

Division 5-15

Request:

Referencing PPL's response to DIV 3-21, Attachment PPL-DIV 3-21-2, page 11 of 24. The table presented on the referenced page provides planned Labor O&M expenses through 2023. Please provide similar data for actual and planned Narragansett gas system Labor O&M expenses. If Labor O&M expenses have been planned or budgeted for Narragansett's gas system beyond 2023, please provide these data.

Response:

PPL refers to National Grid USA and The Narragansett Electric Company's response to data request Division 5-15 for the Narragansett gas system actual and planned Labor O&M expenses through 2023.

PPL has estimated Narragansett gas system Labor O&M expense using current salary levels, and estimated headcount required to fully operate post-TSA. Further salary cost planning for 2023 and beyond has not yet been performed.

Estimated labor O&M expense for Narragansett to operate upon Transition Service exit is \$33.2M.

It should be noted that these underlying labor O&M costs are not directly comparable to Labor O&M expense for LG&E/KU or the Narragansett gas system as currently operated by National Grid. The following will result in differences when evaluating PPL's estimated Narragansett gas system Labor O&M:

1. The PPL estimates include labor force functions, listed below, that are not included in the LG&E/KU Gas Distribution Operating Plan. The LG&E/KU workforce to support the equivalent functions is an additional 123 FTE + supplemental contractors.
 - a. Customer / Meter Field Services
 - b. Meter Reading
 - c. Meter Shop
 - d. Investment Planning
 - e. Gas Design
2. LG&E/KU leverages significant supplemental contractor support, as outlined in Attachment PPL-DIV 3-21-2, which is roughly equivalent in size to its labor

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
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Responses to Division's Fifth Set of Data Requests
Issued on August 6, 2021

workforce. The planned O&M for supplemental outside services ranges from \$13.5M to \$14.4M from 2021 – 2023. Similar outside services spend for Narragansett is estimated in the \$7M to \$8M range for 2021.

3. The PPL operating model for the Narragansett gas system includes dedicated Rhode Island functions that are currently centralized and support multiple jurisdictions at National Grid. Standing up these functions directly for Rhode Island will likely result in additional FTE requirements that are contemplated in the forecasted headcount and associated labor O&M estimates. The functions impacted are listed below.
 - a. Gas Network Operations
 - b. Work & Resource Planning
 - c. Pipeline Safety & Compliance

Supplemental Response:

PPL and PPL RI refer to Attachment PPL-DIV 1-54-1 for additional information responsive to this request.