

September 17, 2020

**VIA ELECTRONIC MAIL**

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

**RE: Docket 4915 - Fiscal Year 2020 Electric Infrastructure, Safety, and Reliability Plan  
Reconciliation Filing  
Responses to PUC Data Requests – Set 2**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> enclosed is an electronic version of the Company's responses to the Public Utilities Commission's Second Set of Data Requests in the above-referenced matter.<sup>2</sup>

Based on these responses, the Company does not intend to file an additional Reply to the Division of Public Utilities and Carrier's Memorandum dated September 11, 2020 and Letter from Gregory L. Booth, PLCC on the same date.

Thank you for your attention to this filing. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4915 Service List  
Leo Wold, Esq.  
John Bell, Division

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

<sup>2</sup> Per practice during the COVID-19 emergency period, the Company is providing a PDF version of these responses. The Company will provide the Commission Clerk with a hard copy and, if needed, additional hard copies of this transmittal at a later date.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4915  
In Re: 2020 Electric Infrastructure, Safety, and Reliability  
Annual Reconciliation  
Responses to the Commission's Second Set of Data Requests  
Issued on September 14, 2020

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PUC 2-1

Request:

Please explain the reason for the increase in actual spending in the Public & Regulatory Requirement budget classification.

Response:

Projects in the Public & Regulatory Requirement category are generally related to work done in response to facility relocations related to public works projects that are requested by cities and towns, as well as the Rhode Island Department of Transportation ("RIDOT"). These projects typically include requests to relocate, remove or install National Grid facilities. For the most part, the scope and timing of this work is defined by third parties, and not the Company.

The budget for this category is based on estimated costs for projects underway at the time the Electric Infrastructure, Safety and Reliability ("ISR") Plan is developed, and estimated for a portion of the projects, not yet underway, based on historical trending analysis and adjusted for future expectations, if different. Costs for work done for RIDOT are typically reimbursed by RIDOT, but not until after the work is completed. The estimate used as a "budget" for the fiscal year is meant to be a figure representing the net capital outlays by the Company during that time period; however, predicting the timing of when reimbursements will be received is difficult and impacts variances to budget.

The total spending in this category was approximately \$4.3 million, or \$1.9 million over the budget of \$2.3 million, consisting of approximately 70 separate projects, of which the RIDOT projects were the majority. Many of these projects occur, as noted above, with scope and timing not defined by the Company and as a result, variances to estimates often occur.

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PUC 2-2

Request:

Please explain the reason for the increase in actual spending in the Transformers & Related Equipment budget classification.

Response:

Costs in this category relate to the purchase of Transformers, Capacitors, Regulators, and Network Protectors. The budget for this category is based on a historical trending analysis with input related to future expectations, which is done at the time the Electric Infrastructure, Safety and Reliability ("ISR") Plan is developed, approximately 18 months before the fiscal year ("FY") begins. The Company purchases these items so that there is an adequate inventory available to respond to emergency and unexpected events, and to supply projects and programs. Costs in this category also include associated overheads.

The actual results for FY 2020 were \$5.2 million, or \$1.6 million higher than budgeted, as Transformers and Network Protectors purchases were higher than historical trends indicated. Purchases are made in response to issuances out of the stockroom for installations to account for lead-times and ensure there is available inventory.

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PUC 2-3

Request:

Please explain the reason for the increase in actual spending in the Outdoor Lighting- Capital budget classification.

Response:

Work done under the Outdoor Lighting classification relates to replacement of failed lights, or new lights, or LED conversions, and associated services due to failures or requests from customers, which is generally work done to respond to situations beyond the Company's control. The work done in fiscal year ("FY") 2020 is small dollar, high volume work and, therefore, the type of work that the Company charges to a blanket project. As part of responding to requests for street light sales, towns, cities and the Rhode Island Department of Transportation have requested the Company repair all street lights before those sales occur, which may also involve service repairs. That has driven an increase in work in the Outdoor Lighting – Capital category. In addition to not being able to predict the work done in this category, over which the Company has little control, the budget for this category was estimated based on a historical trending analysis of costs in this category at the time the Electric Infrastructure, Safety and Reliability ("ISR") Plan was developed, which was done in early FY 2019 and prior to when the increase in work occurred.

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PUC 2-4

Request:

Please explain the reason for the variance between budgeted and actual spending in the Distributed Generation budget classification.

Response:

The work in this category relates to specific distributed generation projects that are generally substantially funded by the individual customer through contributions in aid of construction ("CIAC"), the receipt of which usually proceeds the construction work. The timing of both when capital work occurs and when CIACs are received can be significantly driven by the customer and difficult to predict; therefore, it can be very difficult to create an accurate budget for this category of work. Also, the work in this area has significantly increased as the Company increases integration of distributed generation sources into its electric system. As a result of all of the above, and unlike some other categories in the ISR Plan where the Company has less control over the timing of work, the Company determined that trending historical analysis would not be a useful approach to developing an annual budget for the Distributed Generation category. Instead, the budget was based on a cost estimate for two projects for which spending was expected during FY 2020 where the CIAC had already been received.

Actual results included spending, net of CIAC payments, for over 95 projects. The two budgeted projects came in under budget principally due to lower project costs. The remaining variance to budget is due to CIACs received that were more than capital spending.

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.

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Joanne M. Scanlon

September 4, 2020  
Date

**Docket No. 4915 - National Grid's Electric ISR Plan FY 2020**  
**Docket No. 4857 - Performance Incentives Pursuant to R.I.G.L. §39-1 27.7.1(e)(3)**

**Service List as of 8/15/2019**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone</b>
Jennifer Hutchinson, Esq. <b>National Grid</b> 280 Melrose St. Providence, RI 02907	<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> ;	401-784-7288
National Grid Melissa Little Dennis Antonino Ryan Moe Adam Crary William Richer Patricia Easterly	<a href="mailto:Melissa.Little@nationalgrid.com">Melissa.Little@nationalgrid.com</a> ; <a href="mailto:Ryan.Moe@nationalgrid.com">Ryan.Moe@nationalgrid.com</a> ; <a href="mailto:dennis.antonino@nationalgrid.com">dennis.antonino@nationalgrid.com</a> ; <a href="mailto:Adam.Crary@nationalgrid.com">Adam.Crary@nationalgrid.com</a> ; <a href="mailto:Patricia.easterly@nationalgrid.com">Patricia.easterly@nationalgrid.com</a> ; <a href="mailto:William.Richer@nationalgrid.com">William.Richer@nationalgrid.com</a> ;	
<b>Division of Public Utilities (Division)</b> Christy Hetherington, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:Chetherington@riag.ri.gov">Chetherington@riag.ri.gov</a> ; <a href="mailto:Dmacrae@riag.ri.gov">Dmacrae@riag.ri.gov</a> ; <a href="mailto:MFolcarelli@riag.ri.gov">MFolcarelli@riag.ri.gov</a> ; <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:Kevin.Lynch@dpuc.ri.gov">Kevin.Lynch@dpuc.ri.gov</a> ; <a href="mailto:Joseph.shilling@dpuc.ri.gov">Joseph.shilling@dpuc.ri.gov</a> ; <a href="mailto:Ronald.gerwatowski@dpuc.ri.gov">Ronald.gerwatowski@dpuc.ri.gov</a> ;	
Gregory L. Booth, PLLC 14460 Falls of Neuse Rd. Suite 149-110 Raleigh, N. C. 27614	<a href="mailto:gboothpe@gmail.com">gboothpe@gmail.com</a> ;	919-441-6440

Linda Kushner L. Kushner Consulting, LLC 514 Daniels St. #254 Raleigh, NC 27605	<a href="mailto:Lkushner33@gmail.com">Lkushner33@gmail.com</a> ;	919-810-1616
<b>Office of Energy Resources (OER)</b> Andrew Marcaccio, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908	<a href="mailto:Andrew.marcaccio@doa.ri.gov">Andrew.marcaccio@doa.ri.gov</a> ;	401-222-3417
Christopher Kearns, OER Carrie Gill Nick Ucci	<a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov</a> ; <a href="mailto:Carrie.Gill@energy.ri.gov">Carrie.Gill@energy.ri.gov</a> ; <a href="mailto:Nicholas.Ucci@energy.ri.gov">Nicholas.Ucci@energy.ri.gov</a> ;	
<b>File an original &amp; ten copies w/:</b> Luly E. Massaro, Commission Clerk John Harrington, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ; <a href="mailto:John.harrington@puc.ri.gov">John.harrington@puc.ri.gov</a> ; <a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ; <a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ; <a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	401-780-2107