

**DOCKET NO. 4770**  
**FOURTH SET OF DATA REQUESTS OF THE**  
**DIVISION OF PUBLIC UTILITIES AND CARRIERS TO**  
**NATIONAL GRID**

**January 2, 2018**

- 4-1. The proposed cost of capital shown on Schedule RBH-15 is based on a 6/30/17 adjusted capital structure. Does the Company have any plans to update this capital structure (other than the *pro forma* adjustments shown on Schedule RBH-12)? If so, please describe.
- 4-2. Schedule RBH-12 removes a negative \$0.97 million from equity for Other Comprehensive Income (i.e., increasing the equity balance by that amount). Please state:
- a. the reason for this adjustment; and
  - b. any Rhode Island Commission precedent or approval authority for this adjustment.
- 4-3. Schedule RBH-12 removes \$2.245 million from the debt balance for unamortized debt discount. Please state:
- a. the reason for this adjustment; and
  - b. any Rhode Island Commission precedent or approval authority for this adjustment.
- 4-4. Please provide the Company's monthly balance of short-term debt (e.g., end of month) for each month from January 2015 – December 2017.
- 4-5. Please provide the full basis for the assumed short-term debt cost rate of 1.76 percent including any supporting documentation. (Reference: Hevert testimony, page 74.)
- 4-6. Provide the basis for the 3.99 percent cost rate for the planned new long-term debt as shown on Schedule RBH-13. Include the supporting documentation.

- 4-7. Schedule RBH-13 identifies all Narragansett long-term debt issues. Please provide the date of issue for each debt issue listed.
- 4-8. Please provide a five-year credit rating history to date for Narragansett from Moody's, Standard & Poor's, and Fitch Ratings for Narragansett. This should cover the corporate or issuer rating, senior secured, senior unsecured, and commercial paper.
- 4-9. Please provide witness Hevert's return on equity recommendations in state-level electric and gas utility rate cases during the past three years. Please identify the state jurisdiction, docket number, utility, and month/year of recommendation.
- 4-10. Witness Hevert employs a long-term growth rate for his multi-stage model of 5.36 percent. (Reference: Hevert testimony, page 46.) Is Mr. Hevert aware of any authoritative forecasts of the U.S. economy that support his 5.36 percent figure? If so, please identify.
- 4-11. Schedule RBH-8 provides a listing of the authorized return on equity, 30-year Treasury yield and risk premium through July 31, 2017 for electric and gas utilities. Please update this listing for authorized returns extending through December 31, 2017 for both electric and gas utilities.
- 4-12. Please provide the current state-authorized capital structure percentages and return on equity for each Narragansett U.S. gas and electric utility affiliate. Please indicate the date (month/year) when each return on equity was authorized.
- 4-13. Please state the total number of retail utility customers served by National Grid USA.
- 4-14. Please state the current (or most recently available) net book value for National Grid USA.
- 4-15. Please provide witness Hevert's opinion concerning the business risk profile of pure delivery service electric and gas utilities as compared to vertically-integrated electric utilities that own and operate generation facilities.

- 4-16. Please state Narragansett's capital structure target (i.e., percentages for debt and equity) and the basis for selecting those targets.
- 4-17. Please provide copies of the Brattle Group reports (or the relevant portions relied upon by Mr. Hevert) referenced at footnotes 75 and 76 of Mr. Hevert's testimony.
- 4-18. Mr. Hevert employs a 5.36 percent long-term growth rate of nominal U.S. GDP in his multi-stage DCF studies. Please provide the DCF results if his studies had instead employed a nominal U.S.GDP growth rate of 4.36 percent. That is, please revise Mr. Hevert's Table 7 based on substituting the 4.36 percent growth rate for the 5.36 percent growth rate.
- 4-19. Please provide Narragansett's projection of capital spending for each of the next three years, 2018 - 2020.
- 4-20. Please provide a description of Narragansett's dividend payment policy and the basis for that policy.