

October 22, 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 9

Dear Ms. Massaro:

On behalf of National Grid USA and The Narragansett Electric Company (together, "National Grid"), enclosed are National Grid's following responses to the ninth 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: Division 9-2, Division 9-3, Division 9-12, Division 9-22 through Division 9-25, Division 9-39 through Division 9-43, Division 9-45, Division 9-62, Division 9-66, Division 9-68, Division 9-77, Division 9-78, Division 9-82 and Division 9-83. National Grid will file its remaining responses to the Advocacy Section's ninth set of data requests and tenth set of data requests by or before October 26, 2021, as agreed with the Advocacy Section and the other intervening parties. Please note that because the Advocacy Section issued Division 9-1 through Division 9-34 as redacted requests to protect confidential information, National Grid has similarly redacted the requests within its responses to Division 9-2, Division 9-3, Division 9-12, and Division 9-22 through 9-25.

This filing also contains a Motion for Protective Treatment of Confidential Information in accordance with 815-RICR-00-00-1.3(D)(3) of the Division's Rules of Practice and R.I. Gen. Laws §§ 38-2-2(4)(B). National Grid seeks protection from public disclosure of confidential and privileged information contained in the responses to Division 9-2, Division 9-3, Division 9-12, and Division 9-22 through Division 9-25 and their attachments. In compliance with Rule 1.3(D)(3), National Grid is providing the Division with one complete, unredacted copy of the

<sup>&</sup>lt;sup>1</sup> 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 Docket D-21-09 – Responses to Advocacy Section Data Requests Set 9 October 22, 2021 Page 2 of 2

confidential response in a sealed envelope marked "Contains Privileged and Confidential Materials – Do Not Release."

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

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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)

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#### STATE OF RHODE ISLAND

#### **DIVISION OF PUBLIC UTILITIES AND CARRIERS**

	)	
Petition of PPL Corporations, PPL Rhode	)	
Island Holdings, LLC, National Grid USA,	)	Docket No. D-21-09
and The Narragansett Electric Company for	)	
Authority to Transfer Ownership of the	)	
Narragansett Electric Company to PPL Rhode	)	
Island Holdings, LLC	)	
	)	

### MOTION OF NATIONAL GRID USA AND THE NARRAGANSETT ELECTRIC COMPANY FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION

National Grid USA and The Narragansett Electric Company ("Narragansett") (together, "National Grid") hereby request that the Rhode Island Division of Public Utilities and Carriers (the "Division") grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in their responses to data requests issued by the Division Advocacy Section (the "Advocacy Section") in its Ninth Set of Data Requests to Applicants, as permitted by 815-RICR-00-00-1.3(D) ("Rule 1.3(D)") and 1.21(E) ("Rule 1.21(E)") and R.I. Gen. Laws § 38-2-2(4)(B). National Grid also hereby requests that, pending entry of that finding, the Division preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.3(D)(2).

#### I. BACKGROUND

On May 4, 2021, PPL Corporation ("PPL"), PPL Rhode Island Holdings, LLC ("PPL Rhode Island"), National Grid USA, and Narragansett submitted their petition in the above-captioned docket seeking approval of PPL Rhode Island's acquisition of Narragansett from National Grid USA (the "Transaction"). On October 1, 2021, the Advocacy Section served the

parties with the Ninth Set of Data Requests ("Advocacy Section Set 9"). Advocacy Section Set 9 includes Data Requests Division 9-2, Division 9-3, Division 9-12, Division 9-22, Division 9-23, Division 9-24, and Division 9-25, which the Advocacy Section issued as confidential requests, redacted from the public record (collectively the "Confidential Requests"). The basis for the confidentiality of the requests themselves is that the Confidential Requests derive from, and in part quote from, two confidential attachments filed by PPL in the current proceeding. National Grid's responses to confidential data requests Division 9-2 and Division 9-3 quote from, and otherwise derive from, Attachment PPL-DIV 1-2-34 Confidential, thus revealing the confidential information in the request and its referenced attachment. National Grid's responses to confidential data requests Division 9-12 and Division 9-22 through Division 9-25 derive from Attachment PPL-DIV 6-2-5 Confidential, thus revealing the confidential information in the request and its referenced attachment. Attachment PPL-DIV 1-2-34 Confidential and Attachment PPL-DIV 6-2-5 Confidential are confidential documents produced by PPL in this proceeding under a motion for protective treatment of confidential information that were provided to PPL's Board of Directors and that include confidential and competitively sensitive deal strategy information.

Therefore, to protect PPL's confidential information contained in the Advocacy Sections requests, National Grid requests that, pursuant to Rule 1.3(D), the Division afford protective treatment to the confidential, proprietary, and competitively sensitive information contained in its responses and attachments to Division 9-2, Division 9-3, Division 9-12, Division 9-22, Division 9-23, Division 9-24, and Division 9-25 (collectively, the "Confidential Responses").

#### II. LEGAL STANDARD

Rule 1.3(D)(1) of the Division's Rules of Practice and Procedure provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I. Gen. Laws § 38-2-1, et seq. Under the APRA, all documents and materials submitted in connection with the transaction of official business by an agency are deemed to be part of the "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I. Gen. Laws § 38-2-2(4). To the extent that information provided to the Division falls within one of the designated exceptions to the public records law, the Division has the authority under the terms of the APRA to deem such information as confidential and to protect that information from public disclosure.

In that regard, R.I. Gen. Laws § 38-2-2(4)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where the disclosure of information would be likely either (1) to impair the government's ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal v.

Convention Ctr. Auth., 774 A.2d 40, 47 (R.I. 2001). The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47.

In addition, "[u]pon motion by a party from whom discovery is sought and for good cause shown, the hearing officer may make an order when justice requires to protect the party

from unreasonable annoyance, embarrassment, oppression, burden or expense or from disclosure of confidential business and financial information." Rule 21(E).

#### III. BASIS FOR CONFIDENTIAL TREATMENT

The information contained in National Grid's Confidential Responses and accompanying attachments should be protected from public disclosure. The information in the Confidential Responses all derive from attachments for which PPL has a claim of confidentiality. Moreover, the Division Advocacy Section issued the Confidential Requests confidentially, recognizing the sensitivity around producing confidential, proprietary, and commercially sensitive deal information. Thus, granting protective treatment to National Grid's information produced in response to the Confidential Requests and related to Attachment PPL-DIV 1-2-34 Confidential and Attachment PPL-DIV 6-2-5 Confidential would further ensure the confidentiality of PPL's claimed confidential information. Further, confidential, proprietary, and commercially sensitive deal information is confidential and privileged information of the type that National Grid does not ordinarily make public, especially when it is another party's confidential information. If disclosed, the confidential information in the response and its attachments would place PPL (the owner of the confidential attachments) and National Grid at a competitive disadvantage and would reveal commercially sensitive deal strategy information not intended for public dissemination and not otherwise publicly disclosed.

Accordingly, National Grid is providing its responses and attachments to the Confidential Responses on a voluntary basis to assist the Division with its decision-making in this proceeding, but respectfully requests that the Division provide confidential treatment to the Confidential Responses.

#### III. CONCLUSION

For the foregoing reasons, National Grid respectfully requests that the Division grant its Motion for Protective Treatment of Confidential Information.

Respectfully submitted,

NATIONAL GRID USA and THE NARRAGANSETT ELECTRIC COMPANY,

By their attorneys,

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Dated: October 22, 2021

# 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 Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-2

Request:
Response:
This request to produce information referenced in including the broadly framed request to produc
requests the production of materials not relevant to this request or to the review by the Rhode Island Division
of Public Utilities and Carriers pursuant to R.I. Gen. Laws §§ 39-3-24 and 39-3-25 of PPL Rhode Island Holdings, LLC's acquisition of The Narragansett Electric Company ("Narragansett") from National Grid USA pursuant to the Share Purchase Agreement dated
March 17, 2021 (the "Transaction"), thereby imposing an undue burden on National Grid USA. Pursuant to the Hearing Officer's Order in response to the Motion to Intervene, Strike and Recusal, Order No. 24109, the review of the Transaction is limited to "confirm[ing] that the
'facilities for furnishing service to the public will not thereby be diminished' and that the Transaction is 'consistent with the public interest.'" Notwithstanding the above, please refer to National Grid USA and Narragansett's response to Data Request Division 6-4 Confidential for
information about

# 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 Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-3

Request:
Response:
This request to produce information
requests the production of materials not relevant to this request or to the review by the Rhode Island Division of Public Utilities and Carriers pursuant to R.I. Gen. Laws §§ 39-3
24 and 39-3-25 of PPL Rhode Island Holdings, LLC's acquisition of The Narragansett Electric
Company ("Narragansett") from National Grid USA pursuant to the Share Purchase Agreement
dated March 17, 2021 (the "Transaction"), thereby imposing an undue burden on National Grid
USA. Pursuant to the Hearing Officer's Order in response to the Motion to Intervene, Strike and
Recusal, Order No. 24109, the review of the Transaction is limited to "confirm[ing] that the
'facilities for furnishing service to the public will not thereby be diminished' and that the
Transaction is 'consistent with the public interest.'" Notwithstanding the above, please refer to
National Grid USA and Narragansett's response to Data Request Division 6-4 Confidential for
information

#### 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 Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company <u>Division 9-12</u>

Request:	
Response:	

#### 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 Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company <u>Division 9-22</u>

Request:	
Response:	

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 Ninth Set of Data Requests Issued on October 1, 2021



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 Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company <u>Division 9-23</u>

Response:

# 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 Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company <u>Division 9-24</u>

Request:	
Response:	

# 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 Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company <u>Division 9-25</u>

Request:		
Response:		

National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-39

#### Request:

Please document any and all compensation that Narragansett and/or its gas system customers received when ownership of the Providence LNG Tank was transferred to National Grid's NGLNG affiliate.

#### Response:

The Narragansett Electric Company (Narragansett") (including its predecessor companies) never owned the liquefied natural gas ("LNG") tank in Providence (the "Providence LNG Tank"), although Narragansett owns the land on which the Providence LNG Tank is located. The Providence LNG Tank was built by the Algonquin Gas Transmission Company ("Algonquin") in the early 1970s on land leased from the New England Gas Company (previously, Providence Gas Company), which was owned and operated by Southern Union Company and subsequently acquired by Narragansett in 2006.

In 2002, Algonquin sold the Providence LNG Tank to subsidiaries of the KeySpan Corporation ("KeySpan"). This history can be found in <u>Algonquin Gas Transmission, Co.</u>, 31 FERC ¶ 61,221 (1985); and <u>KeySpan LNG, L.P., et al.</u>, 122 FERC ¶ 61, 028 (2005).

In 2007, National Grid USA acquired KeySpan and the LNG company was subsequently renamed National Grid LNG LLC ("NGLNG").

No compensation was paid to Narragansett in connection with the transfer of ownership of the NGLNG facility from KeySpan to National Grid USA.

Docket No. D-21-09

National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-40

#### Request:

Please identify the pipeline(s) through which natural gas will be delivered to the NGLNG liquefaction facility in RI for liquefaction, and provide the projected volumes of natural gas that will to be delivered to that facility by month for each of the first five years of operation of that facility.

#### Response:

The natural gas will be transported to the National Grid LNG LLC ("NGLNG") liquefaction facility in Providence through the Algonquin Gas Transmission interstate pipeline ("Algonquin Pipeline"), which is owned by Enbridge Inc. The Algonquin Pipeline interconnects with The Naragansett Electric Company at Dey Street in East Providence, where the natural gas is transported and delivered to the NGLNG liquefaction facility.

Please see Attachment NG-DIV 9-40 for the liquefaction customers' contractual volumes of natural gas by month for each of the first five years of operation of the facility.

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Boston Gas Company

\* BGC is Boston Gas Company

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC, NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY Docket No. D-21-09 Attachment NG-DIV 9-40 Page 2 of 2

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PPL - DIV 9-40
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The Narragansett Electric Company

a. Customer Name:

\* TNEC is The Narragansett Electric Company

National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-41

#### Request:

For each pipeline that will be used to deliver natural gas to the NGLNG liquefaction facility in Rhode Island, please identify the entity that holds the pipeline entitlement.

#### Response:

The liquefaction customers will use their own capacity entitlements on the Algonquin Gas Transmission system to arrange for delivery of their natural gas to The Narragansett Electric Company ("Narragansett") Dey Street interconnection. For the transportation segment on Narragansett's distribution pipeline, National Grid LNG LLC ("NGLNG") and Narragansett will amend their existing Displacement Agreement to cover that transportation, so that NGLNG will have the transportation rights for the deliveries to the liquefaction facility.

National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-42

#### Request:

For each pipeline that will be used to deliver natural gas to the NGLNG liquefaction facility in Rhode Island, please identify and provide all supporting documents showing the manner in which the holder(s) of the pipeline capacity entitlements will be compensated for the use of capacity to deliver natural gas to the NGLNG liquefaction facility.

#### Response:

As explained in National Grid USA and The Narragansett Electric Company's ("Narragansett") response to Data Request Division 9-41, the liquefaction customers will be using their own interstate pipeline capacity to transport their natural gas for liquefaction, therefore, no compensation is required in this instance. For the transportation on Narragansett's distribution pipeline, the Displacement Agreement between Narragansett and National Grid LNG LLC will be amended to specify the rates to be paid to Narragansett for that intrastate transportation.

Docket No. D-21-09

National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-43

#### Request:

Please provide the contract under which Narragansett will be compensated for use of Narragansett's pipeline entitlements to supply natural gas to the NGLNG liquefaction facility. Please explain in detail and provide an illustrative example of the manner in which Narragansett's compensation will be determined.

#### Response:

National Grid LNG LLC ("NGLNG") and The Narragansett Electric Company ("Narragansett") are currently parties to a Displacement Agreement dated March 31, 1999, whereby Narragansett provides NGLNG transportation of re-vaporized liquefied natural gas, including boil off and flash gas, from NGLNG's facility to the Algonquin Gas Transmission ("Algonquin") system in order for NGLNG to facilitate service to its storage customers. NGLNG and Narragansett entered into a year-to-year extension effective March 31, 2019.

The Displacement Agreement and the extension is included hereto as Attachment NG-DIV 9-43 and sets forth the rate NGLNG shall pay Narragansett for such services. Upon the commencement of liquefaction services at the facility, NGLNG and Narragansett will enter into an amended and restated Displacement Agreement to also allow for Narragansett to transport natural gas vapor, including feed gas, from Algonquin to the NGLNG liquefaction facility.

NGLNG and Narragansett are presently negotiating the amended and restated Displacement Agreement.

### DISPLACEMENT AGREEMENT

This Displacement Agreement (the "Displacement Agreement" or "Agreement") is entered into this 31 st day of \_\_\_\_\_\_, 1999, between Algonquin LNG, Inc. ("ALNG"), a Delaware corporation, and The Providence Gas Company ("PGC"), a Rhode Island corporation (ALNG and PGC are sometimes referred to collectively as the "Parties").

WHEREAS, ALNG and PGC have entered into a precedent agreement and a firm service agreement ("Service Agreement") dated December 11, 1998, that set forth the scope of certain undertakings by the Parties in connection with the liquefied natural gas ("LNG") storage facilities operated by ALNG; and

WHEREAS, ALNG desires to obtain, and PGC desires to provide transportation of revaporized LNG (including boil off and flash gas) from the ALNG facility to the Algonquin Gas Transmission Company ("AGT") system, which will facilitate ALNG's service to ALNG's LNG storage customers other than PGC;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, ALNG and PGC agree as follows:

#### 1. <u>NATURE OF SERVICE</u>

Service hereunder shall consist of:

- 1.1 Receipt by PGC, on a firm basis, of quantities of revaporized LNG up to the MDTQ at the interconnection of PGC's facilities and ALNG's vaporization facilities ("LNG Vapor Receipt Point") and boil off and flash gas at the interconnection of PGC's facilities and ALNG's boil off handling facilities ("Boil Off Receipt Point"). The LNG Vapor Receipt Point and the Boil Off Receipt Point are sometimes collectively referred to herein as the ("Receipt Points").
- 1.2 Contemporaneous delivery by PGC, on a firm basis, at the interconnections of the facilities of PGC and AGT at East Providence and Dey Street (the "Delivery Points") of a quantity of natural gas thermally equivalent to the quantity of revaporized LNG (including boil off and flash gas) received by PGC at the Receipt Points.

#### 2. TERM

This Agreement shall become effective as of the date service commences under the Service Agreement (the "Effective Date"), and shall continue in effect through the day before the 20th anniversary of the Effective Date (the "Primary Term"). The Primary Term of this Agreement shall be divided into "Contract Years." The first Contract Year shall begin on the Effective Date and shall end on the day before the first anniversary of the Effective Date. All succeeding Contract Years shall begin on an anniversary of the Effective Date and shall end on the day before the next succeeding anniversary of the Effective Date. ALNG shall have the right to terminate this Agreement, by providing 9 months prior written notice to PGC, with such

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termination to be effective at the end of the tenth Contract Year. ALNG shall have the right to extend this Agreement past the end of the Primary Tenn for an additional term of 10 years by providing written notice to PGC 12 months before the end of the Primary Term.

#### 3. **QUANTITIES**

- 3.1 Quantities. PGC agrees to receive at the LNG Vapor Receipt Point and deliver at the Delivery Points, on a firm basis, up to 55,000 Dth per day of natural gas ("Vapor MDTQ"). PGC agrees to receive at the Boil OffReceipt Point and deliver at the Delivery Points, on a firm basis, up to 100 Dth per hour of natural gas ("Boil OffMHTQ"). PGC shall use its best efforts to receive boil off quantities in excess of the Boil OffMHTQ. Provided such quantities have been nominated in accordance with Section 12 of this Agreement, ALNG may tender quantities of gas in excess of the Vapor MDTQ on any day if transportation of such gas can be accomplished by PGC without detriment to any of PGC's other customers or PGC's system.
- <u>Delivery Rates.</u> PGC shall receive at the Receipt Points and deliver at the Delivery Points, gas at an hourly rate equal to 1/24 of the daily nominated quantity on a firm basis, or at such other rate as is mutually agreed, provided, however, that PGC shall not be required to receive a quantity of gas in excess of the physical requirements of PGC at the Delivery Points absent this Agreement.

#### 4. RATES

- 4.1 <u>Demand Charge.</u> ALNG shall pay PGC a monthly demand charge of \$69,153.
- 4.2 <u>Usage Rates.</u> ALNG shall pay PGC \$.25 per Dth for all quantities transported by PGC under this Agreement in excess of 1,659,664 Dth during any Contract Year.

#### 5. MEASUREMENT

- 5.1 <u>Measurement Unit.</u> The unit of measurement of gas delivered by ALNG to PGC shall be the Dth.
- 5.2 <u>Determination of Dth Delivered.</u> The number of Dth delivered at the Receipt\_Points during any day shall be determined in accordance with the measurement provisions of ALNG's FERC Gas Tariff in effect from time to time.

#### 5.3 Measuring Stations.

35.5

(a) At the Receipt Points, ALNG shall maintain and operate a measuring station properly equipped with metering devices, designed and installed in accordance with, but not limited to, the published recommendations of the American Gas Association and the American National Standards Institute as ALNG deems to be in accordance with accepted industry practice.

(b) PGC may install, operate and maintain, at its own expense, such check measuring equipment as it shall desire, provided that such equipment shall be so installed, maintained and operate so as not to interfere with the operation of ALNG's measuring equipment at or near the Receipt Points.

#### 6. <u>RECEIPT PRESSURE</u>

Gas shall be delivered by ALNG at the LNG Vapor Receipt Point at a pressure equal to 200 pounds per square in gauge ("psig") or at such other pressure mutually agreed upon. Gas shall be delivered by ALNG at the Boil off Receipt Points at a pressure equal to 100 psig or at such other pressure mutually agreed upon.

#### 7. FORCEMAJEURE

- 7.1 Relief from Liability. Neither party shall be taken to have breached its obligations under this Agreement by reason of any act, omission or circumstance occasioned by or in consequence of any acts of God, acts of public enemy, wars, blockades, insurrections, riots, or the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means.
- 7.2 <u>Liabilities Not Relieved.</u> Such causes or contingencies affecting performance by either party, however, shall not relieve such party of liability to the extent of its concurring negligence or willful misconduct or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch.

#### 8. **QUALITY**

8.1 <u>Heatin Value.</u> The gas tendered by ALNG at the Receipt Points shall have a minimum total heating value of 967 Btu per cubic foot. PGC shall in good faith make every effort to receive and displace quantities of gas that have a total heating value in excess of 1150 Btu per cubic foot; provided, however, if despite such good faith efforts PGC determines that receipt of such quantities is incompatible with the safe operation of PGC's system, in PGC's sole discretion reasonably exercised, then at PGC's request ALNG shall adjust its vaporization rate to a rate that is then compatible with PGC's system operations. Any necessary reduction in vaporization on any day will be allocated as provided in ALNG's FERC Gas Tariff.

In the event that the vaporized LNG has a continuing total heating value in excess of 1150 Btu per cubic foot and, despite PGC's good faith efforts referenced above, PGC determines, in its sole discretion reasonably exercised, that its customers will experience safety related or operational problems with their natural gas equipment as a result of the Btu content of the vaporized LNG delivered by ALNG, upon written notice from PGC ALNG will as soon as reasonably practicable cause the total heating value to be reduced to a level identified in PGC's notice of ALNG as being consistent with the safe operation of PGC's system by taking such action as permitted under its FERC Gas Tariff to require ALNG's customers to take steps to

Page 4 of 8

reduce the total heating value to the level specified in PGC's notice or in the event that these steps would not resolve such problems then ALNG will install and operate the necessary facilities or equipment to alleviate such problems, including the installation of temporary facilities, if required, to insure unintenupted service to PGC's firm customers, subject to the receipt of any necessary regulatory authorizations.

- 8.2 <u>Objectionable Properties.</u> The gas tendered hereunder:
  - (a) Shall be commercially free from dust, gum, gum-forming constituents, and free liquids under continuous gas flow conditions at the pressure and temperature conditions in PGC's system at the Receipt Points;
  - (b) Shall not contain an amount of water vapor exceeding seven pounds per 1,000,000 cubic feet of gas volume as measured by methods in accordance with accepted industry practice, or by other methods mutually agreed upon by PGC and ALNG;
  - (c) Shall contain less than one grain of hydrogen sulphide per 100 cubic feet of gas volume as measured by methods in accordance with accepted industry practice, such as, but not limited to, lead acetate testing, analysis by titrator, analysis by chromatograph, or by other methods mutually agreed upon by PGC and ALNG;
  - (d) Shall be of a flowing temperature which is adequate to prevent interference with the proper operation of lines, regulators, meters and other equipment of PGC. PGC may impose restrictions on the temperature of the flowing gas that it receives when, in PGC's reasonable judgment, these restrictions are necessary to insure the proper operation of PGC's facilities.
- 8.3 <u>Verification of Gas Quality.</u> ALNG shall, upon request, provide PGC an analysis of the chemical composition of the LNG in the storage facility.
- 8.4 <u>Failure To Conform to Specifications.</u> If the gas tendered by ALNG for receipt by PGC shall fail at any time to conform to any of the specifications set forth in this Section 8, then PGC shall notify ALNG and may, at its option, refuse to accept nonconforming gas pending conection by ALNG.

#### 9. <u>BILLING.</u>

- 9.1 <u>Monthly Bill.</u> PGC shall bill ALNG on or before the seventh day of each month for charges relating to services rendered during the preceding month.
- 9.2 <u>Access to Billing Data.</u> Both ALNG and PGC shall have the right to examine at reasonable times the books, records, and charts of the other to the extent necessary to verify the accuracy of any statement, charge, or computation made under or pursuant to any of the provisions hereof.

#### 10. <u>PAYMENT</u>

- 10.1 <u>Payment.</u> On or before the twelfth day following the delivery by PGC of an invoice to ALNG, but in no event earlier than the nineteenth day of each month, ALNG shall pay PGC, by wire transfer of federal funds to an address designated by PGC, the amounts billed by PGC in said month pursuant to Section 9 of this Agreement; provided, however, that when the date on which such payment would otherwise be due falls on a day that is not a Business Day, such payment is due on the first Business Day following the nineteenth day of the month. Any payment shall be considered to have been made as of the time that such payment is wire-transferred by ALNG.
- 10.2 <u>Late Payment.</u> Should ALNG fail to make timely payment of any bill in whole or in part, the portion of any such unpaid amount that is not the subject of a dispute under Section 10.3 below shall be subject to interest from the due date of payment until the actual date of payment at an annual interest rate equal to the rate set forth in Section 154.501 of the regulations of the FERC, or any successor regulation.
- 10.3 <u>Disputed Bills.</u> If ALNG in good faith shall dispute the amount of any bill or parts thereof and shall pay PGC such amounts as it concedes to be correct, ALNG may withhold payment of the disputed amount; provided, however, that any portion of such withheld amount ultimately found due after a final determination which may be reached either by agreement or judgment of the courts shall be subject to interest as provided in Section 10.2
- 10.4 <u>Billing Errors.</u> In the event an error is discovered in the amount hereunder, such error shall be adjusted within thirty days of the determination thereof.

#### 11. POSSESSION OF GAS

- 11.1 <u>Control.</u> As between PGC and ALNG, PGC shall be deemed to be in control and possession of the gas hereunder upon receipt of such gas at the Receipt Points and until the delivery of such gas at the Delivery Points. ALNG shall be deemed to be in control and possession of such gas prior to receipt of the gas by PGC at the Receipt Points.
- 11.2 <u>Responsibility.</u> Neither Party shall have responsibility with respect to the gas or on account of anything done, occurring or arising with respect to gas while it is in the possession of the other Party.

#### 12. <u>NOMINATIONS</u>

12.1 <u>General.</u> If ALNG desires the delivery of gas on any day, ALNG shall give notice to PGC, nominating the specific quantity of gas ALNG requests for such day. Subject to Section 3 of this Agreement, ALNG may request specific hourly delivery quantities other than 1/24 of the nominated daily quantity, which PGC shall use reasonable efforts to deliver. To the extent

ALNG desires to change its nomination for any day(s), ALNG shall submit a new nomination for such day(s) or for the remainder of such day and such changed nomination shall become effective subject to four (4) hours notice.

12.2 <u>Nominations Deadline.</u> The nomination of deliveries for any day, and any change in ALNG's nomination for a day, including intra-day changes, shall be submitted to PGC no later than one hour subsequent to the corresponding deadline set forth in Section 22 of AGT's General Terms and Conditions.

#### 13. MISCELLANEOUS

13.1 <u>Notices.</u> Except as herein otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement, or any other written communication which a party may desire to give to the other parties, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the address of the parties hereto as follows:

ToALNG: Vice President Marketing

Algonquin LNG Inc. 1284 Soldiers Field Road Boston, MA 02135

To PGC: The Providence Gas Company

100 Weybosset Street Providence, RI 02903

- 13.2 <u>Successors in Interest:</u> Any company which shall succeed by purchase, merger, consolidation or otherwise to the properties substantially as an entirety, of PGC or ALNG, used or intended to be used for rendering gas service authorized by the Commission, shall be entitled to the rights and shall be subject to the obligations of its predecessors in title under this Agreement. Either Party may, without relieving itself of its obligations under this Agreement assign any of its rights and obligations hereunder to another entity, but no assignment of this Agreement, or of any of the rights or obligations thereunder shall be made unless there first shall have been obtained the consent thereto of the non-assigning Party which consent shall not be unreasonably withheld.
- 13.3 <u>Waiver</u>. No waiver by any party of any default in performance nor any noncompliance with this Agreement will operate or be construed as a waiver of any future default of noncompliance, whether of a like or different character.
- 13.4 <u>Modification</u>. No modification, amendment or change in this Agreement may be made except in writing signed by both parties to this Agreement or except as provided in Article 9 herein.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC, NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY Docket No. D-21-09
Attachment NG-DIV 9-43
Page 7 of 8

IN WITNESS WHEREOF, the parties hereto have caused this Displacement Agreement to be executed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN LNG, INC.

By: \_\_\_\_\_

Title: Vice President

DIM

THE PROVIDENCE GAS COMPANY

Bv:

Title: Executive Vice President

(ASP)

### nationalgrid

John Vaughn

March 29, 2019

Joseph Murphy National Grid LNG 280 Melrose Street Providence RI 02907

Re: Displacement Agreement dated March 31. 1999

Dear Mr. Murphy:

The Narragansett Electric Company d/b/a National Grid (Narragansett) and National Grid LNG (NGLNG) hereby acknowledge that they have been negotiating in order to amend the Displacement Agreement between Algonquin LNG, Inc. and The Providence Gas Company dated March 31, 1999 (Displacement Agreement) to, among other things, accommodate liquefaction. In order to continue those negotiations, Narragansett and NGLNG hereby agree to extend the Term of the Displacement Agreement past the end of the Primary Term on a year to year basis, with either party having the right to terminate the Displacement Agreement by providing thirty (30) days prior written notice, with such termination to be effective at the end of the thirty (30) day period.

Capitalized terms not defined in this Letter Agreement shall have the meaning set forth in the Displacement Agreement.

Kindly indicate your agreement by having this Letter Agreement executed on behalf of National Grid LNG.

John Vaughn

Authorized Signatory

Consented and Agreed:

NATIONAL GRID LNG

Name: JAM-es

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

Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-45

#### Request:

Please provide the Total Projected Design Day throughput and sendout for National Grid RI Gas for 2020/2021, showing separately sendout volumes for:

- a. Pipeline;
- b. Underground Storage; and
- c. LNG.

#### Response:

The table below provides the total projected design day throughput and sendout volumes (in dekatherms) for National Grid USA's gas operations in Rhode Island.

Projected Design Day Throughput:	421,699
Projected Design Day Sendout:	421,699
Pipeline:	239,396
Underground Storage:	45,662
LNG/Peaking:	136,641
·	

Docket No. D-21-09

National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-62

#### Request:

Referencing RIPUC Docket No. 5073 regarding Purchase of Receivables (POR) and Record Request No. 4 in that proceeding, in which National Grid noted its expectation that its costs for billing system upgrades needed to implement the POR to be recovered over a three-year period, please explain in detail how the costs for billing upgrades prior to the PPL acquisition will be tracked and recovered to ensure that electric suppliers are not billed twice for these costs.

#### Response:

The Narragansett Electric Company ("Narragansett") is currently incurring, and will continue to incur, POR implementation costs leading up to PPL Rhode Island Holdings, LLC's ("PPL Rhode Island") acquisition of Narragansett (the "Transaction") as it strives to implement a POR program in Rhode Island by January 23, 2022. Narragansett is tracking these POR implementation costs by creating an investment plan project for the implementation of the program. The work order(s) created to track costs will not be classified as recoverable from customers and will be manually removed from all reports utilized to track customer recoverable costs. A similar method was successfully utilized when Narragansett's Massachusetts affiliate implemented a POR program.

Subject to the approval of tariff language that is currently pending before the PUC, Narragansett's POR implementation costs will fall under the umbrella of POR administrative costs. All POR implementation related administrative costs will be amortized over three years and recovered annually from participating electric suppliers through a discount rate. The discount rate will be applied to the amounts electric suppliers will receive when they sell their accounts receivable to Narragansett. The electric suppliers will receive slightly less than the face value of their accounts receivable partly due to the recovery of each month's portion of the administrative costs incurred by Narragansett. The difference between the amount paid for the electric suppliers' accounts receivable and the face value of the accounts receivable attributable to the recovery of administrative costs will reduce the amount of administrative costs remaining to be paid by the electric suppliers. For additional details on how administrative costs will be

<sup>&</sup>lt;sup>1</sup> At an Open Meeting on July 23, 2021, the Rhode Island Public Utilities Commission ("PUC") approved a Term Sheet (with several modifications) that included a provision that Narragansett would implement a POR program in Rhode Island within 180 days of PUC approval of the Term Sheet (January 23, 2022).

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National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

recovered, please see the proposed tariff language that is currently pending before the PUC in Docket No. 5073.<sup>2</sup>

Once the Transaction is complete, the remaining balance of the POR implementation costs to be recovered from electric suppliers will transfer to PPL Rhode Island, and all subsequent recoveries of this amount of POR administrative costs from electric suppliers through the discount rate will be realized by PPL Rhode Island. Narragansett's interest in recovering its POR implementation costs would be satisfied, as such interest is factored into the purchase price of Narragansett. Therefore, the costs incurred by Narragansett would not be recovered twice from electric suppliers.

As mentioned in Narragansett's response to Record Request 4 in PUC Docket No. 5073, it is likely that PPL Rhode Island will incur its own POR implementation costs (potentially duplicative of the POR implementation costs incurred by Narragansett ) as it upgrades its own billing system to accommodate the POR program. Based on commentary from an Open Meeting on July 23, 2021, the PUC is aware of this potential for duplicative POR implementation costs and stated that they would consider the issue at a later date when/if PPL Rhode Island incurs such costs and elects to seek recovery from electric suppliers.

 $<sup>^2</sup>$  See http://www.ripuc.ri.gov/eventsactions/docket/5073-NGrid-Tariffs% 20&% 20A greements-Compliance% 20(PUC% 208-26-21).pdf at PDF pages 22, 89, 168-169, and 234-235.

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National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-66

#### Request:

PPL's response to Division Data Request 7-20(a) states: "[d]uring the transition period, PPL will work with National Grid and Narragansett to full understand best practices they utilize in forecasting and planning for Narragansett system needs." With respect to that statement, please:

- a. Identify each element of the forecasting methods currently used by National Grid and/or Narragansett that has been identified represented to PPL as a "best practice"; and
- b. For each forecasting element identified as a "best practice" in response to subpart (a) of this request, provide the documents, studies, and analyses relied upon by National Grid or Narragansett to characterize the forecasting method as a "best practice."

#### Response:

- a. National Grid's forecasting methods are described in detail in The Narragansett Electric Company's ("Narragansett") Gas Long Range Resource Plan for the Forecast Period 2020/21 to 2024/25 ("Gas Long Range Plan") filed with the Rhode Island Public Utilities Commission ("PUC") in Docket No. 5043.
- b. Please see National Grid USA and Narragansett's response to Data Request Division 5-5, at Attachment NG-DIV 5-5 Confidential, for a full copy of Narragansett's Gas Long Range Plan filed with the PUC in Docket No. 5043. The forecast methodology is described in Section III of the Gas Long Range Plan.

Docket No. D-21-09

National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-68

#### Request:

PPL's response to DIV 7-31 states: "PPL intends to continue to utilize **best practices** already established by National Grid USA." With respect to that statement, please:

- a. identify each National Grid "best practice" with respect to gas system planning, operations, and maintenance known to PPL; and
- b. For each "best practice" identified in response to subpart a. of this request, provide the documents, studies, and analyses relied upon by National Grid or Narragansett to characterize the practice as a "best practice."

#### Response:

- a. Please see PPL Corporation and PPL Rhode Island Holdings, LLC's (collectively, "PPL") response to Data Request Division 9-68, subpart (a), for the requested information.
- b. The parties have not participated in or undertaken a "best practice" benchmarking exercise with each other for The Narragansett Electric Company's ("Narragansett") gas system planning, operations, and maintenance. Moreover, National Grid USA and Narragansett have not characterized to PPL any particular practices as "best practices." Narragansett's best practices for its gas system planning, operations, and maintenance are summarized best in its annual gas Infrastructure, Safety, and Reliability Plan ("Gas ISR Plan") to address work on gas infrastructure and other areas related to maintaining the safety and reliability of Narragansett's gas distribution system. Through the Gas ISR Plan, Narragansett maintains and upgrades its gas delivery system by proactively replacing leak-prone pipe; upgrading the gas delivery system's custody transfer stations, pressure regulating facilities, and peak shaving plants; responding to emergency leak situations; and addressing infrastructure conflicts that arise out of state, municipal, and third-party construction projects. Narragansett achieves its safety and reliability goals through a cost-effective, coordinated work plan. The level of work that the Gas ISR Plan provides, sustains, and enhances the safety and reliability of the Rhode Island gas pipeline infrastructure; promotes efficiency in the management and operation of the gas distribution system; and directly benefits Rhode Island gas customers. Please refer to Rhode Island Public Utilities Commission Docket No. 5099 for Narragansett's fiscal year 2022 Gas ISR plan.

National Grid USA and The Narragansett Electric Company's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-77

#### Request:

Provide the number of mobile transformers National Grid has in each of its New York, Massachusetts, and Rhode Island territories.

#### Response:

National Grid USA has 26 mobile substations owned by its New York affiliate and strategically stored across its territory. National Grid USA has 17 mobile substations owned by its affiliates that are stored in Massachusetts. Lastly, National Grid USA has two mobile substations owned by its Rhode Island affiliate and stored in Massachusetts.

# 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 Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-78

#### Request:

How many spare transformers does National Grid have in each of its New York, Massachusetts, and Rhode Island territories.

#### Response:

National Grid USA has 95 spare transformers owned by its New York affiliate and strategically located throughout its territory. National Grid USA has 54 spare transformers owned by its affiliates and that are stored in Massachusetts, which includes 32 transformers designated as transmission and 22 transformers designated as distribution. Lastly, National Grid USA has 11 spare transformers owned by The Narragansett Electric Company, which consists of 10 transformers stored in Rhode Island and 1 transformer stored in Massachusetts. The spare transformers in Rhode Island are comprised of seven distribution units and four transmission units.

### 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 Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-82

#### Request:

How many staff members/employees are responsible for the SCADA system and control center operations and are these National Grid service company employees? Please:

- a. State whether these employees are shared between multiple states and if so which states;
- b. Provide the annual cost for the full operation of the SCADA system and control center;
- c. Identify what percentage of the total operating cost for the SCADA system and control center is allocated to Narragansett;
- d. Provide the annual operating cost for the control center allocated to Narragansett;
- e. Provide the book value of the portion of the control center in Northborough, Massachusetts that is assigned to Narragansett:
- f. Provide the book value of the control center in Lincoln, RI assigned to Narragansett; and
- g. Provide the total book value of the Lincoln, RI control center.

#### Response:

National Grid USA has 123 control center employees and 17 employees responsible for the Supervisory Control and Data Acquisition ("SCADA") system, all of whom are National Grid USA Service Company, Inc. employees.

- a. The above-referenced employees are shared between Rhode Island and Massachusetts.
- b. The annual cost for labor, hardware, software, and communications required to support the SCADA system is \$5.6 million. Annual costs for the Control Center are \$14.4 million.
- c. Twenty-one percent of the SCADA system support costs and twenty-seven percent of the control center costs are allocated to The Narragansett Electric Company ("Narragansett").

## 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's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

- d. The annual SCADA and control center operating costs allocated to Narragansett is approximately \$5 million.
- e. The original book cost of the portion of the electric transmission and distribution control centers in Northborough, Massachusetts assigned to Narragansett is \$544,000.
- f. The original book cost of the Lincoln, Rhode Island facility is \$10.5 million. National Grid USA is unable to break out a cost specific to the electric transmission and distribution control centers.
- g. See the response to subpart (f), above.

#### 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's Responses to Division's Ninth Set of Data Requests Issued on October 1, 2021

#### National Grid USA and The Narragansett Electric Company Division 9-83

#### Request:

National Grid's response to DIV 7-30 states that areas not transferred to PPL on Day 1 will be gradually transitioned as specified in the TSA, and that National Grid USA is identifying the appropriate training that will be required during the transition through the Day 1 planning process.

- a. What is National Grid's cost estimate to provide services to PPL under the TSA?
- b. What, if any, of these costs would National Grid incur if PPL were not proposing to acquire Narragansett Electric?
- c. Does National Grid consider the Service Company training of PPL personnel an incremental cost? Why or why not?

#### Response:

- a. Please see Attachment NG-DIV 9-83 for National Grid USA's cost estimate to provide services to PPL Corporation ("PPL") under the Transition Services Agreement ("TSA").
- b. The costs identified in Attachment NG-DIV 9-83 are the cost of providing those identified services to The Narragansett Electric Company ("Narragansett") currently (excluding the five percent mark-up on the Fully Loaded Costs (as such term is defined in the Share Purchase Agreement)). Such costs would be the same if PPL does not acquire Narragansett.
- c. National Grid USA expects many of the employees currently working on Narragansett's business (both directly employed by Narragansett and indirectly through National Grid USA Service Company, Inc. ("Service Company")) will continue to work on Narragansett business following the close of PPL Rhode Island Holdings, LLC's acquisition of Narragansett from National Grid USA (the "Transaction") because they will be transferring to PPL on Day 1. These employees currently perform work on behalf of Narragansett and/or have detailed knowledge of the systems and processes in the functional areas that will be transferred to PPL on Day 1. The areas that are not transferred to PPL on Day 1 will gradually transition to PPL as specified in the TSA. National Grid USA does not consider the Service Company training of PPL personnel as an incremental cost for the training services included in Attachment NG-DIV 9-83. In a small number of areas where PPL will take on the responsibility, but where the resources are not conveying, the parties are building in knowledge transfer transition services into

## 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 Ninth Set of Data Requests Issued on October 1, 2021

the TSA schedules. The knowledge transfer transition services will enable PPL to access subject matter experts that will help to build PPL's knowledge following the close of the Transaction. The costs for such services are not expected to be incremental because the training activity will be provided by the National Grid USA employees who will be providing the underlying transition service. Please see the following TSA schedules provided in National Grid USA and Narragansett's response to Data Request Division 7-36 for examples of knowledge transfer transition services:

- Attachment NG-DIV 7-36-2-3 103B-EP: Energy Transactions (Financial), page 12;
- Attachment NG-DIV 7-36-2-4 -087-GO: Consultancy Services for Dispatch Supervision, page 3; and
- Attachment NG-DIV 7-36-2-5 038-CS: Customer Sales and Solutions, page 3.

The work associated with the scope of transition services is ongoing and currently undergoing further review, refinement, and finalization; therefore, these TSA schedules are subject to change.

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

#### **Indicative TSA pricing summary**

Annualised TSA prices including administration fee and inflation adjustment

Function					alised TSA p				
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Direct functions									
Electricity Operations	25.2	25.7	26.2	49.5	50.4	51.5	74.6	76.1	77.6
Gas Operations	1.1	1.1	1.1	0.1	0.1	0.1	1.2	1.2	1.2
Indirect functions									
Billing & Collections	11.7	11.9	12.1	0.0	0.0	0.0	11.7	11.9	12.2
Procure to Pay	1.2	1.2	1.2	0.1	0.1	0.1	1.3	1.3	1.3
Employee Services	1.4	1.4	1.5	0.4	0.4	0.4	1.7	1.8	1.8
Finance	10.6	10.8	11.1	0.5	0.5	0.5	11.1	11.4	11.6
Inventory/ Warehouse and Fleet management	0.5	0.5	0.5	2.6	2.6	2.7	3.1	3.1	3.2
Customer Service	8.4	8.6	8.8	0.7	0.8	0.8	9.2	9.4	9.5
Facilities & Property Services	11.4	11.6	11.8	4.8	4.9	5.0	16.1	16.5	16.8
HSE (incl. Environment, Compliance, Training & Security)	3.0	3.0	3.1	0.5	0.5	0.5	3.4	3.5	3.6
Energy Procurement	1.9	1.9	2.0	0.3	0.3	0.3	2.1	2.2	2.2
Regulatory support	3.4	3.5	3.6	-	-	-	3.4	3.5	3.6
Procurement	1.9	1.9	1.9	0.2	0.2	0.2	2.0	2.1	2.1
IT <sup>3</sup>	71.0	72.5	73.9	0.0	0.0	0.0	71.1	72.5	74.0
HR	2.0	2.1	2.1	0.1	0.1	0.1	2.1	2.1	2.2
Total TSA price	154.7	157.7	160.9	59.8	60.9	62.2	214.1	218.6	222.9



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#### **Procure to Pay**

#### Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration				Annual	ised TSA	price (US	S\$m) <sup>1,2</sup>		
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Supply Chain Master Data Management	24 months	0.9	0.9	0.9	-	-	-	0.9	0.9	0.9
Accounts payable	24 months	-	-	-	-	-	-	-	-	-
Transactional Procurement	24 months	-	-	-	-	-	-	-		-
Manage Procure to Pay (P2P)	24 months	-	-	-	-	-	-	-		-
Procure to Pay (P2P) system	24 months	-	-	-	-	-	-	-		-
Storm Filing process support	24 months	0.3	0.3	0.3	0.1	0.1	0.1	0.4	0.4	0.4
Capital Delivery and Shop on behalf of / Receive on behalf of (SOBO/ ROBO)	24 months	-	-	-	-	-	-	-	-	-
Card and expenses administration	24 months									
Total TSA price		1.2	1.2	1.2	0.1	0.1	0.1	1.3	1.3	1.3



#### **Employee Services**

#### Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration				Annual	ised TSA	price (US	\$\$m) <sup>1,2</sup>		
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Employee Services Support Center	24 months	0.6	0.6	0.6	-	-	-	0.6	0.6	0.6
Human Resources Administration	24 months	-	-	-	-	-	-	-	-	-
HRIS - Organisation and Position management	24 months	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1
HRIS - Reporting	24 months	-	-	-	-	-	-	-	-	-
HRIS - Technology Support Services	24 months	-	-	-	-	-	-	-	-	-
Employee Records & Information requests	24 months	-	-	-	-	-	-	-	-	-
Benefits administration	24 months	0.4	0.4	0.4	-	-	-	0.4	0.4	0.4
401k administration	24 months	0.1	0.1	0.1	-	-	- 1	0.1	0.1	0.1
Pension administration	24 months	-	-	-	-	-	-			-
Retirement administration	24 months	-	-	-	-	-	- 1	-	-	-
Time Governance	24 months	0.3	0.3	0.3	0.4	0.4	0.4	0.6	0.6	0.7
Payroll processing	24 months	-	-	-	-	-	- 1	-	-	-
Year End Tax Form (W-2) processing	24 months	-	-	-	-	-	-		-	-
Total TSA price		1.4	1.4	1.5	0.4	0.4	0.4	1.7	1.8	1.8



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#### **Facilities & Property Services**

#### Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration				Annual	ised TSA	price (U	S\$m) <sup>1,2</sup>		
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Repair & Maintenance, internally managed & third party facility management providers	12 months	3.8	3.9	4.0	0.0	0.0	0.0	3.9	3.9	4.0
Massachusetts and New York offices	12 months	4.7	4.8	4.9	-	-	-	4.7	4.8	4.9
Massachusetts operations facilities	24 months	1.6	1.6	1.7	-	-	-	1.6	1.6	1.7
Massachusetts warehouse facilities	12 months	0.8	0.9	0.9	-	-	-	0.8	0.9	0.9
Northborough contact center	24 months	-	-	-	-	-	-	-	-	-
Training facilities	24 months	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1
Right of Way and survey engineering	18 months	0.1	0.1	0.1	0.5	0.5	0.5	0.6	0.6	0.6
Capital Project support	18 months	0.2	0.2	0.2	4.3	4.4	4.4	4.4	4.5	4.6
Mailroom services	24 months									
Total TSA price		11.4	11.6	11.8	4.8	4.9	5.0	16.1	16.5	16.8



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#### **HSE (incl. Environment, Compliance, Training & Security)**

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration	Annualised TSA price (US\$m)1.2.3								
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Field Safety support	24 months	0.4	0.4	0.4	0.1	0.1	0.1	0.5	0.5	0.5
Site security services	24 months	1.0	1.0	1.0	0.3	0.3	0.3	1.2	1.3	1.3
Health services	24 months	1.6	1.6	1.7	0.1	0.1	0.1	1.7	1.7	1.8
Total TSA price		3.0	3.0	3.1	0.5	0.5	0.5	3.4	3.5	3.6



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#### **Regulatory Support**

#### Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration				Annual	ised TSA	price (US	S\$m) <sup>1,2</sup>		
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Regulatory support - General	6 months	2.8	2.9	3.0	-	-	-	2.8	2.9	3.0
Regulatory support - Reporting and filings - Electric & Gas distribution	6 months	-	-	-	-	-	-	-	-	-
Regulatory support - Reporting & filing - Transmission	6 months	0.6	0.6	0.6	-	-	-	0.6	0.6	0.6
Regulatory Support – New England Power Company Services on Behalf of NECO – Transmission	6 months	-	-	-	-	-	-	-	-	-
Regulatory Support – Stakeholder Group Participation – Transmission	6 months	-	-	-	-	-	-	-	-	-
Total TSA price		3.4	3.5	3.6	-		-	3.4	3.5	3.6



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#### **Procurement**

#### Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration	Annualised TSA price (US\$m) <sup>1,2</sup>									
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Strategic Procurement	6 months	1.9	1.9	1.9	0.17	0.17	0.2	2.0	2.1	2.1	
Total TSA price		1.9	1.9	1.9	0.2	0.2	0.2	2.0	2.1	2.1	



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#### **Inventory, Warehouse & Fleet Management**

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration				Annuali	sed TSA	price (US	\$m) <sup>1,2,3</sup>		
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Inventory management	12 months	0.5	0.5	0.5	2.6	2.6	2.7	3.1	3.1	3.2
Warehouse management	12 months	-	-	-	-	-	-	-	-	-
Total TSA price		0.5	0.5	0.5	2.6	2.6	2.7	3.1	3.1	3.2



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#### **Electricity Operations (1 of 2)**

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration				Annuali	sed TSA	orice (US	5m) <sup>1,2,3</sup>		
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Asset management and planning transmission	12 months	5.2	5.3	5.4	22.9	23.4	23.8	28.1	20.7	29.2
Distribution asset management and planning	6 months	5.2	5.3	5.4	22.9	23.4	23.6	20.1	28.7	29.2
Maintenance Strategy Engineering and Technical Services	12 months	1.1	1.1	1.2	1.4	1.4	1.4	2.5	2.6	2.6
Electric Engineering and Design	12 months	0.5	0.5	0.5	2.6	2.6	2.7	3.1	3.1	3.2
Codes & Standards	12 months	-	-	-	-	-	-	-	-	-
Electric Lab & Field Testing	24 months	0.6	0.6	0.6	0.4	0.4	0.4	1.0	1.0	1.0
Electric Meter Shop	24 months	-	-	-	-	-	-	-	-	-
Investment Management, Workplan Development	12 months	0.2	0.2	0.2	0.6	0.6	0.6	0.8	0.8	0.8
Resource Planning (across T&D)	24 months	0.1	0.1	0.1	1.0	1.0	1.1	1.1	1.1	1.2
Planned Major Maintenance & Capital Construction	24 months	2.1	2.1	2.2	16.2	16.5	17.8	18.3	18.6	19.0
Electric transmission Network Control	24 months	6.0	6.1	6.2	0.5	0.5	0.5	6.5	6.6	6.7



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#### **Electricity Operations (2 of 2)**

#### Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration				Annual	ised TSA	price (US	S\$m) <sup>1,2</sup>		
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Vegetation management	24 months									
Mapping and records	24 months	0.1	0.1	0.1	0.7	0.7	0.7	0.8	0.9	0.9
Meter Data Services	24 months	0.7	0.7	0.7	-	-	-	0.7	0.7	0.7
NERC/NPCC - Reliability Compliance	6 months	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.2
Emergency planning and Operations	6 months	8.3	8.5	8.6	1.2	1.3	1.3	9.5	9.7	9.9
Aviation and Inspection	12 months	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3
Shared Telecom Network (STN)	24 months	0.0	0.0	0.0	1.8	1.8	1.8	1.8	1.8	1.9
New - Distribution Pole Attachments Program	6 months									
Radio and Microwave Systems	24 months									
Electric Distribution Control Centre	24 months									
Electric Distribution Control Centre back up	24 months									
Total TSA price		25.2	25.7	26.2	49.5	50.4	51.5	74.6	76.1	77.6



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#### **Gas Operations**

#### Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration	Annualised TSA price (US\$m) <sup>1,2,3</sup>								
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Gas control center operations	24 months	1.1	1.1	1.1	0.1	0.1	0.1	1.2	1.2	1.2
Total TSA price		1.1	1.1	1.1	0.1	0.1	0.1	1.2	1.2	1.2



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#### **Energy Procurement**

#### Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration				Annualis	sed TSA	orice (US	\$m) <sup>1,2, 3</sup>		
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Gas load forecasting	24 months	0.4	0.4	0.4	0.0	0.0	0.0	0.4	0.4	0.0
Electric load forecasting	24 months	0.1	0.1	0.1	0.3	0.3	0.3	0.4	0.4	0.3
Gas procurement services - General	24 months	0.5	0.5	0.5	-	-	-	0.5	0.5	0.5
Energy transactions (physical transactions)	24 months	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3
Energy transactions (financial)	24 months	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1
Retail choice programs	24 months	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2
Clean energy supply	24 months	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3
Electric procurement	24 months	0.4	0.4	0.4	-	-	-	0.4	0.4	0.4
Total TSA price		1.9	1.9	2.0	0.3	0.3	0.3	2.1	2.2	2.2



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## **HR**Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration	Annualised TSA price (US\$m) <sup>1,2,3</sup>								
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Labour and Employee Relations	3 months	0.3	0.3	0.3	0.0	0.0	0.0	0.3	0.3	0.3
Training (Learning and Development)	24 months	1.0	1.0	1.0	0.1	0.1	0.1	1.1	1.1	1.1
Talent acquisition (recruitment)	12 months	0.5	0.5	0.6	0.0	0.0	0.0	0.5	0.5	0.6
Onboarding	24 months	0.0	0.0	0.0	-	-	-	0.0	0.0	0.0
Workforce planning and people analytics	6 months	0.0	0.0	0.0	-	-	-	0.0	0.0	0.0
Talent and Performance Management	12 months	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1
Total TSA price		2.0	2.1	2.1	0.1	0.1	0.1	2.1	2.1	2.2



## **Finance**Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration									
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Balance Sheet Account reconciliations	12 months	0.5	0.5	0.5	-	-	-	0.5	0.5	0.5
Accounting and financial reporting	12 months	6.5	6.6	6.7	0.5	0.5	0.5	7.0	7.1	7.2
Middle Office support for gas procurement activities	12 months	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3
Middle Office support for electric procurement activities	12 months	-	-	-	-	-	-	-	-	-
Back-Office support for energy procurement activities	12 months	-	-	-	-	-	-	-	-	-
Claims handling/ investigation	12 months	0.8	0.8	0.9	-	-	-	0.8	0.8	0.9
Tax consulting services	24 months	-	-	-	-	-	-	-	-	-
Property tax services	24 months	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2
Financial planning and analysis	12 months	2.4	2.4	2.4	-	-	-	2.4	2.4	2.4
Total TSA price		10.6	10.8	11.1	0.5	0.5	0.5	11.1	11.4	11.6



## IT (1 of 2) Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration		Annualised TSA price (US\$m) <sup>1,2</sup>										
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2			
Business application services	24 months	8.8	8.9	9.1	0.0	0.0	0.0	8.8	8.9	9.1			
Service desk and service management integration services	24 months	13.2	13.4	13.7	-	-	-	13.2	13.4	13.7			
Collaboration services (email)	24 months	1.5	1.5	1.6	-	-	-	1.5	1.5	1.6			
Data center services	24 months	2.4	2.5	2.5	-	-	-	2.4	2.5	2.5			
Client services	24 months	1.2	1.2	1.2	-	-	-	1.2	1.2	1.2			
Commercial services	24 months	0.7	0.7	0.8	-	-	-	0.7	0.7	0.0			
Infrastructure services	24 months	2.4	2.4	2.4	-	-	-	2.4	2.4	2.4			
Network support	24 months	2.7	2.8	2.8	-	-	-	2.7	2.8	2.8			
IT Energy Management System (EMS) - Supervisory control and data acquisition (SCADA) systems	24 months	2.4	2.4	2.5	0.0	0.0	0.0	2.4	2.5	2.5			



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#### Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration	Annualised TSA price (US\$m) <sup>1,2</sup>								
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Security services	24 months	3.4	3.5	3.5	0.0	0.0	0.0	3.4	3.5	3.5
Emergency response services	24 months	-	-	-	-	-	-	-	-	-
Exit migration services	24 months	-	-	-	-	-	-	-	-	
Service charge for use of National Grid ServCo shared assets	24 months	32.4	33.0	33.7	-	-	-	32.4	33.0	33.7
Total TSA price		71.0	72.5	73.9	0.0	0.0	0.0	71.1	72.5	74.0

Notes: (1) A 5% administration margin has been added to actual labor costs included within the TSA price, as per Schedule 2 of the Master Services Agreement. (2) A 2% inflation assumption has been applied to the FY21 recharges to calculate the Year One and Year Two TSA prices.



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#### **Billing and Collections**

#### Annualised TSA prices including administration fee and inflation adjustment

· · · · · · · · · · · · · · · · · · ·		_							-	
TSA Title	Duration				Annual	ised TSA	price (US	S\$m) <sup>1,2</sup>		
		Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Customer Billing Operations	24 months	4.5	4.6	4.7	-	-	-	4.5	4.6	4.7
SAP (Non-Utility) Billing Operations	24 months	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.3
Payment Processing	24 months	1.0	1.0	1.1	-	-	-	1.0	1.0	1.1
Credit & Collections	24 months	3.5	3.6	3.6	0.0	0.0	0.0	3.5	3.6	3.6
Revenue assurance	24 months	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2
Financial transactions	24 months	2.2	2.3	2.3	-	-	-	2.2	2.3	2.3
High volume residential billing	24 months	-	-	-	-	-	-		-	
Complex billing account management	24 months	-	-	- [	-	-	-			
Protections	24 months	-	-	-	-	-	-			-
Service Applications Manger (SAM)	24 months	-	-	- 1	-	-	-			
Account Data Maintenance (ADM)	24 months	-	-	-	-	-	-		-	-
Advanced Consumption, Long-Term Estimates, Leave On For Landlord	24 months	-	-	-	-	-	-	-	-	
Total TSA price		11.7	11.9	12.1	0.0	0.0	0.0	11.7	11.9	12.2



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#### **Customer Service**

#### Annualised TSA prices including administration fee and inflation adjustment

TSA ID	TSA Title	Duration	Annualised TSA price (US\$m) <sup>1,2,3</sup>								
			Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
039-CS	Call Center Operations	24 months	8.4	8.6	8.8	0.7	0.8	0.8	9.2	9.4	9.5
	Total TSA price		8.4	8.6	8.8	0.7	0.8	0.8	9.2	9.4	9.5

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC, NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY Docket No. D-21-09
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# nationalgrid

