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August 20, 2021

VIA ELECTRONIC MAIL AND HAND DELIVERY

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

Re: 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; Docket No. D-21-09

Dear Ms. Massaro:

Enclosed please find an original and four copies of PPL Corporation ("PPL") and PPL Rhode Island Holdings, LLC's ("PPL RI") Responses and Objections to the Division of Public Utilities and Carriers' Advocacy Section's Fourth Set of Data Requests, issued on July 30, 2021 (the "Fourth Set of Data Requests").

This filing includes PPL and PPL RI's partial responses to the Fourth Set of Data Requests, specifically 4-4 through 4-9. On August 19, 2021, the Division Advocacy Section granted an extension to August 27, 2021 as to the remaining requests, which will be provided on a rolling basis as they are complete.

Thank you for your attention to this matter. Please do not hesitate to contact me should you have any questions.

Very truly yours,

Adam M. Ramos

AMR:cw
Enclosures

cc: Service List D-21-09 (via e-mail only)

Docket No. D-21-09 PPL Corp., PPL RI Holdings, LLC, National Grid USA and The Narragansett Electric Co. (collectively, Applicants) – Petition to Transfer Ownership and Related Approvals

Service List Updated 8/18/2021

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This filing includes PPL and PPL RI's responses to the following requests from the Fourth Set of Data Requests: 4-1, 4-2 and 4-3. On August 19, 2021, the Division Advocacy Section granted an extension to August 27, 2021 as to these remaining requests. This completes PPL and PPL RI's responses to the Fourth Set of Data Requests.

Thank you for your attention to this matter. Please do not hesitate to contact me should you have any questions.

Very truly yours,

Adam M. Ramos

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Enclosures

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PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Fourth Set of Data Requests
Issued on July 30, 2021

Division 4-1

Request:

Referencing National Grid's response to DIV 2-30 indicating that the calendar year 2020 cost for services provided by the National Grid USA Service Company allocated to Rhode Island is approximately \$255.3 million:

- a. Please provide the breakdown of these charges in the same format as presented in schedules MAL-1 through MAL-39 of revenue requirements witness Melissa Little as submitted in RIPUC Docket No. 4770. To the extent a portion of the \$255.3 million in charges are assigned to other expense or capital costs not shown in these schedules, please identify these as well (by FERC account).
- b. Please provide the equivalent breakdown of Rate Year 1 (the 12 month period ending August 31, 2019) National Grid USA Service Company costs allocated to Narragansett as originally filed in RIPUC Docket No. 4770.

Response:

PPL and PPL RI refer to the response of National Grid USA and The Narragansett Electric Company to data request Division 4-1.

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

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Fourth Set of Data Requests
Issued on July 30, 2021

Division 4-2

Request:

Referencing the estimated TSA costs provided in Confidential Attachment NG-DIV-1-29-1 at pages 75-87, state whether these charges represent the best available current estimate of year 1 transition costs that would be billed by National Grid to Narragansett Electric Co. under the proposed transition services agreement. If not, please provide the latest current estimate of these costs. If an estimate of year 2 transition costs is available, please provide it as well.

Response:

PPL Corporation ("PPL") and National Grid USA are working through a process called "Day 1 Planning," whereby the parties collectively refine the way in which The Narragansett Electric Company ("Narragansett") will operate immediately after the close of the transaction.

As PPL and National Grid USA have progressed through their Day 1 Planning work, they have refined both their understanding of the Transition Services Agreements ("TSAs") required and the anticipated costs. Attachment PPL-DIV-4-2-1 includes the parties' most recent estimate of the expected costs of providing the TSAs as they are currently understood. It is important to note that the details provided in this response are as of a particular point in time and the TSAs are likely to change as the parties continue their Day 1 Planning. It is also important to note that the estimated costs included within this response are an indicative view of such costs based on the information the parties have at this time. When National Grid USA provides the TSAs post-closing, the actual cost of providing the services will be charged to PPL.

PPL and National Grid USA do not yet have an actual view of the durations of the TSAs because the parties have not yet started the stage of work known as "Exit Planning," where the two companies will work to establish the point in time when PPL will be able to operate Narragansett without the support of the TSAs. As explained in National Grid USA and The Narragansett Electric Company's response to Division 1-28, the durations of the services are not yet finalized, but the expected range is from 6 to 24 months. For purposes of estimating the anticipated year one transition costs under the TSAs, all costs presented in Attachment PPL-DIV-4-2-1 are shown on a 12-month basis. In a number of cases, National Grid USA will also support PPL through the provision of Knowledge Transfer TSAs. At this time, the parties do not know how much PPL will need this support, so they have not attempted to put an indicative cost to that service.

Rhode Island Transition

Indicative TSA pricing

June 2021

nationalgrid 



Indicative TSA pricing summary

Annualised TSA prices including administration fee and inflation adjustment

Function	Annualised TSA price (US\$m) ^{1,2}								
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2
Direct functions									
Electricity Operations	26.1	26.6	27.6	49.5	50.5	52.5	75.6	77.1	80.2
Gas Operations	12.4	12.7	13.2	21.1	21.5	22.3	33.5	34.2	35.5
Indirect functions									
Billing & Collections	11.7	11.9	12.4	0.0	0.0	0.0	11.7	11.9	12.4
Procure to Pay	1.2	1.2	1.3	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	11.3	0.5	0.5	0.5	11.1	11.4	11.8
Inventory/ Warehouse and Fleet management	1.7	1.7	1.8	4.1	4.2	4.4	5.8	5.9	6.2
Customer Service	41.3	42.2	43.9	3.0	3.1	3.2	44.3	45.2	47.0
Facilities & Property Services	11.4	11.6	12.1	4.8	4.9	5.1	16.1	16.5	17.1
HSE (incl. Environment, Compliance, Training & Security)	4.1	4.1	4.3	0.7	0.8	0.8	4.8	4.9	5.1
Regulatory support	3.4	3.5	3.6	-	-	-	3.4	3.5	3.6
Procurement	1.9	1.9	2.0	0.2	0.2	0.2	2.0	2.1	2.2
IT ³	71.0	72.5	75.4	0.0	0.0	0.0	71.1	72.5	75.4
HR	2.3	2.4	2.5	0.1	0.1	0.1	2.4	2.5	2.6
Total TSA price	202.3	206.4	214.7	84.8	86.5	90.0	287.1	292.8	304.7

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Indicative TSA pricing by function

Procure to Pay

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Supply Chain Master Data Management	0.9	0.9	0.9	-	-	-	0.9	0.9	0.9	BS-Bundle 2
Accounts payable	-	-	-	-	-	-	-	-	-	BS-Bundle 2
Transactional Procurement	-	-	-	-	-	-	-	-	-	BS-Bundle 2
Manage Procure to Pay (P2P)	-	-	-	-	-	-	-	-	-	BS-Bundle 2
Procure to Pay (P2P) system	-	-	-	-	-	-	-	-	-	BS-Bundle 2
Storm Filing process support	0.3	0.3	0.3	0.1	0.1	0.1	0.4	0.4	0.4	BS-Bundle 3
Capital Delivery and Shop on behalf of / Receive on behalf of (SOBO/ ROBO)	-	-	-	-	-	-	-	-	-	BS-Bundle 3
Total TSA price	1.2	1.2	1.3	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	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Employee Services Support Center	0.6	0.6	0.6	-	-	-	0.6	0.6	0.6	BS-Bundle 4
Human Resources Administration	-	-	-	-	-	-	-	-	-	BS-Bundle 4
HRIS - Organisation and Position management	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	BS-Bundle 4
HRIS - Reporting	-	-	-	-	-	-	-	-	-	BS-Bundle 4
HRIS - Technology Support Services	-	-	-	-	-	-	-	-	-	BS-Bundle 4
Employee Records & Information requests	-	-	-	-	-	-	-	-	-	BS-Bundle 4
Benefits administration	0.4	0.4	0.4	-	-	-	0.4	0.4	0.4	BS-Bundle 4
401k administration	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	BS-Bundle 4
Pension administration	-	-	-	-	-	-	-	-	-	BS-Bundle 4
Retirement administration	-	-	-	-	-	-	-	-	-	BS-Bundle 4
Time Governance	0.3	0.3	0.3	0.4	0.4	0.4	0.6	0.6	0.7	BS-Bundle 5
Payroll processing	-	-	-	-	-	-	-	-	-	BS-Bundle 5
Year End Tax Form (W-2) processing	-	-	-	-	-	-	-	-	-	BS-Bundle 5
Total TSA price	1.4	1.4	1.5	0.4	0.4	0.4	1.7	1.8	1.8	

Facilities & Property Services

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	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	3.8	3.9	4.1	0.0	0.0	0.0	3.9	3.9	4.1	
Massachusetts and New York offices	4.7	4.8	5.0	-	-	-	4.7	4.8	5.0	
Massachusetts operations facilities	1.6	1.6	1.7	-	-	-	1.6	1.6	1.7	FAC-Bundle 1
Massachusetts warehouse facilities	0.8	0.9	0.9	-	-	-	0.8	0.9	0.9	
Northborough contact center	-	-	-	-	-	-	-	-	-	FAC-Bundle 1
Training facilities	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	
Right of Way and survey engineering	0.1	0.1	0.1	0.5	0.5	0.5	0.6	0.6	0.6	
Capital Project support	0.2	0.2	0.2	4.3	4.4	4.5	4.4	4.5	4.7	
Total TSA price	11.4	11.6	12.1	4.8	4.9	5.1	16.1	16.5	17.1	

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

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Health, safety, environment (HS&E) and security, regulatory monitoring, reporting and compliance consulting services	-	-	-	-	-	-	-	-	-	
Field Safety support	0.4	0.4	0.4	0.1	0.1	0.1	0.5	0.5	0.5	
Site investigation and remediation (SIR)	0.7	0.7	0.7	0.0	0.0	0.0	0.7	0.7	0.7	
Environmental field support	0.2	0.2	0.2	0.3	0.3	0.3	0.5	0.5	0.5	HSE-Bundle 1
Spill control/ response	-	-	-	-	-	-	-	-	-	HSE-Bundle 1
PUC environmental filing support	-	-	-	-	-	-	-	-	-	HSE-Bundle 1
Licenses, permits and orders	-	-	-	-	-	-	-	-	-	HSE-Bundle 1
Site security services	1.0	1.0	1.0	0.3	0.3	0.3	1.2	1.3	1.3	
Health services	1.6	1.6	1.7	0.1	0.1	0.1	1.7	1.7	1.8	
Safety policy & programs	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	
Total TSA price	4.1	4.1	4.3	0.7	0.8	0.8	4.8	4.9	5.1	

Regulatory Support

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Regulatory support - General	2.8	2.9	3.0	-	-	-	2.8	2.9	3.0	REG-Bundle 1
Regulatory support - Reporting and filings - Electric & Gas distribution	-	-	-	-	-	-	-	-	-	REG-Bundle 1
Regulatory support - Reporting & filing - Transmission	0.6	0.6	0.6	-	-	-	0.6	0.6	0.6	REG-Bundle 2
Regulatory Support – New England Power Company Services on Behalf of NECO – Transmission	-	-	-	-	-	-	-	-	-	REG-Bundle 2
Regulatory Support – Stakeholder Group Participation – Transmission	-	-	-	-	-	-	-	-	-	REG-Bundle 2
Total TSA price	3.4	3.5	3.6	-	-	-	3.4	3.5	3.6	

Procurement

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Strategic Procurement	1.9	1.9	2.0	0.17	0.17	0.2	2.0	2.1	2.2	
Total TSA price	1.9	1.9	2.0	0.2	0.2	0.2	2.0	2.1	2.2	

Inventory, Warehouse & Fleet Management

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Duration	Annualised TSA price (US\$m) ^{1,2}									Bundle
		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	2.8	3.1	3.1	3.3	SC-Bundle 1
Warehouse management	12 months	-	-	-	-	-	-	-	-	-	SC-Bundle 1
Fleet management	12 months	1.2	1.2	1.3	1.5	1.6	1.6	2.7	2.8	2.9	
Total TSA price		1.7	1.7	1.8	4.1	4.2	4.4	5.8	5.9	6.2	

Electricity Operations (1 of 2)

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Asset Management and Planning Transmission, Distribution and Substation	5.2	5.3	5.5	22.9	23.4	24.3	28.1	28.7	29.8	
Maintenance Strategy Engineering and Technical Services	1.1	1.1	1.2	1.4	1.4	1.5	2.5	2.6	2.7	
Electric Engineering and Design	0.5	0.5	0.5	2.6	2.6	2.8	3.1	3.1	3.3	
Codes & Standards	-	-	-	-	-	-	-	-	-	
Electric Lab & Field Testing	0.6	0.6	0.6	0.4	0.4	0.4	1.0	1.0	1.0	
Electric Meter Shop	-	-	-	-	-	-	-	-	-	
Investment Management, Workplan Development	0.2	0.2	0.2	0.6	0.6	0.6	0.8	0.8	0.8	
Resource Planning (across T&D)	0.1	0.1	0.1	1.0	1.0	1.1	1.1	1.1	1.2	
Planned Major Maintenance & Capital Construction	2.1	2.1	2.2	16.2	16.5	17.2	18.3	18.6	19.4	
Electric Operations (Transmission and Distribution)	0.9	0.9	0.9	0.1	0.1	0.1	1.0	1.0	1.0	
Electric Network Control	6.0	6.1	6.3	0.5	0.5	0.5	6.5	6.6	6.9	

Electricity Operations (2 of 2)

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Mapping and records	0.1	0.1	0.1	0.7	0.7	0.8	0.8	0.9	0.9	
Meter Data Services	0.7	0.7	0.7	-	-	-	0.7	0.7	0.7	
NERC/NPCC - Reliability Compliance	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.3	
Business Continuity Support and Emergency Logistics	8.3	8.5	8.8	1.2	1.3	1.3	9.5	9.7	10.1	
Aviation and Inspection	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	
Shared Telecom Network (STN)	0.0	0.0	0.0	1.8	1.8	1.9	1.8	1.8	1.9	
Total TSA price	26.1	26.6	27.6	49.5	50.5	52.5	75.6	77.1	80.2	

Gas Operations

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Gas Engineering	0.9	1.0	1.0	4.8	4.9	5.1	5.8	5.9	6.1	
Gas Asset Management Services	0.8	0.8	0.9	3.7	3.7	3.9	4.5	4.6	4.8	
Resource Management, Investment Planning & Dispatching	3.0	3.1	3.2	4.1	4.2	4.4	7.2	7.3	7.6	
Gas Complex Capital Construction Services	0.1	0.2	0.2	3.8	3.9	4.1	4.0	4.1	4.2	
Pipeline safety and compliance	1.7	1.8	1.8	0.9	0.9	0.9	2.6	2.6	2.7	
Mandated programs including Leak Survey Support	2.9	3.0	3.1	3.5	3.6	3.7	6.4	6.6	6.8	
Gas control center operations	1.1	1.1	1.2	0.1	0.1	0.1	1.2	1.2	1.2	
LNG operations	1.0	1.0	1.0	0.1	0.1	0.1	1.1	1.1	1.1	
Gas meter operations/ meter shop	0.5	0.5	0.5	0.0	0.0	0.0	0.5	0.5	0.5	
Customer Meter Support	0.2	0.2	0.2	0.0	0.0	0.0	0.3	0.3	0.3	
Technical training	-	-	-	-	-	-	-	-	-	
Emergency planning	0.0	0.0	0.0	-	-	-	0.0	0.0	0.0	
Total TSA price	12.4	12.7	13.2	21.1	21.5	22.3	33.5	34.2	35.5	

Energy Procurement

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Gas and Electric loading forecasting	0.1	0.1	0.1	0.3	0.3	0.3	0.4	0.4	0.4	
Gas procurement services - General	0.5	0.5	0.5	-	-	-	0.5	0.5	0.5	
Energy transactions (physical transactions)	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3	
Energy transactions (financial)	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	
Retail choice programs	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	
Clean energy supply	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3	
Electric procurement	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	2.3	

HR

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Labour and Employee Relations	0.3	0.3	0.3	0.0	0.0	0.0	0.3	0.3	0.3	
Training (Learning and Development)	1.0	1.0	1.1	0.1	0.1	0.1	1.1	1.1	1.2	
Talent acquisition (recruitment)	0.5	0.5	0.6	0.0	0.0	0.0	0.5	0.5	0.6	
Onboarding	0.0	0.0	0.0	-	-	-	0.0	0.0	0.0	
Workforce planning and people analytics	0.0	0.0	0.0	-	-	-	0.0	0.0	0.0	
Talent and Performance Management	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1	
Compensation (If applicable)	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3	
Total TSA price	2.3	2.4	2.5	0.1	0.1	0.1	2.4	2.5	2.6	

Finance

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Balance Sheet Account reconciliations	0.5	0.5	0.5	-	-	-	0.5	0.5	0.5	
Accounting and financial reporting	6.5	6.6	6.9	0.5	0.5	0.5	7.0	7.1	7.4	
Middle Office support for gas procurement activities	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3	FIN-Bundle 1
Middle Office support for electric procurement activities	-	-	-	-	-	-	-	-	-	FIN-Bundle 1
Back-Office support for energy procurement activities	-	-	-	-	-	-	-	-	-	FIN-Bundle 1
Claims handling/ investigation	0.8	0.8	0.9	-	-	-	0.8	0.8	0.9	
Tax consulting services	-	-	-	-	-	-	-	-	-	
Property tax services	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	
Financial planning and analysis	2.4	2.4	2.5	-	-	-	2.4	2.4	2.5	
Total TSA price	10.6	10.8	11.3	0.5	0.5	0.5	11.1	11.4	11.8	

IT (1 of 2)

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Business application services	8.8	8.9	9.3	0.0	0.0	0.0	8.8	8.9	9.3	
Service desk and service management integration services	13.2	13.4	14.0	-	-	-	13.2	13.4	14.0	
Collaboration services (email)	1.5	1.5	1.6	-	-	-	1.5	1.5	1.6	
Data center services	2.4	2.5	2.6	-	-	-	2.4	2.5	2.6	
Client services	1.2	1.2	1.3	-	-	-	1.2	1.2	1.3	
Commercial services	0.7	0.7	0.8	-	-	-	0.7	0.7	0.8	
Infrastructure services	2.4	2.4	2.5	-	-	-	2.4	2.4	2.5	
Network support	2.7	2.8	2.9	-	-	-	2.7	2.8	2.9	
IT Energy Management System (EMS) - Supervisory control and data acquisition (SCADA) systems	2.4	2.4	2.5	0.0	0.0	0.0	2.4	2.5	2.6	

IT (2 of 2)

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Security services	3.4	3.5	3.6	0.0	0.0	0.0	3.4	3.5	3.6	
Emergency response services	-	-	-	-	-	-	-	-	-	
Exit migration services	-	-	-	-	-	-	-	-	-	
Service charge for use of National Grid ServCo shared assets	32.4	33.0	34.4	-	-	-	32.4	33.0	34.4	
Total TSA price	71.0	72.5	75.4	0.0	0.0	0.0	71.1	72.5	75.4	

Billing and Collections

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									Bundle
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	
Customer Billing Operations	4.5	4.6	4.8	-	-	-	4.5	4.6	4.8	
SAP (Non-Utility) Billing Operations	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.3	
Payment Processing	1.0	1.0	1.1	-	-	-	1.0	1.0	1.1	
Credit & Collections	3.5	3.6	3.7	0.0	0.0	0.0	3.5	3.6	3.7	
Revenue assurance	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	
Financial transactions	2.2	2.3	2.4	-	-	-	2.2	2.3	2.4	BS-Bundle1
High volume residential billing	-	-	-	-	-	-	-	-	-	BS-Bundle1
Complex billing account management	-	-	-	-	-	-	-	-	-	BS-Bundle1
Protections	-	-	-	-	-	-	-	-	-	BS-Bundle1
Service Applications Manger (SAM)	-	-	-	-	-	-	-	-	-	BS-Bundle1
Account Data Maintenance (ADM)	-	-	-	-	-	-	-	-	-	BS-Bundle1
Advanced Consumption, Long-Term Estimates, Leave On For Landlord	-	-	-	-	-	-	-	-	-	BS-Bundle1
Total TSA price	11.7	11.9	12.4	0.0	0.0	0.0	11.7	11.9	12.4	

Customer Service

Annualised TSA prices including administration fee and inflation adjustment

TSA Title	Annualised TSA price (US\$m) ^{1,2}									
	Opex FY21	Opex Y1	Opex Y2	Capex FY21	Capex Y1	Capex Y2	Totex FY21	Totex Y1	Totex Y2	Bundle
Customer Sales and Solutions	0.5	0.5	0.5	2.2	2.3	2.4	2.7	2.8	2.9	
Call Center Operations	8.4	8.6	8.9	0.7	0.8	0.8	9.2	9.4	9.7	
Customer Transformation	1.1	1.2	1.2	0.0	0.0	0.0	1.1	1.2	1.2	
Marketing & Growth	31.3	31.9	33.2	0.0	0.0	0.0	31.3	31.9	33.2	
Total TSA price	41.3	42.2	43.9	3.0	3.1	3.2	44.3	45.2	47.0	

nationalgrid



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

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Fourth Set of Data Requests

Issued on July 30, 2021

Division 4-3

Request:

Please provide a schedule that shows the cost estimates provided in response to DIV 4-1 and DIV 4-2 aligned by category of expense and capital so that they may be viewed for comparison purposes. To the extent that certain services currently provided by National Grid USA Service Company are expected to be transitioned to PPL on Day 1, please note these as appropriate. We note that PPL's response to DIV 2-1 indicates that these may include "local electric distribution control, gas control, customer call center, and dispatch operations."

Response:

PPL and PPL RI refer to the response of National Grid USA and The Narragansett Electric Company to data request Division 4-3.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Fourth Set of Data Requests
Issued on July 30, 2021

Division 4-4

Request:

The response by PPL Corporation and PPL Rhode Island Holdings, LLC to Division 2-3, subpart a states that "PPL RI will recognize the identifiable assets acquired and liabilities assumed at their acquisition date fair values." Please confirm that post-Transaction the utility property on Narragansett's books of account will continue be stated at its original cost when first devoted to public utility service.

Response:

PPL and PPL RI confirm that post-Transaction the utility property on Narragansett's books of account will continue to be stated at its original cost when first devoted to public utility service.

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

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Fourth Set of Data Requests
Issued on July 30, 2021

Division 4-5

Request:

The response by PPL Corporation and PPL Rhode Island Holdings, LLC to Division 2-3, subpart c states that "PPL expects that the fair market value of the acquired assets will be approximately equal to the book values of such assets, as of the closing date." Please describe any potential differences between the fair market value of the acquired assets and the book value of such assets as of the closing date, and explain the accounting for any such differences.

Response:

PPL and PPL RI do not expect that there will be any differences between the fair market value of the acquired assets and the book value of the acquired assets as of the closing date. PPL and PPL RI used the term "approximately equal" in their response to data request Division 2-3, subpart c because it is possible that there will be minor differences in the book value and the fair market value arising due to tax impacts related to book to tax differences arising in the acquisition.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Fourth Set of Data Requests
Issued on July 30, 2021

Division 4-6

Request:

Referencing the response by PPL Corporation and PPL Rhode Island Holdings, LLC to Division 2-3, subpart c, please quantify the reduction/elimination of accumulated deferred income taxes (ADIT) existing at the time of the Transaction.

Response:

PPL and PPL RI refer to the response of National Grid USA and The Narragansett Electric Company to data request Division 4-6.

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

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's Fourth Set of Data Requests
Issued on July 30, 2021

Division 4-7

Request:

The response by PPL Corporation and PPL Rhode Island Holdings, LLC to Division 2-3, subpart c states that “[w]hile the reduction/elimination of such ADIT will result in an increase to Narragansett’s rate base, in a future proceeding setting base rates, PPL will make a proposal to hold customer impacts neutral in relation to the rate impact associated with the elimination of ADIT as of the date of the transaction.” Please describe the mechanism that will be implemented “to hold customer impacts neutral” and provide an example of the calculations “to hold customer impacts neutral” based on the balance of ADIT existing at the time of the Transaction.

Response:

PPL and PPL RI have not yet identified the mechanism they will use to hold customer impacts neutral from the increase to Narragansett’s rate base from the reduction/elimination of ADIT as a result of the Transaction. Accordingly, they cannot provide an example of the calculations to do so based on the balance of ADIT existing at the time of the Transaction.

After the Transaction closes, PPL and PPL RI will operate Narragansett under the existing rate structures, which do not reflect any impacts from the reduction/elimination of ADIT resulting from the Transaction. When PPL and PPL RI file for any adjustments to Narragansett’s customer rates that would reflect impacts resulting from the increase to rate base resulting from the reduction/elimination of ADIT, they will consult with the Rhode Island Division of Public Utilities and Carriers (the “Division”) to determine the specific mechanism they will propose to hold customer impacts neutral. The rate base impact of the elimination/reduction of ADIT will change over time, and the mechanism deployed will need to take into account what that impact will be at the time of the proposed rate adjustments, as well as how the rate base impact will change over time. Regardless of the specific mechanism, PPL and PPL RI’s proposal will specifically identify the rate impact from the rate base increase resulting from the elimination/reduction of ADIT and demonstrate how PPL and PPL RI offset that impact clearly and transparently for the Division and the Rhode Island Public Utilities Commission to review and evaluate to confirm that the elimination/reduction of ADIT does not result in rate increases to customers.

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 Fourth Set of Data Requests
Issued on July 30, 2021

Division 4-8

Request:

State whether PPL Corporation and PPL Rhode Island Holdings, LLC agree that the “Hold Harmless” adjustment to rate base, as established in RIPUC Docket No. 3859, will continue to be incorporated into the rate base of National Grid - RI Gas in future rate proceedings. If the answer is no, please explain why not.

Response:

The “Hold Harmless” adjustment to rate base, as established in Public Utilities Commission Docket No. 3859, will expire as of December 31, 2022, and therefore will not continue to be incorporated into the rate base of The Narragansett Electric Company (“Narragansett”) in future rate proceedings. Even if Narragansett commences a base distribution rate case proceeding immediately after PPL RI’s acquisition of Narragansett from National Grid USA closes, the new rates would not go into effect until after December 31, 2022. Accordingly, PPL and PPL RI do not anticipate any carryover of the existing Hold Harmless adjustment in future rate proceedings. PPL and PPL RI also refer to their response to data request Division 4-7 for additional information on their expectations regarding future base distribution rate case proceedings and for addressing the rate base impact of the reset of accumulated deferred income tax to ensure any customer impacts are neutralized.

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

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's

Responses to Division's Fourth Set of Data Requests

Issued on July 30, 2021

Division 4-9

Request:

Referencing the response by PPL Corporation and PPL Rhode Island Holdings, LLC to Division 2-64, is it anticipated that there will be adjustments to restate the balance sheet assets and /or liabilities for pensions and other postretirement benefits to their fair value when the Transaction closes? If so, please provide any currently available description and quantification of such adjustments.

Response:

At the closing of the Transaction, employees remaining with Narragansett will be transferred to new pension and other postretirement benefit plans specific to Narragansett. In addition, the costs and obligations for a small number of National Grid USA Service Company employees whose costs were previously allocated in part to Narragansett will now become direct participants in the new Narragansett plans.

Overall, the individual benefits provided and the obligations related to the employees in the new plans will not change. However, the new plans will have an initial measurement date effective with the close of the Transaction. As such, the gross obligation will be remeasured based on assumptions and market conditions at the closing date, similar to an annual remeasurement under GAAP.

The assets of the former National Grid pension plan(s) will be split using the required ERISA 4044 asset allocation guidance, which prescribes how assets are attributed to existing active and retired participants. In addition, the final asset amounts will be dependent upon market conditions and returns and will be based on actual asset values as of the Transaction date, again similar to an annual remeasurement.