

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4770
Information Technology Capital Investment Quarterly Report
Fourth Quarter Ended August 31, 2019
Attachment 2
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Narragansett Electric Company, Narragansett Gas Company and Narragansett Electric Company - Transmission d/b/a National Grid
Fiscal Year 2020 Quarter 4
YTD Actuals vs FY20 IT Investment Plan Budget
Amounts in Millions of USD

Project Name	INVP #	Forecasted In Service Date	Allocation Code	RI Total Percent	Total Service Company Capital Spending			FYTD Variance (April 2019 - August 2019)	FY20 Annual Budget	FYTD Absolute Variance %	YTD Variance Driver	Commentary
					Project Inception to March 31, 2019 Spending	FYTD Budget (April 2019 - August 2019)	FYTD Actual (April 2019 - August 2019)					
Customer Experience Transformation technology program **	4750D	2/6/2020	C175	10.7%	\$ 4.0	5.8	\$ 4.4	\$ 1.5	\$ 11.0	25%	Other	The Customer Experience program has experienced delays in implementation of the enterprise development toolset and vendor onboarding as well as technology changes to align with the enterprise architecture strategic direction, thus resulting in both project delays and project spend. The overall estimate has not changed and commercial negotiations are in progress to onboard vendors to align to enterprise architecture direction. Spend is expected to increase in the next quarter contingent on closure of those negotiations. The newly designed, responsive Content Web was released in June.
EMS Lifecycle Hardware and Software Upgrade	4914	5/15/2020	T186	7.4%	10.6	2.4	1.7	0.7	6.6	28%	Accounting Changes - Other	An accounting error that occurred in FY19 was corrected in April 2019, resulting in decreased spend for FY20. In addition, delays to contractor professional services and a decrease in the Allowance for Funds Used During Construction (AFUDC) rate, which took effect in May 2019, contribute to the FY20 underspend.
Customer Contact Center Technology Upgrade Implement Solution	3932	10/18/2019	C175	10.7%	17.4	5.1	1.3	3.8	5.8	74%	Accounting Changes - Other	The original scope of project included upgrade to Call Centers administered internally by National Grid, however, the scope of the project was expanded to include call centers administered by 3rd party vendors to ensure that all customers had the same experience regardless of the call center they get directed to. With the added scope being phased into the current project, these costs are expected to align with the annual budget, however, the costs will be paid later in the fiscal year. The Syracuse Contact Center was migrated in May 2019, Northborough Contact Centers were migrated in June and the Metrotech Contact Center was migrated on July 16 for Long Island Gas calls and July 18 for New York City calls.
CIS Planning FY20	5340	3/31/2020	C175	10.7%	0.0	0.6	-	0.6	5.0	100%	Other	This project will start in September 2019.
Future of Finance Program of Work	5380	3/31/2020	G020	9.5%	0.0	0.6	-	0.6	4.8	100%	Other	This project will start in September 2019.
Storms-IScheduler Upgrade Stabilization	4398	12/15/2019	G160	15.0%	10.8	2.8	1.2	1.6	3.0	56%	Complexity Increase	The August cutover has been delayed due to technical issues experienced when deploying the software to end-user laptops. As a result, the project schedule has been extended to October 14th, with a month of post-implementation and business readiness support. This has resulted in the extension of our partners, which has not yet been reflected in the year-to-date spend. It is expected, however, that overall project spend will increase as there are dedicated resources including a project manager, integration lead and test lead along with the updates from partner resources that are now assigned to the project. In addition, infrastructure has been added (space, servers, environments) that will contribute to the additional unplanned spend.
Lease Accounting Updates and CCM - Phase 2	5497	4/30/2020	G020	9.5%	0.0	-	-	0.0	2.6	0%	N/A +/- 10%	The start of this project has been delayed due to delays to INVP 5360, which must go-live prior to starting this project (INVP 5360 is phase 1).
US SAP: Infrastructure Landscape- FY20	5392	3/31/2020	G020	9.5%	0.0	0.8	2.5	(1.7)	2.4	222%	Other	Due to INVP 4761 delays, infrastructure at multiple data centers had to be maintained resulting in increased spend for this project.
AMAG HW and SW Upgrade	5466	6/30/2021	G020	9.5%	0.0	0.5	-	0.5	2.3	100%	Internal Resource Constraints	This project will start later than plan due to resource availability. The resource issues have since been resolved and the project is now approved to begin in the next quarter.
CXT My Account - CSS Responsive Web	4750F	5/31/2021	C175	10.7%	0.0	-	-	0.0	1.7	0%	N/A +/- 10%	This project will start in October 2019.
Other Business Programs and Projects					36.3	8.4	3.5	4.9	27.1			
Total Business Programs and Projects					79.2	27.0	14.6	12.3	72.2	46%		

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Capitalized equipment installs/replacement	3617	3/31/2020	G020	9.5%	\$ 22.5	1.6	\$ 2.7	\$ (1.11)	\$ 3.8	71%	Scope Change (Increase)	Overspend is due to higher than expected equipment failure due to aging security infrastructure.	
Document Management System Replacement Delivery	4408	11/22/2019	G149	9.5%	8.5	2.1	1.3	0.7	3.5	35%	Other	The project has spent less than budget in FY20 due to the AFUDC rate reduction and less than planned spend on hardware and software.	
Identity and Access Management Business Change Program	5278	8/30/2020	G020	9.5%	0.4	1.1	0.9	0.2	2.6	17%	Accounting Changes - Other	As some project expense flows through UK financials first, there is a month lag to reclass through the US financials. Therefore, this project will continue to experience delays in some costs being posted. However, once reclass occurs, spend will align with budget.	
High Value Asset Discovery and Implementation	3683USAO	2/26/2021	G020	9.5%	0.0	0.7	0.0	0.7	2.0	94%	Other	This project has been delayed due to re-prioritization of cyber projects in order to focus resources on evolving security threats.	
Network Segregation	3683USO	3/30/2020	G020	9.5%	0.1	0.8	0.1	0.6	1.8	81%	Other	This project has been delayed due to re-prioritization of cyber projects in order to focus resources on evolving security threats.	
US SAP: FERC on HANA (FOH) Upgrade	4563	11/20/2019	G020	9.5%	1.5	1.4	1.7	(0.2)	1.5	16%	Scope Change (Increase)	Due to scope changes, this project requires an additional round of testing which has resulted in increased vendor costs for several vendors that support this project.	
Lease Accounting Updates and Contract Management	5360	12/9/2019	G020	9.5%	3.6	1.4	3.4	(1.9)	1.4	137%	Scope Change (Increase)	Due to business process scope changes recently identified, the business is in the process of documenting the revised business process. Once complete, a new project timeline will be developed.	
RI Renewable Energy Program Changes	4555	3/1/2019	536E	100.0%	2.1	0.2	(0.0)	0.2	1.2	129%	Scope Change (Decrease)	The FY20 funding for this investment was for the 3rd release. The business has since decided they no longer need 3rd release resulting in no additional spend. This program of work was placed into service on March 1.	
Annual HR Service Pack Upgrade FY20	5379	12/9/2019	G020	9.5%	0.0	0.4	0.6	(0.2)	1.2	64%	Accounting Changes - Reclass	Due to an accounting accrual error, year-to-date costs incorrectly reflect an overspend. The error will be corrected next quarter and spending will be aligned with budget.	
Big Data Security Analytics Phase 1	3683USQ	11/29/2020	G020	9.5%	0.0	-	-	0.0	1.1	n/a	N/A +/- 10%	This project has been deferred.	
Other Regulatory, Legal and Compliance Mandates					17.7	10.0	8.5	1.5	25.6				
Total Regulatory, Legal and Compliance Mandates					56.4	19.6	19.2	0.4	45.6	2%			

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Application Rationalization	5598	3/31/2020	G331	10.0%	\$0.0	1.0	\$ -	\$ 1.0	\$ 7.7	100%	Other	This project is in the planning phase with critical foundational work being performed including business case development for the individual applications. The first set of projects will begin in November.
Infrastructure Remediation and Lifecycle Refresh	5540	3/31/2020	G020	9.5%	0.0	1.7	-	1.7	5.6	100%	Negotiated Contracts Discounts	This project has been deferred. As we are planning to enter into a commercial tender for hosting services, National Grid decided it is best to defer this investment until we enter into an agreement with the awarded hosting provider. Awarding a new hosting provider requires a global solution and a competitive bid process, in compliance with regulatory requirements, and may take 6-9 months.
Modern Workplace	5490	3/31/2020	G020	9.5%	0.0	1.4	-	1.4	4.5	100%	Program was cancelled and funds substituted to other in-year efforts.	Most of the work planned in this investment will now be worked in the Windows 10 project (INVP4987). Project funds have been transferred to the investment as well.
Collaboration & Unified Communications	5487	3/31/2020	G020	9.5%	0.0	1.0	-	1.0	3.4	100%	Accounting Changes - Other	The projects within this program are ramping up. As resources are allocated to the projects they will kick-off, currently planned for the next quarter.
Network Security Infrastructure Program	5522	3/31/2020	G020	9.5%	0.0	0.7	-	0.7	3.1	100%	Internal Resource Constraints	INVP5522 is a program, and currently has 3 subprojects planned. The first is 5522A, Verizon - Aruba Wireless Lan (Waltham), which started in June 2019. Due to internal resource constraints, project start-up was delayed resulting in the project underspend to date.
WAN Infrastructure Program	5524	3/31/2020	G020	9.5%	0.0	0.7	-	0.7	3.1	100%	Internal Resource Constraints	INVP5524 is a program, the subprojects are 5524A - WAN Diversity at 18 Regional Storm Sites, 5524G - Verizon - US SD-WAN expansion. These projects have incurred start-up delays while resources are being mobilized.
DXC Hosting Tx Initiatives	5581	3/31/2020	G020	9.5%	0.0	-	-	0.0	3.0	0%	N/A +/- 10%	This project has been deferred.
Customer Experience	5488	3/31/2020	G175	11.4%	0.0	0.9	-	0.9	2.8	100%	Reprioritized by the Business	This project has been cancelled and funds were transferred to higher priority projects within the Tech Mod space.
Primavera Upgrade Stabilization	4990	5/22/2020	G004	10.5%	0.0	1.3	0.5	0.8	2.8	65%	Complexity Increase	The year-to-date project spend was lower than budget as the Requirements & Design phase has been extended to December. This has delayed the Develop and Implement phase and, therefore, timing of costs will be delayed.
US Foundation Hosting Renewal	4761	8/16/2019	G020	9.5%	6.5	2.1	3.4	(1.3)	2.1	59%	Other	This project was to enhance and consolidate the National Grid SAP and High Performance Analytic Appliance (HANA) application support and hosting services datacenters under one platform for both primary and Disaster Recovery (DR) in the US. The HANA datacenter was completed last year while the go live for moving the SAP Datacenter was pushed out to August (original planned for June). The additional costs incurred cover the support required from the original vendor (T-Systems) for our production environment during the delayed go-live, and for non-production environment to keep copies of our production environment through October. This investments was placed in-service in August.
Other Technology/Infrastructure Foundation and Reliability					20.2	8.2	6.3	1.9	17.6			
Total Technology/Infrastructure Foundation and Reliability					26.7	18.9	10.2	8.7	55.9	46%		
Project Efficiencies									(22.6)			
FY20 CAPITAL INVESTMENT TOTALS					\$ 162.3	\$ 65.5	\$ 44.0	\$ 21.5	\$ 151.0			

Programs with ** consist of several individual projects.