

Docket No. 4770
Twenty-Second Set of Data Requests of the
Division of Public Utilities and Carriers to National Grid
February 8, 2018

Service Company Rents

- 22-1. Please refer to Workpaper 6a-6c Service Company Rents, tabs IS Existing Projects RY1, RY2, and RY3, which of these projects were required to comply with existing Rhode Island regulation?

Response can be found in Book 1 on Bates page(s) 1.

- 22-2. Please refer to Workpaper 6a-6c Service Company Rents, tabs IS New Projects RY1, RY2, and RY3, which of these projects are required to comply with existing Rhode Island regulation?

Response can be found in Book 1 on Bates page(s) 2-7.

- 22-3. Please refer to Workpaper 6a-6c Service Company Rents, and respond to the following regarding projects that are not fully amortized and allocate costs to Rhode Island:
- a. For all projects in tabs IS Existing Projects RY1, RY2, and RY3, provide an itemized project cost breakdown, like the one shown in Section 4.2.1 of the Company's "Sanction" form, that compares the original budget line item costs to the actual line item costs (i.e. the "HTY Total Spend" of the project).
 - b. For all projects in tabs IS New Projects RY1, RY2, and RY3, provide an itemized project cost breakdown, like the one shown in Section 4.2.1 of the Company's "Sanction" form, that shows the original budget line item costs (i.e. the "Total Spend" of the project).
 - c. Provide the documentation report (i.e. a closing report) coincident with the "In Service Date", as shown in Excel column K, of each project in all six tabs.
 - d. Does the "In Service Date" mean that the project is closed to plant and is used and useful?

Response can be found in Book 1 on Bates page(s) 8-103.

- 22-4. Please refer to the Company's responses to DIV 9-2, DIV 9-3 and DIV 9-5, and please respond to the following regarding projects that are not fully amortized and allocate costs to Rhode Island:
- a. Explain if the "Sanction" is the original contemporaneous budget documentation for each project. If not, please provide the original contemporaneous budget documentation for each project.
 - b. Provide the analysis that was undertaken to demonstrate that the selected solution was the most cost-efficient approach for each project.

- c. Provide any quantitative benefit analysis inclusive of O&M savings that was performed for each project that supplements Section 3.4 Benefits Summary of each project's "Sanction" or the Objectives and Benefits section for EHRI projects.
- d. To the extent that the quantitative benefits include O&M savings, identify where these O&M savings are included in the revenue requirements for Rate Year and Data Years 1 and 2.

Response can be found in Book 1 on Bates page(s) 104-114.

- 22-5. Please refer to the Company's response to DIV 9-2, Attachment DIV 9-2-1, and provide all the "Sanction" and "Resanction Request" documentation for the following projects:
 - a. DMS/OMS Replacement, pages 1-8;
 - b. IN 1043 NE EMS Replacement, pages 9-16 ;
 - c. INVP 1172 – AMAG Upgrades, pages 79-84 ; and
 - d. IN 2330 ETRM Replacement Nucleus-Gas Benefit, pages 85-101.

Response can be found in Book 2 on Bates page(s) 1-188.

- 22-6. Please refer to the Company's response to DIV 9-2, Attachment DIV 9-2-1, INVP 4172 – Cross Company, pages 17-31, and respond to the following:
 - a. Refer to Section 1.7 Category on page 18, and please respond to the following:
 - i. For the three categories shown, what are the internal capital budget definitions that define each category and prompt the selection of one category over the others?
 - b. Refer to Section 1.8 Asset Management Risk Score on page 18, and please respond the following:
 - i. Explain the risk score scale and determination process used by the Company to risk assets or projects.
 - ii. Explain the Company personnel who are involved in determining the scores.
 - iii. Does the Company complete a risk score for every project or asset? If not, please explain what types of projects or assets are given a risk score.
 - iv. What does an asset management risk score of 37 mean?
 - c. Refer to Section 1.9 Complexity Level on page 19, and please respond the following:
 - i. Explain the complexity level scale and determination process used by the Company to assign complexity to assets or projects.
 - ii. Explain the Company personnel who are involved in determining the complexity score.
 - iii. Does the Company assign a complexity level for every project or asset? If not, please explain what types of projects or assets are assigned a complexity level.
 - iv. What does a complexity score of 19 mean?
 - d. Refer to Section 1.12, "If cost > approved Business Plan how will this be funded?", on page 19, and please respond the following:
 - i. Define portfolio.

- ii. Explain how funds can be re-allocated within a portfolio and how this re-allocation is specifically impacted due to Rhode Island budgetary, statutory, and regulatory requirements.
 - iii. Explain and provide documents that detail the Rhode Island jurisdictional budgetary, statutory, and regulatory requirements.
- e. Refer to Section 3.8 Execution Risk Appraisal on page 26, and please respond the following:
 - i. Define probability, impact (cost and schedule), and score (cost and schedule).
 - ii. Explain the risk appraisal score scale and determination process used by the Company to assign a score for each probability, impact (cost and schedule), and score (cost and schedule).
 - iii. Explain if there is a combined score that indicates the overall risk for each project. If yes, then how is it determined?
 - iv. Explain the Company personnel who are involved in determining the risk appraisal.
 - v. Does the Company complete a risk appraisal for every project or asset? If not, please explain what types of projects or assets are risk appraised.
 - vi. What does the red coloring of Score – Schedule in Number 2 indicate?
- f. Refer to Section 3.11.3 Cost Assumptions on page 27, and please respond the following:
 - i. Explain and provide documentation that details the Company’s standard IS estimating methodology.
 - ii. Has the Company’s standard IS estimating methodology changed since the last base rate case? If so, please provide additional documentation that details the previous or most current standard IS estimating methodology.
- g. Refer to Section 3.11.4 Net Present Value / Cost Benefit Analysis on page 27, and please respond the following:
 - i. Explain why this is not an NPV project.
 - ii. What types of projects are considered NPV projects?
 - iii. Explain the cost-benefit analysis process the Company would use to determine an NPV.
 - iv. Provide documentation that details the cost-benefit analysis process.
 - v. Explain the Company personnel who are involved in determining the NPV of a project.
- h. Refer to Section 4.2.1 Project Cost Breakdown on page 30, and please respond to the following:
 - i. Explain why the Company does not provide this itemized level of project cost breakdown on projects that require “Resanction Request” forms.
 - ii. Define the cost items associated with each of the following cost categories and sub-categories: All other personnel, Risk Margin, and Other.
- i. Refer to Section 4.2.3 IS Ongoing Operational Costs (RTB) on page 31, and please explain how “Run the Business” costs are treated for accounting purposes and where are they in the revenue requirement for the Rate Year and the Data Years 1 and 2.

Response can be found in Book 2 on Bates page(s) 189-239.

- 22-7. Please refer to the Company's response to DIV 9-2, Attachment DIV 9-2-1, INVP2495H US CNI Frame Relay Replacements, page 73, and explain what the green coloring of Score – Schedule in Number 5 indicates.

Response can be found in Book 2 on Bates page(s) 240.

- 22-8. Please refer to the Company's response to DIV 9-2, Attachment DIV 9-2-2, Allocated Cost Breakdowns, page 27, and explain if the allocated costs for the USFP changed from what is shown in Appendix A during its implementation. If so, please explain why and provide a table showing the allocation changes by date changed.

Response can be found in Book 2 on Bates page(s) 241-243.

- 22-9. Please refer to the Company's response to DIV 9-4, Attachment DIV 9-4, and please explain why the NECO G Allocation of 2.85% and Distribution Allocation of 8.37% changed in Rate Year 3 to 2.72% and 8.47%, respectively.

Response can be found in Book 2 on Bates page(s) 244.