

November 12, 2021

VIA ELECTRONIC MAIL

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

**RE: Docket 5188 – Commission Initiated Review of The Narragansett Electric Company
d/b/a National Grid’s Storm Contingency Fund
Responses to PUC Data Requests - Set 1**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), attached please find the electronic version of the Company’s responses to the Public Utilities Commission’s (“PUCs”) First Set of Data Requests in the above referenced docket.¹

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

Enclosures

cc: Docket 5188 Service List
John Bell, Division

¹ Per communication from Commission counsel on October 4, 2021, the Company is submitting an electronic version of this filing followed by six (6) hard copies filed with the Clerk within 24 hours of the electronic filing.

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

November 12, 2021
Date

Docket No. 5188 – PUC Initiated Review of National Grid Storm Contingency Fund Service List as of 10/20/2021

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The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5188
In Re: Commission's Initiated Review of
National Grid's Storm Contingency Fund
Responses to the Commission's First Set of Data Requests
Issued on October 21, 2021

PUC 1-1

Request:

The following questions relate to the balance of the Storm Fund (please provide schedules in the same format as those provided in Docket No. 5157, response to PUC 1-4):

- a. What is the current balance in the Storm Fund?
- b. Are there any amounts that will be charged to the Storm Fund that are not included in the response to (a) above? If yes, please provide an estimate.
- c. What amount of annual funding currently included in National Grid's rates to reduce the balance in the Storm Fund?
- d. Recognizing it is an unrealistic assumption, please assume that there are no future events that would increase the balance in the storm fund. On what date would the Storm Fund have a zero balance?
- e. Please confirm that the Storm Fund is subject to interest at the customer deposit rate.

Response:

- a. The current balance of the Storm Fund at October 31, 2021 is a deficit of \$169.5 million. Please see Attachment PUC 1-1-1.
- b. Yes, however the Company has recorded any known accruals for costs that are outstanding. The Company does expect trailing P-Card, Miscellaneous Accounts Payable and Employee expenses to have an impact on the storm fund, and the Company will update the balance when information is available.
- c. \$7,311,132 is the annual funding amount recovered through base distribution rates and an additional +/- \$20,000,000 of funding is recovered annually through the Company's Storm Fund Replenishment Factor (SFRF) to reduce the balance in the Storm Fund.
- d. Assuming that there are no future events that would increase the balance in the Storm Fund, the Storm Fund would be in a surplus balance at September 2027. Please see Attachment PUC 1-1-2.
- e. Yes, the Storm Fund is subject to interest at the customer deposit rate. Customer deposit rate is adjusted every March.

The Narragansett Electric Company
d/b/a National Grid
Storm Fund Activity
For the Period Ended October 31, 2021

Line No.	Month	Beginning Balance	Monthly Contributions			Total Monthly Contributions	Monthly Interest	Storm Charges	Net Revenue Sharing Adjustment	Adjustments	Ending Balance
			Monthly Contribution	Monthly Contribution	Supplemental Contribution						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January-20	(\$115,339,923)	\$359,261	\$250,000	\$1,743,731	\$2,352,992	(\$282,447)	(\$1,118,320)	\$0	\$0	(\$114,387,698)
2	February-20	(\$114,387,698)	\$359,261	\$250,000	\$1,615,010	\$2,224,271	(\$280,243)	(\$1,325,868)	\$527	\$0	(\$113,769,012)
3	March-20	(\$113,769,012)	\$359,261	\$250,000	\$1,558,013	\$2,167,274	(\$204,871)	(\$2,352,204)	\$0	\$0	(\$114,158,813)
4	April-20	(\$114,158,813)	\$359,261	\$250,000	\$1,574,875	\$2,184,136	(\$205,516)	(\$2,839,329)	\$1,035	\$0	(\$115,018,487)
5	May-20	(\$115,018,487)	\$359,261	\$250,000	\$1,505,315	\$2,114,576	(\$207,064)	(\$906,424)	\$8,755	\$0	(\$114,008,643)
6	June-20	(\$114,008,643)	\$359,261	\$250,000	\$1,558,280	\$2,167,541	(\$205,201)	(\$502,883)	\$0	\$0	(\$112,549,185)
7	July-20	(\$112,549,185)	\$359,261	\$250,000	\$2,005,511	\$2,614,772	(\$202,645)	(\$3,693,909)	\$0	\$0	(\$113,830,967)
8	August-20	(\$113,830,967)	\$359,261	\$250,000	\$2,305,356	\$2,914,617	(\$205,330)	(\$2,768,114)	\$1,161	\$0	(\$113,888,633)
9	September-20	(\$113,888,633)	\$359,261	\$250,000	\$1,817,014	\$2,426,275	(\$205,700)	(\$1,827,441)	\$92	\$0	(\$113,495,407)
10	October-20	(\$113,495,407)	\$359,261	\$250,000	\$1,585,500	\$2,194,761	(\$204,564)	(\$5,008,894)	\$13,206	\$0	(\$116,500,898)
11	November-20	(\$116,500,898)	\$359,261	\$250,000	\$1,464,606	\$2,073,867	(\$209,717)	(\$6,375,463)	\$2,795	\$0	(\$121,009,415)
12	December-20	(\$121,009,415)	\$359,261	\$250,000	\$1,655,328	\$2,264,589	(\$217,649)	(\$3,470,690)	\$9,382	\$667,688	(\$121,756,095)
13	January-21	(\$121,756,095)	\$359,261	\$250,000	\$1,811,134	\$2,420,395	(\$219,151)	(\$2,330,359)	\$0	\$0	(\$121,885,209)
14	February-21	(\$121,885,209)	\$359,261	\$250,000	\$1,770,406	\$2,379,667	(\$219,520)	(\$3,295,513)	\$0	\$0	(\$123,020,575)
15	March-21	(\$123,020,575)	\$359,261	\$250,000	\$1,695,832	\$2,305,093	(\$92,123)	(\$7,756,313)	\$0	\$0	(\$128,563,918)
16	April-21	(\$128,563,918)	\$359,261	\$250,000	\$1,541,656	\$2,150,917	(\$96,206)	(\$3,688,893)	\$0	\$0	(\$130,198,100)
17	May-21	(\$130,198,100)	\$359,261	\$250,000	\$1,390,219	\$1,999,480	(\$97,361)	(\$893,181)	\$0	\$0	(\$129,189,162)
18	June-21	(\$129,189,162)	\$359,261	\$250,000	\$1,703,734	\$2,312,995	(\$96,557)	(\$804,298)	\$0	\$0	(\$127,777,022)
19	July-21	(\$127,777,022)	\$359,261	\$250,000	\$1,979,330	\$2,588,591	(\$95,626)	(\$1,797,432)	\$0	\$0	(\$127,081,488)
20	August-21	(\$127,081,488)	\$359,261	\$250,000	\$2,099,428	\$2,708,689	(\$95,212)	(\$1,220,430)	\$0	\$0	(\$125,688,441)
21	September-21	(\$125,688,441)	\$359,261	\$250,000	\$2,050,892	\$2,660,153	(\$94,223)	(\$7,023,404)	\$0	\$0	(\$130,145,915)
22	October-21	(\$130,145,915)	\$359,261	\$250,000	\$1,632,642	\$2,241,903	(\$97,511)	(\$41,470,523)	\$0	\$0	(\$169,472,047)
23	Balance as of October 31, 2021	(\$115,339,923)	\$7,903,742	\$5,500,000	\$38,063,814	\$51,467,556	(\$3,834,439)	(\$102,469,882)	\$36,953	\$667,688	(\$169,472,047)

Column Notes:

- (a) Beginning balance adjusted to reflect the revised ending balance per Docket RIPUC 2509 Schedule 2-A, Page 1 of 3, Line 13, Column (j).
- (b) Per RIPUC Docket No. 4770, the base distribution rate revenue requirement includes \$4,311,132 annually as a contribution to the Storm Fund.
- (c) Per RIPUC Docket No. 4686, an extension of an additional \$3.0 million is to be contributed annually to the Storm Fund commencing February 1, 2013.
- (d) Per RIPUC Docket No. 4686, Storm Fund Replenishment Factor (SFRF) commencing July 1, 2017.
- (e) Column (b) + Column (c) + Column (d).
- (f) ((Current Month Beginning Balance) - (Previous Month Total Contributions / 2) x Current Customer Deposit Rate/12).
- (g) Page 2, Column (o) + Page 3, Column (g)
- (h) In accordance with Paragraph (2) of the Joint Settlement Agreement, RIPUC Docket No. 4686, Net Revenue Sharing is a credit to the Storm Fund reflecting 75 percent of certain proceeds received by the Company for performing storm response services in other jurisdictions. Net Revenue is defined as the proceeds received or cost reductions achieved for base labor and non-incremental labor overhead costs on all labor (i.e. not just base labor) charged for storm restoration services provided to other utilities, whether affiliated or non-affiliated, less an amount equal to the labor capitalization rate in the base-rate case in effect during the period in which the storms occurred (41.36 percent for Docket No. 4323 and 53.40 percent for Docket No. 4770).
- (i) December 2020 represents 50% of 2020 attachment fee revenue in excess of \$850,000. For Calendar Year 2020, costs related to the amount of non-deferrable storm expense of \$3,510,607 are within the base distribution rate allowance of \$3,194,000 +/- a \$2 million collar as per the Amended Settlement Agreement in RIPUC Docket No. 4770, thereby requiring no adjustment to the Storm Fund.
- (j) Column (a) + Column (e) + Column (f) + Column (g) + Column (h). Ending balance does not reflect true up of storm-related capital costs to actual installed units for storm events experienced after December 2019.

The Narragansett Electric Company
d/b/a National Grid
Storm Fund Charges
For the Year Ended December 31, 2020

Line No.	Date of Storm Event (a)	Storm Event (b)	Total Charges												Total Charges 12 months ended Dec 31, 2020 (o)	
			January-20 (c)	February-20 (d)	March-20 (e)	April-20 (f)	May-20 (g)	June-20 (h)	July-20 (i)	August-20 (j)	September-20 (k)	October-20 (l)	November-20 (m)	December-20 (n)		
1	February 5, 2019	Wind Storm (Quiana)	(\$454)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$454)
2	March 4, 2019	Snow Storm	(\$126)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$126)
3	October 16, 2019	Wind/Rain Storm	(\$492,794)	(\$84,411)	(\$790,566)	(\$97,962)	(\$16)	\$0	\$0	\$0	(\$354)	\$0	\$0	\$0	\$0	(\$1,466,103)
4	October 31, 2019	Wind/Rain Storm	(\$624,946)	(\$11,652)	(\$144,095)	(\$90,851)	(\$15)	\$0	\$0	\$0	(\$1,245)	\$0	\$0	\$0	\$0	(\$872,802)
5	February 7, 2020	Wind Storm	\$0	(\$1,229,805)	(\$1,417,544)	(\$1,190,619)	(\$632,569)	\$0	\$0	\$0	(\$320)	\$0	\$0	\$0	\$0	(\$4,470,857)
6	April 13, 2020	Wind Storm	\$0	\$0	\$0	(\$1,459,898)	(\$273,823)	(\$502,883)	(\$3,693,909)	(\$9,668)	(\$161,583)	(\$3,017)	(\$105)	\$0	\$0	(\$6,104,886)
7	August 7, 2020	Wind Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,758,446)	(\$1,663,908)	(\$2,899,724)	(\$5,647,165)	(\$558,697)	\$0	(\$13,527,939)
8	September 30, 2020	Wind Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$31)	(\$778,033)	(\$178,795)	(\$294,741)	\$0	(\$1,251,601)
9	October 7, 2020	Wind Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,326,073)	(\$190,891)	(\$161,602)	\$0	(\$1,678,566)
10	October 29, 2020	Wind Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,047)	(\$358,506)	(\$177,629)	\$0	(\$538,181)
11	November 15, 2020	Wind Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	November 30, 2020	Wind Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$956,917)	(\$956,917)
13	December 5, 2020	Snow Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$721,373)	(\$721,373)
14	December 16, 2020	Snow Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$294,188)	(\$294,188)
15	December 24, 2020	Wind Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$305,544)	(\$305,544)
16	Total		<u>(\$1,118,320)</u>	<u>(\$1,325,868)</u>	<u>(\$2,352,204)</u>	<u>(\$2,839,329)</u>	<u>(\$906,424)</u>	<u>(\$502,883)</u>	<u>(\$3,693,909)</u>	<u>(\$2,768,114)</u>	<u>(\$1,827,441)</u>	<u>(\$5,008,894)</u>	<u>(\$6,375,463)</u>	<u>(\$3,470,690)</u>	<u>(\$32,189,537)</u>	

Line Notes

1 through 4 Storm Events Docket 2509: Final Storm Cost filing date of April 12, 2021
5 through 15 Storm Events Preliminary Cost (unfiled)

Column Notes:

- (a) Represents date of the storm events.
- (b) Represents the type of storm event.
- (c) through (n) Represents the monthly costs for each storm event.
- (o) Sum of Column (c) through (n)

The Narragansett Electric Company
d/b/a National Grid
Storm Fund Charges - Preliminary
For the 10-month and 22-month Periods Ended October 31, 2021

Line No.	Date of Storm Event	Storm Event	Balance												Total Charges	Total Charges
			Forward	January-21	February-21	March-21	April-21	May-21	Jun 30, 2021	Jul 31, 2021	Aug 31, 2021	Sep 30, 2021	Oct 31, 2021	10 months ended Oct 31, 2021	Jan 1, 2020 thru Oct 31, 2021	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
1	February 5, 2019	Wind Storm (Quiana)	(\$454)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$454)	
2	March 4, 2019	Snow Storm	(\$126)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$126)	
3	October 16, 2019	Wind/Rain Storm	(\$1,466,103)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,466,103)	
4	October 31, 2019	Wind/Rain Storm	(\$872,802)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$872,802)	
5	February 7, 2020	Wind Storm	(\$4,470,857)	\$0	\$0	(\$6,898)	\$0	\$0	(\$897,586)	\$0	\$0	\$0	\$0	(\$904,484)	(\$5,375,341)	
6	April 13, 2020	Wind Storm	(\$6,104,886)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,104,886)	
7	August 7, 2020	Tropical Storm (Isaias)	(\$13,527,939)	\$3,806	(\$47,504)	(\$25,976)	(\$147,593)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$217,267)	(\$13,745,206)
8	September 30, 2020	Wind Storm	(\$1,251,601)	(\$1,052,746)	(\$10,628)	(\$646)	(\$94,244)	\$0	(\$6,865)	(\$23)	(\$307)	\$0	\$0	(\$1,165,458)	(\$2,417,059)	
9	October 7, 2020	Wind Storm	(\$1,678,566)	(\$573,703)	(\$1,380,701)	(\$760)	(\$5,954)	\$0	\$107,170	(\$300,310)	\$0	(\$3,294)	\$0	(\$2,157,551)	(\$3,836,118)	
10	October 29, 2020	Wind Storm	(\$538,181)	(\$58,373)	(\$39,594)	(\$719,605)	(\$695)	\$0	\$0	\$0	\$0	\$0	\$0	(\$818,267)	(\$1,356,448)	
11	November 15, 2020	Wind Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$15)	(\$15)	
12	November 30, 2020	Wind Storm	(\$956,917)	(\$133,755)	(\$196,100)	(\$1,528,517)	(\$5,802)	\$0	\$0	(\$124,106)	(\$776)	\$0	\$0	(\$1,989,056)	(\$2,945,973)	
13	December 5, 2020	Snow Storm	(\$721,373)	(\$65,513)	(\$231,868)	(\$1,445,768)	(\$168)	\$2,917	\$0	\$0	\$0	\$0	(\$30)	(\$1,740,430)	(\$2,461,803)	
14	December 16, 2020	Snow Storm	(\$294,188)	(\$253,454)	(\$257,062)	(\$1,669,342)	(\$262,941)	(\$1,294)	\$0	\$0	\$0	(\$1,247)	(\$228)	(\$2,445,569)	(\$2,739,757)	
15	December 24, 2020	Wind Storm	(\$305,544)	(\$196,619)	(\$91,143)	(\$1,069,019)	(\$1,425,805)	(\$57,683)	\$0	(\$9,752)	\$0	(\$74)	\$0	(\$2,850,096)	(\$3,155,640)	
16	February 1, 2021	Snow Storm	\$0	\$0	(\$608,451)	(\$333,914)	(\$528,046)	(\$655,336)	(\$7,017)	(\$8,317)	\$0	\$0	(\$171,828)	(\$2,312,909)	(\$2,312,909)	
17	February 6, 2021	Snow Storm	\$0	\$0	(\$288,321)	(\$62,052)	(\$754,147)	\$0	\$0	\$0	\$0	\$0	(\$212,504)	(\$1,317,024)	(\$1,317,024)	
18	February 15, 2021	Snow/Ice	\$0	\$0	(\$144,142)	(\$139,175)	(\$48,273)	(\$30,078)	\$0	(\$760,679)	(\$198,598)	\$0	\$0	(\$1,320,946)	(\$1,320,946)	
19	March 1, 2021	Wind Storm	\$0	\$0	\$0	(\$754,642)	(\$415,225)	(\$151,706)	\$0	(\$8,305)	\$0	(\$391)	(\$226)	(\$1,330,495)	(\$1,330,495)	
20	July 9, 2021	Tropical Storm (Elsa)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$585,940)	(\$631,772)	(\$974,645)	(\$174,370)	(\$2,366,728)	(\$2,366,728)	
21	August 22, 2021	Tropical Storm (Henri)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$388,961)	(\$6,043,753)	(\$29,993,559)	(\$36,426,273)	(\$36,426,273)	(\$36,426,273)	
22	October 25, 2021	Wind/Rain Storm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$10,917,777)	(\$10,917,777)	(\$10,917,777)	
23	Total		(\$32,189,537)	(\$2,330,359)	(\$3,295,513)	(\$7,756,313)	(\$3,688,893)	(\$893,181)	(\$804,298)	(\$1,797,432)	(\$1,220,430)	(\$7,023,404)	(\$41,470,523)	(\$70,280,345)	(\$102,469,882)	

Line Notes
5 through 22 Storm Events Preliminary Cost (unfiled)

Column Notes
(a) Represents date of the storm events.
(b) Represents the type of storm event.
(d) through (m) Represents the monthly costs for each storm event.
(n) Sum of Column (d) through (m)

The Narragansett Electric Company
d/b/a National Grid
Annual Report of Storm Fund Activity
For the Period Ended October 31, 2021

Line No.	Month	Beginning Balance	Monthly Contributions				Monthly Interest	Storm Charges	Net Revenue Sharing Adjustment	Adjustments	Ending Balance
			Monthly Contribution	Monthly Contribution	Supplemental Contribution	Total Monthly Contributions					
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January-20	(\$115,339,923)	\$359,261	\$250,000	\$1,743,731	\$2,352,992	(\$282,447)	(\$1,118,320)	\$0	\$0	(\$114,387,698)
2	February-20	(\$114,387,698)	\$359,261	\$250,000	\$1,615,010	\$2,224,271	(\$280,243)	(\$1,325,868)	\$527	\$0	(\$113,769,012)
3	March-20	(\$113,769,012)	\$359,261	\$250,000	\$1,558,013	\$2,167,274	(\$204,871)	(\$2,352,204)	\$0	\$0	(\$114,158,813)
4	April-20	(\$114,158,813)	\$359,261	\$250,000	\$1,574,875	\$2,184,136	(\$205,516)	(\$2,839,329)	\$1,035	\$0	(\$115,018,487)
5	May-20	(\$115,018,487)	\$359,261	\$250,000	\$1,505,315	\$2,114,576	(\$207,064)	(\$906,424)	\$8,755	\$0	(\$114,008,643)
6	June-20	(\$114,008,643)	\$359,261	\$250,000	\$1,558,280	\$2,167,541	(\$205,201)	(\$502,883)	\$0	\$0	(\$112,549,185)
7	July-20	(\$112,549,185)	\$359,261	\$250,000	\$2,005,511	\$2,614,772	(\$202,645)	(\$3,693,909)	\$0	\$0	(\$113,830,967)
8	August-20	(\$113,830,967)	\$359,261	\$250,000	\$2,305,356	\$2,914,617	(\$205,330)	(\$2,768,114)	\$1,161	\$0	(\$113,888,633)
9	September-20	(\$113,888,633)	\$359,261	\$250,000	\$1,817,014	\$2,426,275	(\$205,700)	(\$1,827,441)	\$92	\$0	(\$113,495,407)
10	October-20	(\$113,495,407)	\$359,261	\$250,000	\$1,585,500	\$2,194,761	(\$204,564)	(\$5,008,894)	\$13,206	\$0	(\$116,500,898)
11	November-20	(\$116,500,898)	\$359,261	\$250,000	\$1,464,606	\$2,073,867	(\$209,717)	(\$6,375,463)	\$2,795	\$0	(\$121,009,415)
12	December-20	(\$121,009,415)	\$359,261	\$250,000	\$1,655,328	\$2,264,589	(\$217,649)	(\$3,470,690)	\$9,382	\$667,688	(\$121,756,095)
13	January-21	(\$121,756,095)	\$359,261	\$250,000	\$1,811,134	\$2,420,395	(\$219,151)	(\$2,330,359)	\$0	\$0	(\$121,885,209)
14	February-21	(\$121,885,209)	\$359,261	\$250,000	\$1,770,406	\$2,379,667	(\$219,520)	(\$3,295,513)	\$0	\$0	(\$123,020,575)
15	March-21	(\$123,020,575)	\$359,261	\$250,000	\$1,695,832	\$2,305,093	(\$92,123)	(\$7,756,313)	\$0	\$0	(\$128,563,918)
16	April-21	(\$128,563,918)	\$359,261	\$250,000	\$1,541,656	\$2,150,917	(\$96,206)	(\$3,688,893)	\$0	\$0	(\$130,198,100)
17	May-21	(\$130,198,100)	\$359,261	\$250,000	\$1,390,219	\$1,999,480	(\$97,361)	(\$893,181)	\$0	\$0	(\$129,189,162)
18	June-21	(\$129,189,162)	\$359,261	\$250,000	\$1,703,734	\$2,312,995	(\$96,557)	(\$804,298)	\$0	\$0	(\$127,777,022)
19	July-21	(\$127,777,022)	\$359,261	\$250,000	\$1,979,330	\$2,588,591	(\$95,626)	(\$1,797,432)	\$0	\$0	(\$127,081,488)
20	August-21	(\$127,081,488)	\$359,261	\$250,000	\$2,099,428	\$2,708,689	(\$95,212)	(\$1,220,430)	\$0	\$0	(\$125,688,441)
21	September-21	(\$125,688,441)	\$359,261	\$250,000	\$2,050,892	\$2,660,153	(\$94,223)	(\$7,023,404)	\$0	\$0	(\$130,145,915)
22	October-21	(\$130,145,915)	\$359,261	\$250,000	\$1,632,642	\$2,241,903	(\$97,511)	(\$41,470,523)	\$0	\$0	(\$169,472,047)
23	November-21	(\$169,472,047)	\$359,261	\$250,000	\$1,529,068	\$2,138,329	(\$126,523)	\$0	\$0	\$0	(\$167,460,240)
24	December-21	(\$167,460,240)	\$359,261	\$250,000	\$1,718,797	\$2,328,058	(\$124,993)	\$0	\$0	\$667,688	(\$164,589,487)
25	January-22	(\$164,589,487)	\$359,261	\$250,000	\$1,809,783	\$2,419,044	(\$122,934)	\$0	\$0	\$0	(\$162,293,377)
26	February-22	(\$162,293,377)	\$359,261	\$250,000	\$1,721,978	\$2,331,239	(\$121,265)	\$0	\$0	\$0	(\$160,083,403)
27	March-22	(\$160,083,403)	\$359,261	\$250,000	\$1,699,179	\$2,308,440	(\$119,593)	\$0	\$0	\$0	(\$157,894,556)
28	April-22	(\$157,894,556)	\$359,261	\$250,000	\$1,678,317	\$2,287,578	(\$117,961)	\$0	\$0	\$0	(\$155,724,939)
29	May-22	(\$155,724,939)	\$359,261	\$250,000	\$1,498,977	\$2,108,238	(\$116,344)	\$0	\$0	\$0	(\$153,733,045)
30	June-22	(\$153,733,045)	\$359,261	\$250,000	\$1,651,695	\$2,260,956	(\$114,800)	\$0	\$0	\$0	(\$151,586,890)
31	July-22	(\$151,586,890)	\$359,261	\$250,000	\$2,020,989	\$2,630,250	(\$113,265)	\$0	\$0	\$0	(\$149,069,905)
32	August-22	(\$149,069,905)	\$359,261	\$250,000	\$2,134,726	\$2,743,987	(\$111,536)	\$0	\$0	\$0	(\$146,437,453)
33	September-22	(\$146,437,453)	\$359,261	\$250,000	\$1,955,349	\$2,564,610	(\$109,625)	\$0	\$0	\$0	(\$143,982,469)
34	October-22	(\$143,982,469)	\$359,261	\$250,000	\$1,642,780	\$2,252,041	(\$107,738)	\$0	\$0	\$0	(\$141,838,166)
35	November-22	(\$141,838,166)	\$359,261	\$250,000	\$1,590,969	\$2,200,230	(\$106,032)	\$0	\$0	\$0	(\$139,743,967)
36	December-22	(\$139,743,967)	\$359,261	\$250,000	\$1,732,323	\$2,341,584	(\$104,459)	\$0	\$0	\$667,688	(\$136,839,155)
37	January-23	(\$136,839,155)	\$359,261	\$250,000	\$1,839,937	\$2,449,198	(\$102,357)	\$0	\$0	\$0	(\$134,492,314)
38	February-23	(\$134,492,314)	\$359,261	\$250,000	\$1,756,568	\$2,365,829	(\$100,657)	\$0	\$0	\$0	(\$132,227,141)
39	March-23	(\$132,227,141)	\$359,261	\$250,000	\$1,719,398	\$2,328,659	(\$98,946)	\$0	\$0	\$0	(\$129,997,428)
40	April-23	(\$129,997,428)	\$359,261	\$250,000	\$1,697,810	\$2,307,071	(\$97,278)	\$0	\$0	\$0	(\$127,787,635)
41	May-23	(\$127,787,635)	\$359,261	\$250,000	\$1,518,061	\$2,127,322	(\$95,631)	\$0	\$0	\$0	(\$125,755,945)
42	June-23	(\$125,755,945)	\$359,261	\$250,000	\$1,658,264	\$2,267,525	(\$94,058)	\$0	\$0	\$0	(\$123,582,479)

The Narragansett Electric Company
d/b/a National Grid
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Line No.	Month	Beginning Balance	Monthly Contributions				Monthly Interest	Storm Charges	Net Revenue Sharing Adjustment	Adjustments	Ending Balance
			Monthly Contribution	Monthly Contribution	Supplemental Contribution	Total Monthly Contributions					
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
43	July-23	(\$123,582,479)	\$359,261	\$250,000	\$2,035,173	\$2,644,434	(\$92,498)	\$0	\$0	\$0	(\$121,030,542)
44	August-23	(\$121,030,542)	\$359,261	\$250,000	\$2,156,303	\$2,765,564	(\$90,745)	\$0	\$0	\$0	(\$118,355,723)
45	September-23	(\$118,355,723)	\$359,261	\$250,000	\$1,963,740	\$2,573,001	(\$88,806)	\$0	\$0	\$0	(\$115,871,528)
46	October-23	(\$115,871,528)	\$359,261	\$250,000	\$1,659,612	\$2,268,873	(\$86,892)	\$0	\$0	\$0	(\$113,689,547)
47	November-23	(\$113,689,547)	\$359,261	\$250,000	\$1,615,197	\$2,224,458	(\$85,161)	\$0	\$0	\$0	(\$111,550,250)
48	December-23	(\$111,550,250)	\$359,261	\$250,000	\$1,745,893	\$2,355,154	(\$83,558)	\$0	\$0	\$667,688	(\$108,610,966)
49	January-24	(\$108,610,966)	\$359,261	\$250,000	\$1,866,877	\$2,476,138	(\$81,427)	\$0	\$0	\$0	(\$106,216,254)
50	February-24	(\$106,216,254)	\$359,261	\$250,000	\$1,766,016	\$2,375,277	(\$79,695)	\$0	\$0	\$0	(\$103,920,672)
51	March-24	(\$103,920,672)	\$359,261	\$250,000	\$1,728,639	\$2,337,900	(\$77,955)	\$0	\$0	\$0	(\$101,660,727)
52	April-24	(\$101,660,727)	\$359,261	\$250,000	\$1,680,949	\$2,290,210	(\$76,265)	\$0	\$0	\$0	(\$99,446,782)
53	May-24	(\$99,446,782)	\$359,261	\$250,000	\$1,543,188	\$2,152,449	(\$74,606)	\$0	\$0	\$0	(\$97,368,939)
54	June-24	(\$97,368,939)	\$359,261	\$250,000	\$1,674,409	\$2,283,670	(\$73,013)	\$0	\$0	\$0	(\$95,158,283)
55	July-24	(\$95,158,283)	\$359,261	\$250,000	\$2,059,036	\$2,668,297	(\$71,423)	\$0	\$0	\$0	(\$92,561,409)
56	August-24	(\$92,561,409)	\$359,261	\$250,000	\$2,188,060	\$2,797,321	(\$69,639)	\$0	\$0	\$0	(\$89,833,728)
57	September-24	(\$89,833,728)	\$359,261	\$250,000	\$1,925,781	\$2,535,042	(\$67,664)	\$0	\$0	\$0	(\$87,366,349)
58	October-24	(\$87,366,349)	\$359,261	\$250,000	\$1,643,899	\$2,253,160	(\$65,737)	\$0	\$0	\$0	(\$85,178,926)
59	November-24	(\$85,178,926)	\$359,261	\$250,000	\$1,622,550	\$2,231,811	(\$64,010)	\$0	\$0	\$0	(\$83,011,125)
60	December-24	(\$83,011,125)	\$359,261	\$250,000	\$1,793,743	\$2,403,004	(\$62,394)	\$0	\$0	\$667,688	(\$80,002,827)
61	January-25	(\$80,002,827)	\$359,261	\$250,000	\$1,934,906	\$2,544,167	(\$60,227)	\$0	\$0	\$0	(\$77,518,887)
62	February-25	(\$77,518,887)	\$359,261	\$250,000	\$1,797,620	\$2,406,881	(\$58,437)	\$0	\$0	\$0	(\$75,170,442)
63	March-25	(\$75,170,442)	\$359,261	\$250,000	\$1,728,347	\$2,337,608	(\$56,644)	\$0	\$0	\$0	(\$72,889,478)
64	April-25	(\$72,889,478)	\$359,261	\$250,000	\$1,660,715	\$2,269,976	(\$54,927)	\$0	\$0	\$0	(\$70,674,429)
65	May-25	(\$70,674,429)	\$359,261	\$250,000	\$1,537,659	\$2,146,920	(\$53,259)	\$0	\$0	\$0	(\$68,580,767)
66	June-25	(\$68,580,767)	\$359,261	\$250,000	\$1,676,585	\$2,285,846	(\$51,660)	\$0	\$0	\$0	(\$66,346,581)
67	July-25	(\$66,346,581)	\$359,261	\$250,000	\$2,070,713	\$2,679,974	(\$50,055)	\$0	\$0	\$0	(\$63,716,662)
68	August-25	(\$63,716,662)	\$359,261	\$250,000	\$2,173,602	\$2,782,863	(\$48,250)	\$0	\$0	\$0	(\$60,982,049)
69	September-25	(\$60,982,049)	\$359,261	\$250,000	\$1,962,190	\$2,571,451	(\$46,260)	\$0	\$0	\$0	(\$58,456,859)
70	October-25	(\$58,456,859)	\$359,261	\$250,000	\$1,688,212	\$2,297,473	(\$44,309)	\$0	\$0	\$0	(\$56,203,695)
71	November-25	(\$56,203,695)	\$359,261	\$250,000	\$1,582,734	\$2,191,995	(\$42,536)	\$0	\$0	\$0	(\$54,054,236)
72	December-25	(\$54,054,236)	\$359,261	\$250,000	\$1,821,389	\$2,430,650	(\$40,903)	\$0	\$0	\$667,688	(\$50,996,801)
73	January-26	(\$50,996,801)	\$359,261	\$250,000	\$1,951,271	\$2,560,532	(\$38,724)	\$0	\$0	\$0	(\$48,474,993)
74	February-26	(\$48,474,993)	\$359,261	\$250,000	\$1,817,736	\$2,426,997	(\$36,902)	\$0	\$0	\$0	(\$46,084,898)
75	March-26	(\$46,084,898)	\$359,261	\$250,000	\$1,748,199	\$2,357,460	(\$35,080)	\$0	\$0	\$0	(\$43,762,518)
76	April-26	(\$43,762,518)	\$359,261	\$250,000	\$1,700,766	\$2,310,027	(\$33,331)	\$0	\$0	\$0	(\$41,485,822)
77	May-26	(\$41,485,822)	\$359,261	\$250,000	\$1,492,363	\$2,101,624	(\$31,625)	\$0	\$0	\$0	(\$39,415,823)
78	June-26	(\$39,415,823)	\$359,261	\$250,000	\$1,655,647	\$2,264,908	(\$30,013)	\$0	\$0	\$0	(\$37,180,928)
79	July-26	(\$37,180,928)	\$359,261	\$250,000	\$2,127,379	\$2,736,640	(\$28,416)	\$0	\$0	\$0	(\$34,472,704)
80	August-26	(\$34,472,704)	\$359,261	\$250,000	\$2,191,200	\$2,800,461	(\$26,582)	\$0	\$0	\$0	(\$31,698,825)
81	September-26	(\$31,698,825)	\$359,261	\$250,000	\$1,929,428	\$2,538,689	(\$24,548)	\$0	\$0	\$0	(\$29,184,684)
82	October-26	(\$29,184,684)	\$359,261	\$250,000	\$1,661,607	\$2,270,868	(\$22,587)	\$0	\$0	\$0	(\$26,936,403)
83	November-26	(\$26,936,403)	\$359,261	\$250,000	\$1,595,345	\$2,204,606	(\$20,820)	\$0	\$0	\$0	(\$24,752,617)
84	December-26	(\$24,752,617)	\$359,261	\$250,000	\$1,841,155	\$2,450,416	(\$19,176)	\$0	\$0	\$667,688	(\$21,653,688)
85	January-27	(\$21,653,688)	\$359,261	\$250,000	\$1,951,271	\$2,560,532	(\$16,969)	\$0	\$0	\$0	(\$19,110,125)

The Narragansett Electric Company
d/b/a National Grid
Annual Report of Storm Fund Activity
For the Period Ended October 31, 2021

Line No.	Month	Beginning Balance	Monthly Contributions				Monthly Interest	Storm Charges	Net Revenue Sharing Adjustment	Adjustments	Ending Balance
			Monthly Contribution	Monthly Contribution	Supplemental Contribution	Total Monthly Contributions					
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
86	February-27	(\$19,110,125)	\$359,261	\$250,000	\$1,817,736	\$2,426,997	(\$15,123)	\$0	\$0	\$0	(\$16,698,251)
87	March-27	(\$16,698,251)	\$359,261	\$250,000	\$1,748,199	\$2,357,460	(\$13,285)	\$0	\$0	\$0	(\$14,354,076)
88	April-27	(\$14,354,076)	\$359,261	\$250,000	\$1,700,766	\$2,310,027	(\$11,520)	\$0	\$0	\$0	(\$12,055,569)
89	May-27	(\$12,055,569)	\$359,261	\$250,000	\$1,492,363	\$2,101,624	(\$9,798)	\$0	\$0	\$0	(\$9,963,742)
90	June-27	(\$9,963,742)	\$359,261	\$250,000	\$1,655,647	\$2,264,908	(\$8,169)	\$0	\$0	\$0	(\$7,707,003)
91	July-27	(\$7,707,003)	\$359,261	\$250,000	\$2,127,379	\$2,736,640	(\$6,556)	\$0	\$0	\$0	(\$4,976,919)
92	August-27	(\$4,976,919)	\$359,261	\$250,000	\$2,191,200	\$2,800,461	(\$4,706)	\$0	\$0	\$0	(\$2,181,164)
93	September-27	(\$2,181,164)	\$359,261	\$250,000	\$1,929,428	\$2,538,689	(\$2,656)	\$0	\$0	\$0	\$354,869
94	October-27	\$354,869	\$359,261	\$250,000	\$1,661,607	\$2,270,868	(\$678)	\$0	\$0	\$0	\$2,625,058
95	November-27	\$2,625,058	\$359,261	\$250,000	\$1,595,345	\$2,204,606	\$1,105	\$0	\$0	\$0	\$4,830,769
96	December-27	\$4,830,769	\$359,261	\$250,000	\$1,841,155	\$2,450,416	\$2,765	\$0	\$0	\$667,688	\$7,951,639
74	Year Ended 12/31/27	(\$115,339,923)	\$34,489,056	\$24,000,000	\$170,366,714	\$228,855,770	(\$8,472,783)	(\$102,469,882)	\$36,953	\$5,341,504	\$7,951,639

Column Notes:

- (a) Beginning balance adjusted to reflect the revised ending balance per Docket RIPUC 2509 Schedule 2-A, Page 1 of 3, Line 13, Column (j).
- (b) Per RIPUC Docket No. 4770, the base distribution rate revenue requirement includes \$4,311,132 annually as a contribution to the Storm Fund.
- (c) Per RIPUC Docket No. 4686, an extension of an additional \$3.0 million is to be contributed annually to the Storm Fund commencing February 1, 2013.
- (d) Per RIPUC Docket No. 4686, Storm Fund Replenishment Factor (SFRF) commencing July 1, 2017.
- (e) Column (b) + Column (c) + Column (d).
- (f) ((Current Month Beginning Balance) - (Previous Month Total Contributions / 2) x Current Customer Deposit Rate/12).
- (g) See Attachment PUC 1-1-1.
- (h) In accordance with Paragraph (2) of the Joint Settlement Agreement, RIPUC Docket No. 4686, Net Revenue Sharing is a credit to the Storm Fund reflecting 75 percent of certain proceeds received by the Company for performing storm response services in other jurisdictions. Net Revenue is defined as the proceeds received or cost reductions achieved for base labor and non-incremental labor overhead costs on all labor (i.e. not just base labor) charged for storm restoration services provided to other utilities, whether affiliated or non-affiliated, less an amount equal to the labor capitalization rate in the base-rate case in effect during the period in which the storms occurred (41.36 percent for Docket No. 4323 and 53.40 percent for Docket No. 4770).
- (i) December 2020 represents 50% of 2020 attachment fee revenue in excess of \$850,000. For Calendar Year 2020, costs related to the amount of non-deferrable storm expense of \$3,510,607 are within the base distribution rate allowance of \$3,194,000 +/- a \$2 million collar as per the Amended Settlement Agreement in RIPUC Docket No. 4770, thereby requiring no adjustment to the Storm Fund.
- (j) Column (a) + Column (e) + Column (f) + Column (g) + Column (h). Ending balance does not reflect true up of storm-related capital costs to actual installed units for storm events experienced after December 2019.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5188
In Re: Commission's Initiated Review of
National Grid's Storm Contingency Fund
Responses to the Commission's First Set of Data Requests
Issued on October 21, 2021

PUC 1-2

Request:

In Docket No. 5127, as part of its response to Record Request 1, the Company noted that “the CTC account balance has been and will likely continue to be in a credit position” which was consistent with Ms. Hammer’s testimony that “between the Hydro Quebec revenues and the DOE proceeds there's no expectation that the contract termination charge would turn positive any time in the near future.” (Hr’g Tr. at 66 March 26, 2021).

In the discussion prior to the vote to continue certain funding mechanisms to the Storm Contingency Fund (Docket No. 4686), the Chairman raised a suggestion that redirecting CTC credits from the transition credit on the bill to the Storm Fund may be one possible solution. Please provide comment on this possible solution.

Response:

The Company is receptive to the idea of redirecting Contract Termination Charge (“CTC”) credits from the transition credit on the bill to the Storm Contingency Fund if the Rhode Island Public Utilities Commission (“PUC”) elects to eliminate or modify the Non-Bypassable Transition Charge Adjustment Provision (the “Provision”).

The Company has not found language in the State of Rhode Island General Laws, Section 39-1-27.4; the Retail Settlement in Docket No. 2515, Utility Restructuring Rate Unbundling and Transfer Plan Filing; or the Provision in R.I.P.U.C. No. 2246 that directs how specifically the CTC charges or credits should be collected from, or returned to, the Company’s retail customers.

The annual CTC rates are determined pursuant to the settlements of New England Power Company’s (“NEP”) all-requirements contracts with The Narragansett Electric Company approved by the Federal Energy Regulatory Commission (“FERC”) in Docket No. ER97-680-000 and the subsequent Settlement and CTC Implementation Agreement Surrounding Issues Related to the Resolution of the USGENNE Bankruptcy Proceeding in Docket No. ER98-6-000; and the settlements of Montaup Electric Company’s all-requirements contracts with Blackstone Valley Electric Company and Newport Power Corporation approved by FERC in Docket No. ER97-2800-000 (collectively, “Wholesale Settlement Agreements”). Section 1.2.1 of the Wholesale Settlement Agreements states “[t]he Variable Component shall be adjusted through a Reconciliation Adjustment in which differences, whether positive or negative, between the estimates for Contract Termination Charge Payments by (the Company) and (the Company’s) allocated share of the estimated variable costs listed in Section 1.2.2 below and actual Contract Termination Charge payments by (the Company) and its allocated share of the actual variable

The Narragansett Electric Company
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costs will be accumulated in a Reconciliation Account and added to or subtracted from the Contract Termination Charge from NEP to (the Company)... A pretax return equal to that specified in Section 1.1.2 shall be included on any balance in the Reconciliation Account, whether positive or negative. The Reconciliation Account shall accumulate each year and shall be used to adjust NEP's Base Contract Termination Charges to (the Company) in the following year. Thus, NEP shall return or collect (the Company's) allocated share of any outstanding balance in the Reconciliation Account by implementing an adjustment to the Contract Termination Charges to (the Company) in the following year."

As the Company indicated in the Docket No. 5127 hearings and its responses to record requests in that proceeding, in recent history and for the foreseeable future, the Variable Component (there is no longer a Fixed Component), adjusted by the Reconciliation Adjustment, has and will continue to result in CTC credits from NEP to the Company. The Company's share of the CTC over the past three years has averaged a credit of approximately \$8.5 million. As part of Docket No. 5127, the PUC directed the Company to amend the Provision in R.I.P.U.C. No. 2246 to state:

- 1) If (NEP) calculates in its annual Contract Termination Charge reports a total amount to be provided to the Company in the following year that is a credit, the Company shall calculate its Non-Bypassable Transition Charge based on the total amount to be credited and the Company's most recent forecast of kilowatt-hour deliveries for the year in which the Non-Bypassable Transition Charge will be in effect.
- 2) If the Non-Bypassable Transition Charge billed by the Company is a credit per kilowatt-hour based on the Company's most recent forecast of kilowatt-hour deliveries as provided above, any carrying charges in future years that NEP will credit to the Company as a result shall be retained by the Company.

It is within the PUC's discretion to redirect the credit that the Company will receive from NEP and credit the amount to the Storm Contingency Fund rather than credit customers on bills via the non-bypassable transition charge. Such a redeployment of the CTC, however, would require a tariff change to allow and provide for updated specifications for this type of change.

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PUC 1-3

Request:

Please identify each of the other reconciling factors in the Company's electric tariffs. For each factor, please indicate whether the Company believes there is a statutory requirement on how the factor is charged to or refunded to customers (please explain).

Response:

Please see Attachment PUC 1-3.

Reconciling Factor, Tariff	Statutory Requirement, R.I. Gen. Laws	Explanation of Statutory Requirement
<p>Last Resort Service Adjustment Charge, R.I.P.U.C. No. 2237</p>	<p>Yes, § 39-1-27.3(c)</p>	<p>“The electric distribution company's last-resort service revenues and its last-resort service costs shall be accounted for and reconciled with interest at least annually. Any over recoveries shall be refunded and any under recoveries shall be recovered by the electric distribution company through a uniform adjustment factor approved by the commission. The commission shall have the discretion to apply such adjustment factor in any given instance to all customers or to such specific class of customers that the commission deems equitable under the circumstances provided that the distribution company recovers any under recovery in its entirety.”</p>
<p>Non-Bypassable Transition Charge Adjustment Provision, R.I.P.U.C. No. 2246</p>	<p>Yes, § 39-1-27.4</p>	<p>“(a) An electric distribution company that purchases power at wholesale from a wholesale power supplier under an all-requirements contract shall be authorized to execute an agreement terminating, in whole or in part, such all-requirements contracts on terms that require payment of a contract termination fee complying with the requirements in subsection (b) and notwithstanding any other provisions of this title, shall be allowed to recover the payment through a nonbypassable transition charge paid by all customers of the electric distribution company. Any nonregulated power producer may pay all or a part of its customers' transition charges.”</p> <p>“(c) Because of the uncertainty associated with the timing and amounts to be paid pursuant to subsections (b)(2) (with the exception of nuclear costs independent of operation) and (b)(3), the termination fee to the wholesale supplier and the related transition charge to the electric distribution company's customers shall continue until these liabilities have been satisfied with an annual reconciliation of estimated to actual expenses. Because the items specified in subsections (b)(1) and (b)(4) can be determined with certainty or reasonably estimated and the nuclear costs independent of operation can be reasonably estimated, no</p>

Reconciling Factor, Tariff	Statutory Requirement, R.I. Gen. Laws	Explanation of Statutory Requirement
		<p>annual reconciliation is necessary for these items. However, to moderate the rate impact of these items, recovery through the transition charge will be spread over the period from July 1, 1997, through December 31, 2009, with a return on the unamortized balance as specified in subsection (d); effective January 1, 2010, there shall be no allowance for these items in the transition charges billed by electric distribution companies.”</p> <p>“(e) Notwithstanding any other provisions of this section, other than subsection (g), for the period July 1, 1997, to December 31, 2000, the nonbypassable transition charge implemented by the electric distribution company shall recover an amount equal to two and eight-tenths of a cent (2.8¢) per kilowatt-hour transmitted or distributed. After the year 2000, the transition charge recoverable from customers shall be established by the commission in an amount sufficient to recover the costs authorized in this section with an adjustment for any over or under recoveries of the contract termination fees occurring during the period July 1, 1997, to December 31, 2000. The adjustment under this subsection shall be made in a manner the commission determines appropriate.”</p>
<p>Energy Efficiency Program Provision, R.I.P.U.C. No. 2197</p>	<p>No specific provisions, § 39-1-27.7</p>	<p>No specific provisions for treatment of reconciliation balance.</p>
<p>Revenue Decoupling Mechanism Adjustment Factor, R.I.P.U.C. No. 2218</p>	<p>Yes, § 39-1-27.7.1</p>	<p>“Actions taken by the commission in the exercise of its ratemaking authority for electric and gas rate cases shall be within the norm of industry standards and recognize the need to maintain the financial health of the distribution company as a stand-alone entity in Rhode Island.”</p> <p>“Any revenues over-recovered or under-recovered shall be credited to, or recovered from, customers, as applicable”</p>

Reconciling Factor, Tariff	Statutory Requirement, R.I. Gen. Laws	Explanation of Statutory Requirement
		“The commission may exclude the low-income rate class from the revenue decoupling reconciliation-rate mechanism for either electric or gas distribution. The commission also may exclude customers in the large commercial and industrial rate class from the gas-distribution mechanism.”
O&M Reconciliation Factor, R.I.P.U.C. No. 2199	No specific provisions, § 39-1-27.7.1	No specific provisions for treatment of reconciliation balance.
CapEx Reconciliation Factor, R.I.P.U.C. No. 2199	No specific provisions, § 39-1-27.7.1	No specific provisions for treatment of reconciliation balance.
Arrearage Management Adjustment Factor, R.I.P.U.C. No. 2239	Yes, § 39-2-1(d)(2)(x)	“The amount of the arrearage, so forgiven, shall be recovered by the electric and/or gas company through an annual reconciling factor approved by the commission;”
Net Metering Provision, R.I.P.U.C. No. 2241	Yes, § 39-26.4-3(c)	“Any prudent and reasonable costs incurred by the electric distribution company pursuant to achieving compliance with subsection (a) and the annual amount of any renewable net-metering credits or excess renewable net-metering credits provided to accounts associated with eligible net-metering systems or community remote net-metering systems, shall be aggregated by the distribution company and billed to all distribution customers on an annual basis through a uniform, per-kilowatt-hour (KWh) surcharge embedded in the distribution component of the rates reflected on customer bills.”
Renewable Energy Standard, R.I.P.U.C. No. 2237	Yes, § 39-26-6(a)(2)	“Authorize rate recovery by electric-utility-distribution companies of all prudent incremental costs arising from the implementation of this chapter, including, without limitation: the purchase of NE-GIS certificates; the payment of alternative compliance payments; required payments to support the NE-GIS; assessments made pursuant to § 39-26-7(c); and the incremental costs of complying with energy source disclosure requirements.”

Reconciling Factor, Tariff	Statutory Requirement, R.I. Gen. Laws	Explanation of Statutory Requirement
<p>Long Term Contracting for Renewable Recovery Reconciliation Factor, R.I.P.U.C. No. 2175</p>	<p>Yes, § 39-26.1-5</p>	<p>“The difference shall be credited or charged to all distribution customers through a uniform fully reconciling annual factor in distribution rates, subject to review and approval of the commission. The reconciliation shall be designed so that customers are credited with any net savings resulting from the long-term contracts and the electric distribution company recovers all costs incurred under such contracts, as well as, recovery of the financial remuneration and incentives specified in § 39-26.1-4.”</p>
<p>Renewable Energy Growth Reconciliation Factor, R.I.P.U.C. No. 2219</p>	<p>Yes, § 39-26.6-25</p>	<p>“The electric distribution company shall file the reconciliation with a report, along with a new forecast of payments to be made for the next twelve-month (12) period, net of forecasted revenues for the resale of energy, renewable energy certificates, or any other market attributes sold by the electric distribution company.”</p>
<p>E-183 Relocation, N/A</p>	<p>No specific provisions, § 42-98-1.1</p>	<p>No provisions for excess funds if costs are less than customer funding or if project does not proceed. Although there is a provision for costs in excess of funds available, the understanding is that any customer funds that were not spent and were sourced from the Customer Credit from the cities of Providence and East Providence are to be credited to the customers of those cities.</p>
<p>Pension Adjustment Factor, R.I.P.U.C. No. 2200</p>	<p>None</p>	<p>N/A</p>
<p>Low-Income Discount Recovery Factor, R.I.P.U.C. No. 2239</p>	<p>None</p>	<p>N/A</p>
<p>Performance Incentive Factor, R.I.P.U.C. No. 2211</p>	<p>None</p>	<p>N/A</p>
<p>Transmission Service Cost Adjustment Factor, R.I.P.U.C. No. 2198</p>	<p>None</p>	<p>N/A</p>

Reconciling Factor, Tariff	Statutory Requirement, R.I. Gen. Laws	Explanation of Statutory Requirement
Last Resort Service Administrative Cost Factor, R.I.P.U.C. No. 2237	None	N/A

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Request:

How does the Massachusetts Department of Public Utilities allow funding of the Storm Fund (please provide a description and quantification of the current funding mechanisms and any deferrals)?

Response:

Massachusetts Electric Company and Nantucket Electric Company's ("MA Electric") has a Storm Fund mechanism for the recovery of incremental costs incurred for preparing for and restoring service to customers due to an emergency or storm event. As most recently approved in docket D.P.U. 18-150, the Massachusetts Department of Public Utilities ("Department") allowed the continuation of MA Electric's storm fund, finding that operating a storm fund can provide for adequate recovery of storm costs in a manner that is designed to create rate stability. Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 18-150, at 415-416 (2019).

The threshold, or eligibility, for an event to qualify for recovery through the storm fund is incremental operations and maintenance ("O&M") costs greater than \$1.55 million and less than \$30 million (exclusive of costs billable to Verizon). MA Electric base rates include an annual collection of \$16 million for storm fund contributions, and also reflect an annual allowance of \$6.2 million, which is equivalent to the threshold amount of \$1.55 million for [four](#) qualifying events, based on an average of four normalized storms per year. (D.P.U. 18-150 at 418-419). The incremental costs for each qualifying event in excess of the \$1.55 million threshold are periodically filed with the Department, with supporting testimony and documentation, for a determination that the costs for preparing for and responding to storms were reasonable, and were prudently incurred.

MA Electric also recovers additional funding through a Storm Fund Replenishment Factor ("SFRF"). The SFRF is a per kilowatt hour factor that was initially established to recover approximately \$47.6 million per year. However, due to reductions in electricity consumption since the factor was established, amounts recovered through the SFRF have been less than \$47.6 million in recent years. The factor recovered \$42.2 million during the 12-months ended September 30, 2020. In D.P.U. 18-150, the Department approved MA Electric's proposal to extend the SFRF from August 2019 to November 2023, to replenish the existing Storm Fund to account for additional storm costs of approximately \$150 million at that time and to minimize carrying costs associated with these storms. The Department also approved the proposal to transfer the deficit balance to be collected through the SFRF to a separate regulatory asset and to

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reset the Storm Fund balance to zero. Any residual balance remaining in the regulatory asset will be transferred to the Storm Fund at the end of the SFRF recovery period. The SFRF regulatory asset as well as the Storm Fund deferral balance accrue carrying charges at the prime rate.

In its final decision in D.P.U. 18-150, the Department approved MA Electric's proposal to allow cost recovery through the exogenous event provision of the Performance-Based Ratemaking Plan (pending a prudence review) for incremental storm costs exceeding \$30 million in a single event and the combination of the storm cost and the Storm Fund balance is greater than \$75 million. D.P.U. 18-150, at 68, 421-422. The threshold of significance for exogenous cost recovery is \$3 million, annually adjusted based on the Gross Domestic Product Price Index. D.P.U. 18-150, at 67.

The approximate balance of the MA Electric Storm Fund, plus the remaining balance of the regulatory asset being recovered through the current SFRF resulted in a total storm cost deficiency of \$195,948,884 as of December 31, 2020.

In June 2021, MA Electric petitioned the Department for approval to defer an additional \$13.95 million to its Storm Fund calculated based on the \$1.55 million major storm threshold amounts for nine storms occurring in calendar year 2020, which far exceeded the storm threshold recovery included in base rates of \$6.2 million for four storms, as noted above. (See D.P.U. 21-75). The petition in D.P.U. 21-75 is still pending.

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PUC 1-5

Request:

Does the New York Public Service Commission allow funding in rates for a storm contingency fund? If so, how is the fund structured? If not, how does the Company manage storm related costs in New York?

Response:

Niagara Mohawk Power Corporation ("NMPC") is the only National Grid electric operating company in New York State and therefore the only National Grid operating company in New York State with a storm contingency fund in rates. NMPC classifies storm events as either major or minor and recovers costs differently between these two categories.

Under the current rate plan approved in Case 17-E-0238, minor storm expense is recovered in rates through a non-reconciling annual allowance equal to normalized historic test year spend inflated. That rate plan also funds a \$23 million major storm fund in rates that is annually reconciled to actual major storm expense. The amount of actual major storm expense underspend is deferred for future refund to customers and the amount of actual major storm expense overspend is deferred for future recovery from customers. A major storm is defined as a period of adverse weather during which service interruptions affect at least ten percent of the customers in a region, and/or results in one percent of customers in a region being without electric service for durations of at least 24 hours. A minor storm is any weather event that does not qualify as a major storm. Only major storms costing greater than or equal to \$0.400 million qualify for recovery through the storm fund, up to an annual cap of \$0.800 million of excluded storms, after which all remaining major storms qualify. Only incremental costs that would not have been incurred if not for the storm are recovered through the storm fund. Appendix 14 of the Joint Proposal in Case 17-E-0238 adopted by the New York State Public Service Commission provides the details of NMPC's major storm cost recovery.

On September 27, 2021, NMPC filed a Joint Proposal with the New York State Public Service Commission in Case 20-E-0380 that includes proposed changes to the storm cost recovery mechanisms described above. Appendix 14, which is attached hereto as Attachment PUC 1-5, to that Joint Proposal provides the details.¹ If approved, the Joint Proposal modifies storm cost recovery as follows:

¹ For the full Joint Proposal and Appendices in Case 20-E-0380, please see <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterSeq=63186&MNO=20-E-0380>, Document No. 50 (Joint Proposal) and Document No. 52 (Appendices).

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- a) The minor storm expense allowance in rates would be reconciled over the three-year rate plan but with a \$30.000 million dead-band and a 90 percent/ten percent customer/company sharing. If actual expense after the three-year period is less than the allowance in rates, the amount of actual underspend is deferred for future refund to customers. If actual expense after the three-year period is greater than \$30 million more than the allowance in rates, 90% of the amount of actual spend greater than \$30 million more than the allowance in rates is deferred for future recovery from customers. In addition, a prestaging expense recovery mechanism allows recovery of expenses for prestaging crews in expectation of a storm event that does not materialize. To be recovered under the prestaging mechanism, the prestaging costs for an event must be \$0.250 million or greater. If that threshold is exceeded, 100 percent of the prestaging costs from \$0.250 million to \$1.500 million would be recoverable, and for costs greater than \$1.500 million, 85 percent would be recoverable as prestaging costs and the remaining 15 percent would be treated as minor storm expense.
- b) The definition of a major storm would change from "...1% of customers in a region being without electric service for durations of at least 24 hours." to "...customers in a region being without electric service for durations of at least 24 hours." This change is to align the definition of major storm for cost recovery purposes with the regulatory definition in Section 97.1(c) of the New York State Public Service Commission's regulations (16 NYCRR 97.1(c)). In addition, the minimum cost threshold for storms to qualify for recovery under the major storm fund would change from \$0.400 million per regional event with an \$0.800 million annual cap, to \$0.750 million per total of all regional events for a storm, with no annual cap.

APPENDIX 14

Major and Minor Storm Expense Provisions

1.0 Major Storms

1.1 Definitions

1.1.1 Major Storm – a period of adverse weather during which service interruptions affect at least 10 percent of the customers in a region, and/or results in customers in a region being without electric service for durations of at least 24 hours. Niagara Mohawk will provide data showing that a period of adverse weather qualifies as a Major Storm by affected region as part of its backup support for the deferral of Incremental Costs.

1.1.2 Incremental Costs – Incremental Costs for a Major Storm include overtime and payroll taxes paid to employees to restore service following a Major Storm, rest time wages incurred as the result of a Major Storm as specified in Niagara Mohawk’s union contracts, outside vendor costs (including the costs of crews from affiliate companies), lodging and meal charges, and material and supply charges that Niagara Mohawk would not have incurred, except for the Major Storm. Any capitalized costs will be excluded from Incremental Costs, and proceeds from insurance, the Federal Emergency Management Agency, New York State or any other reimbursement or proceeds received to cover such costs will be deducted from Incremental Costs. Niagara Mohawk will open work orders to track Major Storm incremental costs which will be subject to audit by DPS Staff.

1.1.3 Ten Days Following Restoration – For deferral purposes only, a Major Storm will include the ten days following restoration of all customers. Except as provided below, Niagara Mohawk will not defer costs incurred after this period. The Company, however, will have the right to petition the Commission for authorization to defer qualifying Incremental Costs (as defined below) incurred more than ten days following restoration of all customers that are associated with extraordinary Major Storms. In the petition, Niagara Mohawk must demonstrate that the costs are qualifying Incremental Costs (*i.e.*, that the Incremental Costs qualify for deferral under the provisions set forth in this Appendix); however, the Company is not required to demonstrate that the Incremental Costs are material or that the Company is not earning above its allowed return on equity.

1.2 Funding

The Company’s annual electric revenue requirements provide funding for Major Storm Incremental Costs of \$30 million in each Rate Year. The Company will defer the difference between the base rate allowance and actual Major Storm Incremental Costs for future refund to or recovery from customers. As of the Effective Date, Niagara Mohawk will credit the deferral account with a monthly amount of \$2.5 million, which equals 1/12th of the \$30 million included in base rates. An illustrative example of the Major Storm Incremental Costs reconciliation is provided in Attachment A hereto.

1.3 Per Event Deferral Threshold

To qualify for deferral, Incremental Costs of an individual Major Storm must be equal to or greater than \$0.750 million among all qualifying regions in the Company's service territory. If the Incremental Costs of an individual Major Storm are equal to or greater than \$0.750 million, all Incremental Costs associated with that event qualify for deferral (not just the amount that exceeds \$0.750 million).

1.4 Per Storm Deductible for Incremental Costs Incurred More Than Ten (10) Days After Restoration of the Last Customer

Subject to the foregoing threshold provision, all Incremental Costs of a Major Storm incurred within 10 days of restoration of the last customer are subject to deferral with no per storm deductible. If the Company petitions for authorization to defer qualifying Incremental Costs incurred more than 10 days after restoration of the last customer interrupted by a Major Storm, a per storm deductible of \$0.750 million will apply to the deferral of such costs. In the event the Company does seek to defer qualifying Incremental Costs incurred more than 10 days beyond the restoration of the last customer, the Company also will perform an analysis of such costs to gather information for deductible levels in future rate proceedings.

1.5 Contractor Disallowance

The portion of Niagara Mohawk's costs of contractors that qualify for Major Storm deferral as Incremental Costs will be determined in accordance with the Contractor Disallowance rule. The Contractor Disallowance rule provides that straight-time costs for contractors replacing employees with certain job titles who perform Major Storm restoration work and who have left the Company cannot be considered Incremental Costs where the headcount in those job titles is below the level assumed in base rates. The Contractor Disallowance pertains to only the following job titles: (i) Transmission Line Worker B 2/C; (ii) Chief Line Mechanic A Hotstick; (iii) Line Mechanic Hotstick; (iv) Line Mechanic C; (v) Line Mechanic B; (vi) Line Mechanic A; (vii) Line Mechanic Helper; (viii) One Person Line/Trouble Mechanic; (ix) Trouble Mechanic C Hotstick; (x) Trouble Mechanic D Hotstick; (xi) Cable Splicer A; (xii) Cable Splicer B; (xiii) Cable Splicer C; (xiv) Cable Splicer Helper; (xv) Chief Cable Splicer A; (xvi) Transmission Chief Live Line Bare Hand Specialist; (xvii) Transmission Line Worker A 3/C; (xviii) Transmission Line Worker C 1/C; (xix) Transmission Line Worker Hot Stick; (xx) Transmission Live Line Bare Hand Specialist; and (xxi) Transmission Line Worker Helper. An example of the Contractor Disallowance calculation is set forth in Attachment B hereto.

2.0 Minor Storms

2.1 Definitions

2.1.1 Minor Storm – adverse weather (forecasted and actual) that results in preparation and execution of restoration activities for customer service interruptions that do not qualify as a Major Storm.

2.1.2 Minor Storm Expense – Incremental Costs incurred in responding Minor Storms.

2.1.3 Incremental Costs – Incremental Costs for a Minor Storm include overtime and payroll taxes paid to employees to restore service following a Minor Storm, rest time wages incurred as the result of a Minor Storm as specified in Niagara Mohawk’s union contracts, outside vendor costs (including the costs of crews from affiliate companies), lodging and meal charges, and material and supply charges that Niagara Mohawk would not have incurred, except for the Minor Storm. Any capitalized costs will be excluded from Incremental Costs, and proceeds from insurance, the Federal Emergency Management Agency, New York State or any other reimbursement or proceeds received to cover such costs will be deducted from Incremental Costs. Niagara Mohawk will open work orders to track Minor Storm incremental costs which will be subject to audit by DPS Staff.

2.2 Funding and Reconciliation Mechanism

2.2.1 Funding – The Company’s annual electric revenue requirements provide funding for Minor Storm Expense of \$41 million in Rate Year 1, adjusted for inflation thereafter. An illustrative example of the Minor Storm Expense reconciliation is provided in Attachment A hereto.

2.2.2 Reconciliation Mechanism – The Company will compare Minor Storm Expense funding in rates over the three-year period of the Rate Plan (cumulatively \$123 million before inflation) to actual Minor Storm Expense incurred over that period and reconcile costs to rate recovery as follows:

- a. If cumulative actual Minor Storm Expense over the three-year Rate Plan period is *less than* the cumulative Minor Storm Expense rate allowance for that period, the Company will defer the difference for the benefit of customers (100% downward reconciliation).
- b. If cumulative actual Minor Storm Expense over the three-year Rate Plan period is greater than the cumulative Minor Storm Expense rate allowance for that period by up to \$30 million, there will be no reconciliation (\$30 million upward dead band).
- c. If cumulative actual Minor Storm Expense over the three-year Rate Plan period exceeds the cumulative Minor Storm Expense rate allowance for that period by more than \$30 million, the Company will defer 90 percent of the amount in excess \$30 million over the cumulative rate allowance for future recovery from customers (90/10 customer/Company sharing above \$30 million dead band).

2.3 Reporting

The Company will track Minor Storm Expense on work orders which will be subject to audit by DPS Staff. Within [45] days after the end of each quarterly period, the Company will submit a report to DPS Staff with details of Minor Storm Expenses incurred during the preceding quarter. In addition to event analyses expenses will be segregated into two categories proactive and reactive. Proactive storm expenses will include circumstances where the Company forecasted the need for advanced preparation of crews and captured data related to the adverse weather and restoration preparation efforts. Reactive storm

expenses will include circumstances where the forecast did not warrant formal advanced preparation efforts, but interruptions nevertheless occurred, and restoration efforts were required due to adverse weather conditions.

The report will provide details regarding both proactive and reactive costs associated with Minor Storm Expense. In addition, for proactive storm expenses, the report will include data related to the weather conditions, crew preparations and customers impacted.

Additional Provisions

3.1 Pre-Staging Costs

Based upon the severity of weather forecasts, the Company sometimes prepares in advance of a storm event by procuring and/or mobilizing contractor crews prior to the adverse weather with the intention of deploying those crews to shorten the duration of customer interruptions. If the actual weather does not occur as forecast and those crews are released without having worked on restoration efforts, the Incremental Costs (as defined in Sections 1.1.2 and 2.1.3, above) associated with those preparation efforts and advance crew mobilization are Pre-Staging costs subject to the cost recovery provision in Section 3.1.1, below.

3.1.1 Pre-Staging Cost Recovery

Pre-staging costs less than \$0.250 million per event will be charged to Minor Storm expense. If pre-staging costs reach \$0.250 million for an event, then 100 percent of pre-staging costs up to \$1.5 million per event will be charged to the Major Storm deferral. Pre-staging costs above \$1.5 million per event will be charged 85 percent to the Major Storm deferral and 15 percent to Minor Storm expense. The deferral of costs as described is independent of the severity of the actual event.

An illustrative example of the Pre-Staging Costs calculation is provided in Attachment A hereto.

3.2 Affiliated Company Costs

In its summary of Incremental Costs to be deferred with respect to any Major or Minor Storm, Niagara Mohawk will identify the portion of such Incremental Costs that represents payments to any affiliated company or companies separately from the portion of Incremental Costs that represents internal costs and costs paid to unaffiliated third-parties. Affiliated company costs will be broken down into the same cost components as used for internal Company costs.

Niagara Mohawk will defer 30 percent of base labor, associated overheads (other than pension and OPEBs), and transportation costs originating from the National Grid USA Service Company as Major Storm Incremental Costs.

3.3 Other Costs

Niagara Mohawk will not defer storm-related claims costs; stores handling costs originating from Niagara Mohawk; transportation costs originating from Niagara Mohawk; pension and OPEB costs; equipment rental costs unless the Company demonstrates that such costs are Incremental Costs; base labor costs associated with the contractor Pro Unlimited, its successor and or similar agencies with a majority of employees being former Company employees; and costs for cell phone usage.

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Example Calculation of Deferrable Major Storm Costs
Hypothetical Storm Events in Rate Year 2022
Appendix 14, Attachment A
Units (\$)

Storm Event	07/04/21	10/31/21	12/5/2021 ¹	03/17/22	05/25/22	Total
Storm Costs						
<u>Non-Incremental Expenses</u>						
Base Labor	\$ 150,000	\$ 5,900,000	\$ 10,810,000	\$ 120,000	\$ 130,000	
Benefits	75,000	2,300,000	5,400,000	60,000	70,000	
Transportation	24,000	800,000	1,730,000	20,000	30,000	
Other	1,000	35,000	70,000	1,000	11,000	
Total Non-Incremental Expense	250,000	9,035,000	18,010,000	201,000	241,000	27,737,000
<u>Incremental Expenses</u>						
Overtime	78,000	2,530,000	5,620,000	50,000	60,000	
Affiliate Labor	6,500	269,000	470,000	10,000	20,000	
Contractors	275,000	5,438,000	19,820,000	160,000	170,000	
Materials	10,000	10,000	720,000	10,000	20,000	
Employee Expenses	2,500	2,000	180,000	3,000	13,000	
Other	2,500	2,000	180,000	3,000	13,000	
Total Incremental Expense	374,500	8,251,000	26,990,000	236,000	296,000	36,147,500
Total Storm Expenses	624,500	17,286,000	45,000,000	437,000	537,000	63,884,500
Qualifying Incremental Costs						
Total Incremental Expense	\$ 374,500	\$ 8,251,000	\$ 26,990,000	\$ 236,000	\$ 296,000	
<u>Adjustments</u>						
Contractor Disallowance	(20,000)	(787,000)	(500,000)	(16,000)	(6,000)	
Service Company Exclusion	(3,500)	(138,000)	(270,000)	(3,000)	(3,000)	
Other Exclusions (cell phone, claims, et al)	(1,000)	(39,000)	(90,000)	(1,000)	(1,000)	
Total Qualifying Incremental Costs	350,000	7,287,000	26,130,000	216,000	286,000	34,269,000
Per Storm Deductible and Threshold						
Number of work days post-restoration	1	8	30	8	10	
Per Storm Deductible	0	0	(750,000)	0	0	
Individual Event Under \$750k	Yes	No	No	Yes	Yes	
Total Deferrable Major Storm Costs	0	7,287,000	25,380,000	0	0	32,667,000
Deferral Account Activity & Balance						
	Storm Reserve (Funded in base rates)	Deferral of Major Storm Costs	Year-to-date Balance in Storm Deferral Account			
July	(2,500,000)	0	(2,500,000)			
August	(2,500,000)	0	(5,000,000)			
September	(2,500,000)	0	(7,500,000)			
October	(2,500,000)	7,287,000	(2,713,000)			
November	(2,500,000)	0	(5,213,000)			
December	(2,500,000)	25,380,000	17,667,000			
January	(2,500,000)	0	15,167,000			
February	(2,500,000)	0	12,667,000			
March	(2,500,000)	0	10,167,000			
April	(2,500,000)	0	7,667,000			
May	(2,500,000)	0	5,167,000			
June	(2,500,000)	0	2,667,000			
Year Total	(30,000,000)	32,667,000				

Note 1: Company would need to petition for deferral of costs incurred 10 days after the last customer is restored

Niagara Mohawk Power Corporation d/b/a National Grid
Example Calculation of Deferrable Minor Storm Costs
Hypothetical Storm Events in Rate Year 2022
Appendix 14, Attachment A
Units (\$)

	October 2021
<u>Storm Costs</u>	
<u>Non-Incremental Expenses</u>	
Base Labor	\$ 5,900,000
Benefits	2,300,000
Transportation	800,000
Other	35,000
Total Non-Incremental Expense	<u>9,035,000</u>
<u>Incremental Expenses</u>	
Overtime	2,530,000
Affiliate Labor	269,000
Contractors	5,438,000
Materials	10,000
Employee Expenses	2,000
Other	2,000
Total Incremental Expense	<u>8,251,000</u>
Total Storm Expenses	<u>17,286,000</u>
 <u>Qualifying Incremental Costs</u>	
Total Incremental Expense	\$ 8,251,000
<u>Adjustments</u>	
Service Company Exclusion	(138,000)
Other Exclusions (cell phone, claims, et al)	(39,000)
Total Qualifying Incremental Costs	<u>8,074,000</u>

Niagara Mohawk Power Corporation d/b/a National Grid
Example Calculation of Pre-Staging Storm Costs
Hypothetical Storm Events in Rate Year 2022
Appendix 14, Attachment A
Units (\$)

Qualifying Pre-Staging Costs	07/04/21	10/31/21	05/25/22	Total
<u>Pre-Staging Costs</u>				
Overtime	150,000	725,000	850,000	
Affiliate Labor	6,500	269,000	375,000	
Contractors	10,000	100,000	250,000	
Materials	3,000	10,000	17,500	
Employee Expenses	2,500	4,000	7,000	
Other	2,500	3,000	5,000	
Total Incremental Expense	174,500	1,111,000	1,504,500	2,790,000
Charged to Minor Storm Deferral	174,500	-	675	175,175
Charged to Major Storm Deferral	-	1,111,000	1,503,825	2,614,825

Attachment B

Calculation of Contractor Disallowance Costs

Principles

1. The adjustment for contractor straight time is to be applied to line restoration.
2. The baseline and the month prior to the storm internal employee counts are defined using job titles, which are set forth in Table 2 below. The Signatory Parties agree that these job titles represent union employees with primary responsibility for line restoration activities and are the functions most likely to be supplemented with contractors during a storm response. If job titles are changed, the Company will provide a reconciliation of prior job titles to new job titles for purposes of applying the adjustment. The employee count shall pertain only to Niagara Mohawk.
3. The Company will provide a monthly report of internal staffing levels for the job titles defined in Table 2 below.
4. The Signatory Parties agree the baseline employee counts for line restoration in Rate Years One, Two, and Three are 972.
5. The hourly billing rate applied to the contractor hours to determine the straight time is described in Line D below.
6. An example of how the calculation will be developed is presented in Table 1 below.
7. Other activities may be subject to a contractor disallowance and will be reviewed on a case by case basis.
8. Employees of Company affiliates will be treated as contractors.
9. In the event the Company employs more internal employees in the specified job titles than indicated in Principle 4, above, the Company may petition the Commission for an adjustment to the storm deferral to account for the incremental straight time of the additional employees.

Illustrative Example

Table 1 is an example of the template agreed to for calculating the adjustment to deferrable contractor Major Storm costs. The example reflects contractor and applicable employee storm response and restoration staffing and costs for several days after a hypothetical Major Storm. This example is presented to illustrate the method and the sources of the data to be used and is not intended to reflect the final or agreed upon deferrable cost of any storm.

Explanation of Lines on Table 1

Line [A] – See Table 2 for the agreed upon list of qualifying job titles for Line Restoration and the column titled “Staffing Baseline in Rates” in that table for the associated employee counts. The counts represent all Niagara Mohawk employees within each job title. This data should not change during the Rate Plan.

Line [B] – See the column titled “Total Actual Staffing” in Table 2 for an example of a report reflecting the number of Niagara Mohawk employees in qualifying job titles, at the end of the month prior to the month in which a Major Storm occurs. The Company will provide by the 15th of every month, the number of line restoration employees by job title who were in qualifying positions per Table 2. If a listed job title is reclassified for operational reasons, the Company will notify on-site PSC Staff of the reclassification and include that job title on subsequent monthly reports. However, listed job titles cannot be commingled with other job titles not subject to this clause.

Line [C] – The level of non-deferrable contractors equal to the total baseline employee count Line [A] less total actual employee count Line [B].

Line [D] – The agreed upon Line Contractor hourly rates for the Rate Years are \$178.97, \$183.08 and \$186.84, respectively. Rates beyond the Rate Years will be equal to the Rate Year Ended June 30, 2024 rate inflated using Moody’s Economic Indicators consensus forecast of the GDP Deflator at the start of the year in which the rates apply.

Line [E] – Eight hours of straight-time per day.

Line [F] – Daily straight-time adjustment prior to the expense/capital allocation as determined for each Major Storm, which is the result of multiplying Lines [C], [D] and [E].

Line [G] – Expense ratio equal to the sum of listed employees’ labor costs charged to expense plus contractors’ labor costs charged to expense, divided by the sum of listed employees’ total labor costs plus contractors’ total labor costs. This ratio is calculated for and applicable to each Major Storm.

Line [H] – Line F multiplied by Line G

See Attached Excel File for Tables 1 and 2 of Attachment B

Niagara Mohawk Power Corporation d/b/a National Grid
PSC Case 20-E-0380
Major Storm Deferral - Incremental Contractor Costs
Example Calculation of a Contractor Disallowance Adjustment
Line Restoration (Line)

	12/1/2021	12/2/2021	12/3/2021	12/4/2021	12/5/2021	12/6/2021	12/7/2021	12/8/2021	Total
Baseline Employee Count [A]	972	972	972	972	972	972	972	972	Adjustment
Actual Employee Count [B]	960	960	960	960	960	960	960	960	
Non-deferrable Contractor Count [C]	12	12	12	12	12	12	12	12	
Average Contractor Rate [D]	\$ 178.97	\$ 178.97	\$ 178.97	\$ 178.97	\$ 178.97	\$ 178.97	\$ 178.97	\$ 178.97	
Hours Per Day [E]	8	8	8	8	8	8	8	8	
Daily Adjustment before Capital Adjustment [F]	\$ 17,181	\$ 17,181	\$ 17,181	\$ 17,181	\$ 17,181	\$ 17,181	\$ 17,181	\$ 17,181	\$ 137,451
Percentage charged to expense [G]	95%	95%	95%	95%	95%	95%	95%	95%	
Adjustment [H]	\$ 16,322	\$ 16,322	\$ 16,322	\$ 16,322	\$ 16,322	\$ 16,322	\$ 16,322	\$ 16,322	\$ 130,579

Notes

- [A] Baseline Line employees in rates - See Table 2
- [B] Hypothetical actual total Line employees in month prior to the major storm
- [C] Non-Deferrable Contractor equivalent headcount [A] - [B]
- [D] Contractor equivalent hourly rate - See Page 2 of 2
- [E] Daily adjustment before capital adjustment [C] x [D] x [E]
- [G] Percent of Labor and Contractor costs charged to expense
- [H] Daily adjustment [F] x [G]

Niagara Mohawk Power Corporation d/b/a National Grid
PSC Case 20-E-0380
Major Storm Deferral - Contractor Disallowance Adjustment
Calculation of an Average Hourly Contractor Rate
Line Restoration (Line)
Support for Appendix 14

	Time Period	Inflation Rate	Hourly Contractor Rate
1	Inflate to March 31, 2014		\$ 149.20
2	Inflate to March 31, 2015		\$ 152.37
3	Inflate to March 31, 2016		\$ 155.72
4	Inflate to March 31, 2017	1.54%	\$ 158.12
5	Inflate to March 31, 2018	2.01%	\$ 161.30
6	Inflate to March 31, 2019	2.15%	\$ 164.76
7	Inflate to March 31, 2020	2.10%	\$ 168.22
8	Inflate to March 31, 2021	2.10%	\$ 171.75
9	Inflate to June 30, 2022	4.20%	\$ 178.97
10	Inflate to June 30, 2023	2.30%	\$ 183.08
11	Inflate to June 30, 2024	2.05%	\$ 186.84

Line Notes

- 1 - 3 The 2014-2016 rates were originally calculated in Section 1.2.3.3, Attachment 2a, Principle 5 of the Rate Plan Provisions in Case 12-E-0201
- 4 - 8 For years beyond March 31, 2016 through March 31, 2021, the rate for a given year is equal to the 2016 rate inflated to that year using the Blue Chip GDP Deflator forecast in Exhibit___RRP-8CU in Case 17-E-0238.
- 9 - 11 For years beyond March 31, 2021, the rate for a given year is equal to the 2021 rate inflated to that year using the Moody's Analytics GDPIPD forecast as of July 2021.

Niagara Mohawk Power Corporation d/b/a National Grid
PSC Case 20-E-0380
Baseline Line Restoration Employee Count by Job Title
For Calculation of Straight-time Adjustment to Storm Contractor Costs

RYE 6/30/22 Hypothetical Staffing for Month Prior to a Storm (used in Table 1 Example)

Work Discipline	Source	RYE 6/30/22	RYE 6/30/23	RYE 6/30/24	Total Actual Staffing	Staffing Below Baseline
1	December 2019 Payroll	10	10	10	10	
2		14	14	14	14	
3		27	27	27	27	
4		5	5	5	5	
5		33	33	33	33	
6		306	306	306	303	-3
7		57	57	57	57	
8		73	73	73	73	
9		48	48	48	46	-2
10		26	26	26	26	
11		183	183	183	180	-3
12		67	67	67	65	-2
13		6	6	6	6	
14		8	8	8	8	
15		3	3	3	3	
16		1	1	1	1	
17		1	1	1	1	
18		7	7	7	7	
19		28	28	28	26	-2
20		4	4	4	4	
21		5	5	5	5	
22	Other Initiatives	15	15	15	15	
23		15	15	15	15	
24		30	30	30	30	
25	Line Restoration Total	972	972	972	960	-12

Work Discipline	Source	Job Title	RYE 6/30/22	RYE 6/30/23	RYE 6/30/24
1	December 2019 Payroll	Cable Splicer A	10	10	10
2		Cable Splicer B	14	14	14
3		Cable Splicer C	27	27	27
4		Cable Splicer Helper	5	5	5
5		Chief Cable Splicer A	33	33	33
6		Chief Line Mech A Htstick	306	306	306
7		Line Mechanic A	57	57	57
8		Line Mechanic B	73	73	73
9		Line Mechanic C	48	48	48
10		Line Mechanic Helper	26	26	26
11		Line Mechanic-Hot Stick	183	183	183
12		One Person Line/Tbl Mechanic	67	67	67
13		Tran Chief Live Ln Bare Hnd Sp	6	6	6
14		Tran Line Worker A 3/C	8	8	8
15		Tran Line Worker B 2/C	3	3	3
16		Tran Line Worker C 1/C	1	1	1
17		Tran Line Worker Helper	1	1	1
18		Tran Line Worker Hot Stick	7	7	7
19		Tran Live Line Bare Hand Spec	28	28	28
20		Trouble Mech C Hot Stick	4	4	4
21		Trouble Mech D Hot Stick	5	5	5
22	Other Initiatives	Chief Line Mech A Htstick	15	15	15
23		Line Mechanic A	15	15	15
24		Tran Line Worker A 3/C	30	30	30
25	Line Restoration Total		972	972	972

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5188
In Re: Commission's Initiated Review of
National Grid's Storm Contingency Fund
Responses to the Commission's First Set of Data Requests
Issued on October 21, 2021

PUC 1-6

Request:

Has National Grid sought to, or been allowed to securitize any of its storm fund deferral balances? If so, please explain and provide a link to any relevant order (approving or rejecting the request). What would be the pros and cons of securitizing such a deferral balance?

Response:

National Grid has not sought or been allowed to securitize its storm costs in Rhode Island. Although securitization of storm costs could provide cashflow benefits, it is a complicated financing structure that could restrict our ability to issue unsecured debt at The Narragansett Electric Company and the wider National Grid Group. National Grid does not see clear advantages in securitizing storm fund deferral balances. Furthermore, there are significant administrative requirements to enable and implement a securitization, including (1) enabling legislation; (2) the implementation of a non-bypassable charge that supports the securitized debt; (3) the creation of a separate bankruptcy-remote special purpose entity to hold the debt; and (4) additional debt administration processes.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5188
In Re: Commission's Initiated Review of
National Grid's Storm Contingency Fund
Responses to the Commission's First Set of Data Requests
Issued on October 21, 2021

PUC 1-7

Request:

What other mechanisms is National Grid aware of that other jurisdictions use to fund storm recovery? If National Grid has analyzed other storm recovery mechanisms (whether or not proposed), please explain.

Response:

Other than the storm funding mechanisms employed by its affiliated companies in Massachusetts and New York, as described in the Company's responses to PUC 1-4 and PUC 1-5, respectively, National Grid has not analyzed other storm recovery mechanisms employed outside of its service territories. National Grid is aware that Eversource does employ a storm recovery mechanism like that of the Massachusetts Electric Company. National Grid is also aware that there is a legislative proposal in New York to utilize securitization for storm recovery costs that is newly introduced and has not been actively considered by the legislature.¹ Please see the Company's response to PUC 1-6 for the Company's thoughts as to the pros and cons of securitization.

The Narragansett Electric Company d/b/a National Grid did reach a joint settlement agreement in Docket No. 4686 with the Division of Public Utilities and Carriers ("The Division") to address the current deficit at the time. The Company filed a motion on March 12, 2021 to extend the supplemental Hurricane Sandy annual base distribution rate contributions of \$3.0 million ("Hurricane Sandy Supplement") for deposit into the Storm Contingency Fund ("Storm Fund"); and (ii) continue the Storm Fund Replenishment Factor ("SFRF") for purposes of generating annual contributions which are credited to the Storm Fund, which is currently at \$20 million annually.

The Company also proposed in Docket No. 4323, filed on April 27, 2012 additional base rate recovery to off-set the storm fund deficit. Specifically, the Second Amended Stipulation and Settlement, approved in Docket No. 3617, allowed the Company to defer and amortize the recovery of \$25 million of costs related to a 2003 voluntary early retirement offer (the "2003 VERO") over a ten-year period commencing January 1, 2004. This annual amortization concluded December 31, 2013, or in the eleventh month of the Rate Year. The Company proposed that effective January 2014, this annual base rate recovery amount, or \$2.5 million, continued to be credited to the Storm Fund providing storm cost recovery without creating additional bill impacts for customers. The SFRF, in conjunction with the 2003 VERO proposal, would assist to extinguish the projected Storm Fund deficit.

The Company will continue to work with the Division to address the deficit balance.

¹ See 2021 New York Assembly Bill No. 8082, New York Two Hundred Forty-Fourth Legislative Session entitled *Enacts the 'New York electric corporation storm recovery securitization act'* (introduced June 11, 2021)