$257,576                             | \$73,171                              | \$71,000                  | \$115,000                      | \$85,000                          | \$80,000                  | \$103,646                 |              |
| (3) Percent Dedicated to RE Growth  | 100.00%                    | 100.00%                   | 33.00%                                | 100.00%                               | 100.00%                   | 60.00%                         | 50.00%                            | 66.83%                    | 80.00%                    |              |
| (4) Estimated Labor Expense through August 31, 2018   | \$13,208                   | N/A                       | N/A                                   | N/A                                   | \$59,167                  | \$28,750                       | \$17,708                          | N/A                       | \$34,549                  | \$153,382    |
| (5) Estimated Labor Expense proposed to be collected through Base Rates beginning September 1, 2018 | \$18,491                   | N/A                       | N/A                                   | N/A                                   | \$82,833                  | \$40,250                       | \$24,792                          | N/A                       | \$48,368                  | \$214,735    |
| (6) Estimated Labor Expense - through March 31, 2019 - not included in Rate Case Test Year          | N/A                        | \$71,000                  | \$85,000                              | \$73,171                              | N/A                       | N/A                            | N/A                               | \$53,462                  | N/A                       | \$282,632    |
| (7) Overhead rate   | 64.00%                     | 64.00%                    | 0.00%                                 | 64.00%                                | 64.00%                    | 64.00%                         | 64.00%                            | 64.00%                    | 64.00%                    |              |
| (8) Total Estimated FY19 Incremental Labor Resource Expense   | \$51,987                   | \$116,440                 | \$85,000                              | \$120,000                             | \$232,880                 | \$113,160                      | \$69,700                          | \$87,677                  | \$135,984                 | \$1,012,828  |

- (1) Estimated  
(2) Estimated  
(3) Estimated  
(4) Line (2) x Line (3) x (5/12); These incremental resources will be included in proposed base rates in a forthcoming proposed adjustment to the General Rate Case, RIPUC No. 4770  
(5) Line (2) x Line (3) x (7/12); estimated labor expense to included in proposed base rates in a forthcoming proposed adjustment to the General Rate Case, RIPUC No. 4770  
(6) Line (2) x Line (3)  
(7) Average Ngrid US Service Company Labor Overhead rate for FY17, excluding pension & PBOP , 0% indicates Contracting position  
(8) Sum of Lines (4), (5) and (6) x (1 + Line (7))

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.

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Joanne M. Scanlon

January 23, 2018  
Date

**Docket No. 4774 – Renewable Energy Growth Program for Year 2018  
RI Distributed Generation Board and National Grid**

Service List updated 1/17/17

| <b>Parties' Name/Address</b>  | <b>E-mail</b>  | <b>Phone</b> |
|---|--|--------------|
| Raquel Webster, Esq.<br>Celia O'Brien, Esq.<br><b>National Grid</b><br>280 Melrose Street<br>Providence, RI 02907   | <a href="mailto:Raquel.webster@nationalgrid.com">Raquel.webster@nationalgrid.com;</a>  | 781-907-2121 |
|   | <a href="mailto:Jennifer.hutchinson@nationalgrid.com">Jennifer.hutchinson@nationalgrid.com;</a>                              |              |
|   | <a href="mailto:Celia.obrien@nationalgrid.com">Celia.obrien@nationalgrid.com;</a>  |              |
|   | <a href="mailto:Joanne.scanlon@nationalgrid.com">Joanne.scanlon@nationalgrid.com;</a>  |              |
|   | <a href="mailto:Ian.springsteel@nationalgrid.com">Ian.springsteel@nationalgrid.com;</a>                                      |              |
|   | <a href="mailto:Omar.Muneeruddin2@nationalgrid.com">Omar.Muneeruddin2@nationalgrid.com;</a>                                  |              |
| Andrew Marcaccio, Esq.<br><b>Dept. of Administration</b><br>Division of Legal Services<br>One Capitol Hill, 4 <sup>th</sup> Floor<br>Providence, RI 02908 | <a href="mailto:Andrew.Marcaccio@doa.ri.gov">Andrew.Marcaccio@doa.ri.gov;</a>  | 401-222-8880 |
|   | <a href="mailto:Carol.Grant@energy.ri.gov">Carol.Grant@energy.ri.gov;</a>  |              |
|   | <a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov;</a>                                      |              |
|   | <a href="mailto:Nicholas.ucci@energy.ri.gov">Nicholas.ucci@energy.ri.gov;</a>  |              |
| Jon Hagopian, Sr. Counsel<br><b>Division of Public Utilities and Carriers</b>   | <a href="mailto:Jon.hagopian@dpuc.ri.gov">Jon.hagopian@dpuc.ri.gov;</a>  | 401-784-4775 |
|   | <a href="mailto:John.bell@dpuc.ri.gov">John.bell@dpuc.ri.gov;</a>  |              |
|   | <a href="mailto:Macky.McCleary@dpuc.ri.gov">Macky.McCleary@dpuc.ri.gov;</a>  |              |
|   | <a href="mailto:Jonathan.Schrag@dpuc.ri.gov">Jonathan.Schrag@dpuc.ri.gov;</a>  |              |
|   | <a href="mailto:Al.contente@dpuc.ri.gov">Al.contente@dpuc.ri.gov;</a>  |              |
|   | <a href="mailto:Jmunoz@riag.ri.gov">Jmunoz@riag.ri.gov;</a><br><a href="mailto:Dmacrae@riag.ri.gov">Dmacrae@riag.ri.gov;</a> |              |
| Richard Hahn<br>Carrie Gilbert<br>Daymark Energy Advisors<br>1 Washington Mall, 9th floor<br>Boston, MA 02108   | <a href="mailto:rhahn@daymarkea.com">rhahn@daymarkea.com;</a>  |              |
|   | <a href="mailto:cgilbert@daymarkea.com">cgilbert@daymarkea.com;</a>  |              |
| <b>Sunrun, Inc.</b><br>Seth H. Handy, Esq.<br>Handy Law, LLC  | <a href="mailto:seth@handylawllc.com">seth@handylawllc.com;</a>  | 401-626-4839 |
| Gracie Walovich<br>Sunrun Inc.  | <a href="mailto:gracie.walovich@sunrun.com">gracie.walovich@sunrun.com;</a>  |              |
| Beren Argetsinger<br>Keyes & Fox LLP  | <a href="mailto:bargetsinger@kfwlaw.com">bargetsinger@kfwlaw.com;</a>  |              |

|  |  |              |
|--|--|--------------|
| File an original & 9 copies w/<br>Luly E. Massaro, Commission Clerk<br><b>Public Utilities Commission</b><br>89 Jefferson Blvd.<br>Warwick, RI 02888 | <a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;                 | 401-780-2107 |
|  | <a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;                     |              |
|  | <a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;                   |              |
|  | <a href="mailto:Linda.george@puc.ri.gov">Linda.george@puc.ri.gov</a> ;                 |              |
| Gracie Walovich, Sunrun, Inc.  | <a href="mailto:gracie.walovich@sunrun.com">gracie.walovich@sunrun.com</a> ;           |              |
| Doug Sabetti   | <a href="mailto:doug@newportsolarri.com">doug@newportsolarri.com</a> ;                 |              |
| Michelle Carpenter   | <a href="mailto:mc@green-ri.com">mc@green-ri.com</a> ;                                 |              |
| Fred Unger   | <a href="mailto:unger@hrtwd.com">unger@hrtwd.com</a> ;                                 |              |
| Paul Raducha   | <a href="mailto:paul@pvdenergy.com">paul@pvdenergy.com</a> ;                           |              |
| Mark Depasquale, Wind Energy Development   | <a href="mailto:md@wedenergy.com">md@wedenergy.com</a> ;                               |              |
| Jerry Elmer, Esq., CLF   | <a href="mailto:jelmer@clf.org">jelmer@clf.org</a> ;                                   | 401-351-1102 |
| Charlie Grant, Essex Capital Partners  | <a href="mailto:cgrant@essexcapitalpartners.com">cgrant@essexcapitalpartners.com</a> ; |              |
|  |  |              |