

October 26, 2021

VIA ELECTRONIC MAIL

Luly E. Massaro, Division Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket D-21-09 – Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA, and The Narragansett Electric Company for Authority to Transfer Ownership of The Narragansett Electric Company to PPL Rhode Island Holdings, LLC and Related Approvals
Responses to Division Advocacy Section Data Requests – Set 10

Dear Ms. Massaro:

On behalf of National Grid USA and The Narragansett Electric Company (together, “National Grid”), enclosed are National Grid’s responses to the tenth set of data requests issued by the Rhode Island Division of Public Utilities and Carriers (“Division”) Advocacy Section (the “Advocacy Section”) in the above-referenced proceeding.¹ Please note that because the Advocacy Section issued Division 10-1 and Division 10-2 as redacted requests to protect confidential information, National Grid has similarly redacted the requests within its responses to Division 10-1 and Division 10-2.

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

Very truly yours,



Jennifer Brooks Hutchinson

¹ Although this is a Division filing, consistent with Public Utilities Commission’s filing requirements during the COVID-19 emergency period, National Grid is submitting an electronic version of this filing. National Grid will provide the Division Clerk with five hard copies within 24 hours and, if needed, additional hard copies of the enclosures upon request.

Luly E. Massaro, Division Clerk
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Enclosures

cc: Docket D-21-09 Service List (electronic only)
John Bell, Division
Leo Wold, Esq.
Christy Hetherington, Esq.
Scott H. Strauss, Esq. (electronic only)
Latif M. Nurani, Esq. (electronic only)
Amber L. Martin Stone, Esq. (electronic only)
Anree G. Little, Esq. (electronic only)

REDACTED

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY

Docket No. D-21-09

National Grid USA and The Narragansett Electric Company's
Responses to Division's Tenth Set of Data Requests

Issued on October 1, 2021

National Grid USA and The Narragansett Electric Company
Division 10-2

Request:



Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-2.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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National Grid USA and The Narragansett Electric Company
Division 10-3

Request:

Referencing National Grid's responses to questions DIV 7-53 and DIV 7-54:

- a. Has PPL determined what previous capital or O&M spending on GMP and AMF will be rendered obsolete based on modifications PPL intends to make to these programs?
- b. National Grid has spent over \$15 million on GMP, how much of this investment will be left stranded or will not be used and useful as PPL moves forward with its GMP plan?

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-3.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
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National Grid USA and The Narragansett Electric Company
Division 10-4

Request:

Attachment PPL-DIV 1-54-1 (at 2-3) explains that the estimated costs are to operate Narragansett after the transition, or a 'steady state'. What are the estimated duplicative operating costs expected to be incurred during the transition period?

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-4.

National Grid USA and The Narragansett Electric Company
Division 10-5

Request:

Attachment PPL-DIV 1-54-1 states (at 12): “[i]n total, PPL has identified 1,298 positions that will support the Rhode Island utility, inclusive of both management (414) and union (884) employees.”

- a. What is PPL’s estimate of the incremental number of employees directly assigned to Narragansett compared to the current number of employees FTEs) either directly assigned or supporting proposed organizations under the current National Grid structure? Please provide these comparisons for each of the seven proposed organizations reporting to the new President;
- b. State whether all identified positions be physically located in Rhode Island;
- c. Provide a comparison of average PPL salaries for management and union positions to National Grid average salaries for the same positions;
- d. Explain why PPL applied its average salaries for positions that will be located in another region that are expected to have higher costs and salaries;
- e. Provide analysis performed of regional differences in salaries;
- f. State whether PPL believes that National Grid employees will accept average PPL salaries.
- g. Is PPL offering a bonus or incentive to National Grid employees that will be hired to support the Rhode Island utility? If so, provide each position, amount of eligible bonus or incentive, and recovery mechanism.
- h. Is PPL offering a bonus or incentive to current PPL employees that will be provided if the Transaction closes? If so, provide each position, amount of eligible bonus or incentive, and recovery mechanism.
- i. Is PPL offering a bonus or incentive to National Grid employees that will be provided if the Transaction closes? If so, provide each position, amount of eligible bonus or incentive, and recovery mechanism.
- j. What are the anticipated upfront costs to hire and onboard the 1,298 positions?

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Identify categories of costs including relocation.

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-5.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
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National Grid USA and The Narragansett Electric Company
Division 10-6

Request:

Referencing Attachment PPL-DIV-1-54-1 at 8, provide a breakdown of additional capital investments related to facilities and equipment required to support the Rhode Island operations. Indicate the type of investment, location, cost, proposed year(s) of implementation/construction, and recovery mechanism.

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-6.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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National Grid USA and The Narragansett Electric Company
Division 10-7

Request:

Attachment PPL-DIV-1-54-1 at 17, note 4 seems to imply that incremental IT and other infrastructure investment is needed to support the proposed operating model. Please provide details on the nature and amount of these investments and how these would be allocated to the gas and electric operations.

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-7.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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National Grid USA and The Narragansett Electric Company
Division 10-8

Request:

Referencing Attachment PPL-DIV-1-54-1 at 20, please provide all analysis and work papers to support the PPL cost to operate the Narragansett electric business of \$53.9M.

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-8.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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National Grid USA and The Narragansett Electric Company
Division 10-9

Request:

Attachment PPL-DIV-1-54-1 at states (at 19): “[t]he establishment of a dedicated Rhode Island electric organization that applies PPL’s operating practices results in slightly lower costs relative to National Grid.” What are the specific operating practices that PPL will apply? How are they different from National Grid Rhode Island? What National Grid Rhode Island practices will be displaced, modified, or enhanced to produce the cost savings? How did PPL quantify and assign a cost reduction due to these practices?

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-9.

National Grid USA and The Narragansett Electric Company
Division 10-10

Request:

Referencing Attachment PPL-DIV-1-54-1 at 25:

- a. Did PPL consult with National Grid to determine if PPL's operating model and cost assumptions were comprehensively assessed, reasonable, and estimated at a level that would enable the Rhode Island utility to continue meeting operational needs? If not, how has PPL acquired the depth of knowledge necessary to understand the Rhode Island operational needs, particularly given the outstanding 118 related tasks in the TSA?
- b. PPL states that it PPL "...believes the implementation of a dedicated organization to serve the customers of Rhode Island with a renewed focus on local control and management, and safe, reliable operations will not increase costs to operate Narragansett." Setting aside pass-through costs mentioned on page 3, can PPL commit to not increase costs to operate Narragansett?

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-10.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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National Grid USA and The Narragansett Electric Company
Division 10-11

Request:

With the understanding that PPL's estimated cost as reflected in Attachment PPLDIV-1-54-1 is to establish a new organizational structure and operating design as opposed to National Grid's cost to carry forward an existing model, has PPL assumed any cost contingencies? If so, identify those cost contingencies; if not, explain why not.

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-11.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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National Grid USA and The Narragansett Electric Company
Division 10-12

Request:

Will the proposed increase in gas operating costs identified in Attachment PPLDIV-1-54-1 result in an increase in customer rates? If so, what is PPL's expectation of the timing and potential amount of any rate increases?

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-12.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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National Grid USA and The Narragansett Electric Company
Division 10-13

Request:

Will the proposed decrease in electric operating costs identified in Attachment PPLDIV-1-54-1 support a reduction in rates? If so, provide PPL's expectation of the timing and potential amount of any rate decreases.

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-13.

National Grid USA and The Narragansett Electric Company
Division 10-14

Request:

In the Analysis of PPL's Cost to Operate The Narragansett Electric Company in Attachment PPL-DIV-1-54-1, provide detailed data regarding:

- a. The Capital Cost and operating costs associated with establishing a control center comparable to the Northborough, Massachusetts center that is used to provide the direct services to Rhode Island. This should consider all functionality including all communications and other interrelated ties to the location of a fully redundant control center which replicates the current operations with two control centers. Please identify any place in the PPL study (Attachment PPL-DIV-1-54-1) in which these costs are reflected;
- b. The Capital Cost and operating costs associates with creating a fully operational metering shop replicating all functions currently provided by National Grid for Rhode Island operations;
- c. Provide the detail and point to all costs reflected in the study for each capital cost component which will need to be added in order to replicate all operational aspects which are currently provided by National Grid from other out of state resources. This should include but is not limited to: SCADA system master control facilities and all communication lines to both the primary and backup control center; office facilities and all office equipment; all equipment and hardware used for the Volt/Var program and analysis; all equipment, hardware and software utilized for Area Study creation; any and all other items; and
- d. Provide a detailed list of all new capital costs associated with replicating each item not transferred in the transaction such as a primary or backup control center and list the amortization cost, impact on revenue and depreciation costs and all other components of cost which will impact rates and overall cost of operation. Also, point to specifically to were these costs are accounted for in the PPL study.

Response:

PPL Corporation and PPL Rhode Island Holdings, LLC have responded to this request in their response to Data Request Division 10-14.