

BLANKET PROJECT DOCUMENTATION SECTION

Project #		2013		2014		2015		2016		2017		2018	
		Approval	Closure	Approval	Closure	Approval	Closure	Approval	Closure	Approval	Closure	Approval	Closure
CN04904	Narragansett Meter Purchases	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
CN04920	Narragansett Transformer Purchases	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0002	Ocean St-Dist-Substation Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0004	Ocean St-Dist-Meter Installation Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0006	Ocean St-Dist-General Equipment Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0010	Ocean St-Dist-New Business Residential Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0011	Ocean St-Dist-New Business Commercial Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0012	Ocean St-Dist-Outdoor Lighting Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0013	Ocean St-Dist-Public Requirements Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0014	Ocean St-Dist-Damage/Failure Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0015	Ocean St-Dist-Reliability Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0016	Ocean St-Dist-Load Relief Blanket.	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0017	Ocean St-Dist-Asset Replacement Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0022	Ocean St-Dist-3rd Party Attachment Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0025	OS-Dist-Substation Load Relief/Reliability Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0026	OS-Dist-Substation Asset Replacement Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0009	Ocean St-Dist-Land & Land Rights Blanket	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open
COS0091	Land and Land Rights RI Elect (Replaced COS0009 in FY2016/17)	Page 2 of 88	Page 15 of 88	Page 23 of 88	Page 29 of 88	Page 37 of 88	Page 44 of 88	Page 52 of 88	Page 59 of 88	Page 67 of 88	Page 74 of 88	Page 81 of 88	n/a - fiscal year still open

FISCAL YEAR -- APPROVAL & CLOSURE PAPER PAGE REFERENCE - ATTACHMENT B

This document has been reviewed for Critical Energy Infrastructure Information (CEII).



US Sanction Paper

Title:	Blanket Project Spending Authorization FY2013	Sanction Paper #:	USSC-12-106
Project #:	Multiple-See Appendix A and Appendix B	Sanction Type:	Project Sanction
Operating Company:	The Narragansett Electric Company	Date of Request:	April 11, 2012
Author:	Janice Flynn, Matt Roby	Sponsor:	Christopher E. Root
Utility Service:	Electricity T&D		

1 Executive Summary

1.1 Sanctioning Summary:

This paper requests the Sanctioning of The Narragansett Electric Company Blanket projects for fiscal year 2013 on a project line item basis, +/- 10%.

This sanction amount is \$32.189M (+/- 10%) broken down into:

- \$ 26.777M Capex
- \$ 2.621M Opex
- \$ 2.791M Removal

1.2 Brief Description:

The capital blanket projects cover the installation and removal of distribution and transmission equipment in specifically identified categories and scopes of work for local communities in Rhode Island.

1.3 Summary of Projects:

Project Number	Project Title	Estimate Amount (\$)
	See Appendix A Distribution	\$ 30.379M
	See Appendix B Transmission	\$ 1.810M
	Total	\$ 32.189M

1.4 Associated Projects:

Project Number	Project Title	Company	Estimate Amount (\$)
None			
		Total	

US Sanction Paper



1.5 Prior Sanctioning History (including relevant approved Strategies):

Date	Governance Body	Sanctioned Amount	Paper Title	Sanction Type
None				

1.6 Next Planned Sanction Review:

Date (Month/Year)	Purpose of Sanction Review
July 2013	Closure

1.7 Category:

Category	Reference to Mandate, Policy, or NPV Assumptions
<input checked="" type="checkbox"/> Mandatory	All Blanket Projects are considered Mandatory Projects
<input type="checkbox"/> Policy-Driven	
<input type="checkbox"/> Justified NPV	

1.8 Asset Management Risk Score

Asset Management Risk Score: 49

Primary Risk Score Driver: (Policy Driven Projects Only)

Reliability Environment Health & Safety

1.9 Complexity Level: (if applicable)

High Complexity Medium Complexity Low Complexity

Complexity Score: N/A



US Sanction Paper

1.10 Business Plan:

Business Plan Name & Period	Project included in approved Business Plan?	Over / Under Business Plan	Project Cost relative to approved Business Plan (\$)
FY2013 Approved Business Plan Dist	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Over <input type="checkbox"/> Under	\$0.000M
FY2013 Approved Business Plan Tran	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Over <input type="checkbox"/> Under	\$1.435M

1.11 If cost > approved Business Plan how will this be funded?

Re-allocation of funds within the portfolio will be managed by Resource Planning to meet jurisdictional budgetary, statutory and regulatory requirements.

1.12 Current Planning Horizon:

Company Name	Current planning horizon							Total
	Prior YR'S	Yr 1 11/12	Yr 2 12/13	Yr 3 13/14	Yr 4 14/15	Yr 5 15/16	Yr 6 +	
\$M								
Proposed Capex Investment			26.777					26.777
Proposed Opex Investment			2.621					2.621
Proposed Removal Investment			2.791					2.791
CIAC / Reimbursement			0.000					0.000
Total	\$0.000	\$0.000	\$32.189	\$0.000	\$0.000	\$0.000	\$0.000	\$32.189



US Sanction Paper

1.13 Resources:

Resource Sourcing			
Engineering & Design Resources to be provided	<input checked="" type="checkbox"/> Internal	<input checked="" type="checkbox"/> Contractor	
Construction/Implementation Resources to be provided	<input checked="" type="checkbox"/> Internal	<input checked="" type="checkbox"/> Contractor	
Resource Delivery			
Availability of internal resources to deliver project:	<input type="checkbox"/> Red	<input type="checkbox"/> Amber	<input checked="" type="checkbox"/> Green
Availability of external resources to deliver project:	<input type="checkbox"/> Red	<input type="checkbox"/> Amber	<input checked="" type="checkbox"/> Green
Operational Impact			
Outage impact on network system:	<input type="checkbox"/> Red	<input type="checkbox"/> Amber	<input checked="" type="checkbox"/> Green
Procurement impact on network system:	<input type="checkbox"/> Red	<input type="checkbox"/> Amber	<input checked="" type="checkbox"/> Green

1.14 Key Issues (include mitigation of Red or Amber Resources):

1	
2	
3	

1.15 Key Milestones:

Milestone	Target Date: (Month/Year)
Project Sanction	March, 2012
Completion	March, 2013
Closure Paper	July, 2013

1.16 Climate Change:

Are financial incentives (e.g. carbon credits) available?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Contribution to National Grid's 2050 80% emissions reduction target:	<input checked="" type="checkbox"/> Neutral	<input type="checkbox"/> Positive	<input type="checkbox"/> Negative
Impact on adaptability of network for future climate change:	<input checked="" type="checkbox"/> Neutral	<input type="checkbox"/> Positive	<input type="checkbox"/> Negative

1.17 List References:

1	N/A
2	
3	

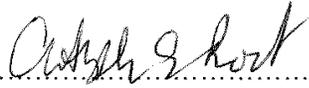


US Sanction Paper

2 Recommendations:

The **US Sanctioning Committee** is invited to:

- (a) APPROVE the FY 2013 Blanket Project Spending, of \$32.189M, with a tolerance of +/- 10% for the individual projects listed in Appendix A and Appendix B.
- (b) NOTE that Thomas Bennett is the Project Manager and has the approved financial delegation.
- (c) NOTE: In the event that any Blanket projects are not approved prior to the start of the FY2014 fiscal year, the FY2013 approval limits will remain in effect until such time as the FY2014 blanket projects are approved by USSC and/or other appropriate authority for approval.

Signature.....  Date..... 11/29/12

Sponsor: Christopher E. Root, Senior Vice President Network Strategy

3 Decisions

The US Sanctioning Committee (USSC) approved this paper at a USSC meeting held on April 11, 2012.

Signature.....  Date..... 12/7/12

Lee S. Eckert
US Chief Financial Officer
Chairman, US Sanctioning Committee

US Sanction Paper



4 Sanction Paper Detail

Title:	Blanket Project Spending Authorization FY2013	Sanction Paper #:	USSC-12-106
Project #:	Multiple-See Appendix A and Appendix B	Date of Request:	April 11, 2012
Company Name:	The Narragansett Electric Company	Sponsor:	Christopher E. Root
		Author:	Janice Flynn, Matt Roby

4.1 Background

Blanket projects consist of many small value work orders that are typically standard construction and scope, of short duration, and are limited to total spending under \$100,000. Designs for distribution blanket work orders over \$10,000 require the approval of the supervisor of distribution design.

Aggregating similar, standards driven work into categories allows for efficient budgeting, tracking, and reporting of spending. Approval levels combine with blanket metrics and monthly reporting to provide oversight and control.

The blanket budget requirements are determined on a divisional (and regulatory) basis. This level of budgeting most readily provides for forecasting and budgetary control at a manageable level. This approach also provides for analysis to allow us to benchmark divisions across the service territory.

The Blanket category spending estimates are determined by a review of the historical and current year's budget, year-to-date actual, and forecasted spending. The estimates for the following year's budget are derived from a combination of forecasted inflation rates for materials, labor, and indirect cost, combined with market outlook, sector analysis, and overall economic conditions.

4.2 Drivers

The use of capital blanket projects support the budgeting, forecasting and reporting requirements, internally and externally, for the management of our business and Mandatory requirements per section 1.7.



US Sanction Paper

4.3 Project Description

The capital blanket projects cover the installation and removal of distribution and transmission equipment in specifically identified categories and scopes of work for local communities in Rhode Island.

4.4 Benefits Summary

These blankets support mandatory requirements to perform work such as, New Residential and New Commercial connections, small value system performance improvements and damage and failure repairs.

4.5 Business Issues

These projects are in the approved capital plan for the aggregate amount of \$31.759M. There is little or no impact on Commercial agreements or third party negotiations

4.6 Options Analysis

Recommended Option:

The recommended approach is to authorize the projects listed in Appendix A and Appendix B as blankets.

A copy of this paper, signed by the chair of the US Sanctioning Committee will be attached to each blanket project in PPM and/or Power Plant for information, audit, and change control capture as authorized.

Alternative 1:

As these blankets support work considered mandatory, there are no viable alternatives.

4.7 Safety, Environmental and Project Planning Issues

Safety issues related to the blanket are minimal. Environmental issues are related to the transformer blanket and the uncertainty related to the material costs required by environmental regulations



US Sanction Paper

4.8 Execution Risk Appraisal

Number	Detailed Description of Risk / Opportunity	Probability	Impact		Score		Strategy	Pre-Trigger Mitigation Plan	Residual Risk	Post Trigger Mitigation Plan
			Cost	Schedule	Cost	Schedule				
1	Economic or other conditions may change such that budget projections are invalid	2	5	1	10	2	Accept	None.	Entire risk remains.	Re-allocation of funds within the portfolio will be managed by Resource Planning to meet jurisdictional budgetary, statutory and regulatory requirements.
2	Individual work orders may exceed \$100k	5	1	1	5	5	Mitigate	Work orders will be monitored for charges on a monthly basis.	Work orders with legitimate charges will need to be resanctioned.	Individual work orders that exceed \$100k will be resanctioned as specific projects.



US Sanction Paper

4.9 Permitting

Permitting is determined on an individual work order basis.

4.10 Investment Recovery

4.10.1 Investment Recovery and Regulatory Implications²⁰

Investment recovery will be through standard rate recovery mechanisms.

4.10.2 Customer Impact

This project results in an indicative first full year revenue requirement when the asset is placed in service equal to approximately \$5.355M. This is indicative only. The actual revenue requirement will differ, depending upon the timing of the next rate case and/or the timing of the next filing in which the project is included in rate base.

4.10.3 CIAC / Reimbursement

Reimbursement will vary on a work order by work order basis.

4.11 Financial Impact to National Grid

4.11.1 Cost Summary Table

Project #	Project Description	Project Estimate Level	\$M	Prior YR Spending	Current Planning Horizon						Total	
					YR1 11/12	YR2 12/13	YR3 13/14	YR4 14/15	YR5 15/16	YR6+		
Multiple	FY13 Blanket	+/- 10%	Capex			26.777						26.777
See Appendices	Spending Auth		Opex			2.621						2.621
			Removal			2.791						2.791
			Total	0.000	0.000	32.189	0.000	0.000	0.000	0.000	0.000	32.189
Total Proposed Sanction												
			Capex	0.000	0.000	26.777	0.000	0.000	0.000	0.000	0.000	26.777
			Opex	0.000	0.000	2.621	0.000	0.000	0.000	0.000	0.000	2.621
			Removal	0.000	0.000	2.791	0.000	0.000	0.000	0.000	0.000	2.791
			Total	0.000	0.000	32.189	0.000	0.000	0.000	0.000	0.000	32.189
				\$0.000	\$0.000	\$32.189	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$32.189

4.11.2 Project Budget Summary Table

Project Costs per Business Plan		Prior Year Spending*	YR 1 11/12	YR 2 12/13	YR 3 13/14	YR 4 14/15	YR 5 15/16	YR 6+	Total
Capex		0.000	0.000	25.732	0.000	0.000	0.000	0.000	25.732
Opex		0.000	0.000	2.261	0.000	0.000	0.000	0.000	2.261
Removal		0.000	0.000	2.761	0.000	0.000	0.000	0.000	2.761
Total Cost in B Plan		0.000	0.000	30.754	0.000	0.000	0.000	0.000	\$30.754

* P/Y Actuals

Variance (Business Plan-Project Estimate)		Prior Year Spending	YR 1 11/12	YR 2 12/13	YR 3 13/14	YR 4 14/15	YR 5 15/16	YR 6+	Total
Capex		0.000	0.000	(1.045)	0.000	0.000	0.000	0.000	(1.045)
Opex		0.000	0.000	(0.360)	0.000	0.000	0.000	0.000	(0.360)
Removal		0.000	0.000	(0.030)	0.000	0.000	0.000	0.000	(0.030)
Total Variance		0.000	0.000	(1.435)	0.000	0.000	0.000	0.000	(\$1.435)



US Sanction Paper

4.11.3 Cost Assumptions

The Blanket projects are analyzed on a twelve month moving monthly average in order to align the forecast to the actual trend. Each division was viewed and analyzed independent of the other divisions. The blanket actual costs were broken down into three major categories: payroll, material, and other to appropriately fund to the FY13 levels. Extracting the data on this level provides a more accurate forecast as the inflation and volume levels fluctuate between the three categories.

Group Investment

Blanket projects are treated as mandatory investments under the common definition developed by Group Investment by lines of business. The blanket projects are aggregated with the other projects in the portfolio and incorporated into the risks and remuneration models used by Group Investment.

Inflation

Payroll increase was applied at 3% per annum. Assumptions for Materials were calculated using the Commodity Pricing Model. Those numbers were then conveyed to the key stakeholders to review and modify if necessary. "Other" inflationary assumption will follow CPI index. The commodity pricing model and CPI were applied in common with other lines of Business through the Group Investment process.

The Cost of Removal and Capital Related Expense were calculated based on the historical percentage associated with the corresponding budget classifications.

Volume

All blanket categories were forecasted individually to derive the appropriate levels. The volume adjustment assumptions were based on related trends or forecasted economic data and then discussed and reviewed with the key stakeholders to identify known volume increases anticipated within the next five fiscal years. Asset Strategies were reviewed to fund according to the identified and anticipated work levels. Policy driven blankets had no volume increases assumed.

The net outcome of the inflation and volume analysis was a Total Blanket Projects Budget of \$32.189M for Capex, Opex, and Removal combined in the Fiscal Year 2013.

4.11.4 Net Present Value / Cost Benefit Analysis

Not Financially Driven

4.11.5 Additional Impacts

N/A



US Sanction Paper

4.12 Statements of Support

4.12.1 Supporters

Role	Name	Responsibilities
<i>Sponsor/ Asset Manager/ Asset Owner/ Process Owner</i>		Endorses the project aligns with jurisdictional objectives
Investment Planning	Ray Morey	Endorses relative to 5-year business plan or emergent work
Resources Planning	Tom Bennett	Endorses Resources, cost estimate, schedule, and Portfolio Alignment

4.12.2 Reviewers

Reviewer List	Name
Finance	Karen Hamel
Regulatory	Peter Zschokke
Procurement	Ross Turini
Jurisdictional Delegates	Jennifer Grimsley



US Sanction Paper

5 Appendices

Appendix A - Distribution

FY 2013 Blanket Sanction – Rhode Island

Items	Funding Project #	Project ID	Co #	Budget Class	Spending Rationale	Total Capital Project Budget (FY12/13)	Total O&M Budget (FY12/13)	Total Removal Project Budget (FY12/13)	Total Budget
03489 Narragansett Meter Purchases	CN4904	3489	49	Meters - Dist	Statutory/Regulatory	1,147,000	0	0	1,147,000
03491 Narragansett Transformer Purchases	CN4920	3491	49	Transformers & Related Equipment	Statutory/Regulatory	3,655,000	0	0	3,655,000
03550 Ocean St-Dist-Subs Blanket	COS002	3550	49	Damage/Failure	Damage/Failure	649,000	97,350	97,350	843,700
03544 Ocean St-Dist-Meter Blanket	COS004	3544	49	Meters - Dist	Statutory/Regulatory	668,000	46,760	100,200	814,960
03541 Ocean St-Dist-Genl Equip Blanket	COS006	3541	49	General Equipment - Dist	Non-Infrastructure	186,000	5,580	27,900	219,480
03542 Ocean St-Dist-Land/Rights Blanket	COS009	3542	49	Land and Land Rights	Statutory/Regulatory	297,000	0	0	297,000
03546 Ocean St-Dist-New Bus-Resid Blanket	COS010	3546	49	New Business - Residential	Statutory/Regulatory	3,194,000	383,280	415,220	3,992,500
03545 Ocean St-Dist-New Bus-Comm Blanket	COS011	3545	49	New Business - Commercial	Statutory/Regulatory	3,000,000	240,000	240,000	3,480,000
03549 Ocean St-Dist-St Light Blanket	COS012	3549	49	Outdoor Lighting - Capital	Statutory/Regulatory	571,000	45,680	62,810	679,490
03547 Ocean St-Dist-Public Require Blankt	COS013	3547	49	Public Requirements	Statutory/Regulatory	1,054,000	210,800	242,420	1,507,220
03540 Ocean St-Dist-Damage&Failure Blankt	COS014	3540	49	Damage/Failure	Damage/Failure	7,648,000	841,280	1,223,680	9,712,960
03548 Ocean St-Dist-Reliability Blanket	COS015	3548	49	Reliability - Dist	System Capacity & Performance	1,162,000	122,010	92,960	1,376,970
03543 Ocean St-Dist-Load Relief Blanket	COS016	3543	49	Load Relief	System Capacity & Performance	285,000	19,950	32,775	337,725
03539 Ocean St-Dist-Asset Replace Blanket	COS017	3539	49	Asset Replacement	Asset Condition	1,136,000	164,720	170,400	1,471,120
03551 Ocean St-Dist-Telecomm Blanket	COS021	3551	49	Telecommunications Capital - Dist	Non-Infrastructure	150,000	0	0	150,000
03538 Ocean St-Dist-3rd Party Attch Blnkt	COS022	3538	49	3rd Party Attachments	Statutory/Regulatory	555,000	83,250	55,500	693,750
Totals						25,357,000	2,260,660	2,761,215	30,378,875



US Sanction Paper

Appendix B - Transmission FY 2013 Blanket Sanction – Rhode Island

Project Description	Funding Project #	Co#	Spending Rationale	Total Capital Project Budget (FY 12/13)	Total O&M Project Budget (FY 12/13)	Total Removal Project Budget (FY 12/13)	Total Budget
TransLine Damage-Failure Budget Res	C03168	49	Damage/Failure	105,000	0	0	105,000
Trans Sub Budgetary Reserve - NECO	C03500	49	Damage/Failure	300,000	135,000	5,000	440,000
Trans Study Budgetary Reserve- NECo	C08377	49	System Capacity & Performance	50,000	100,000	0	150,000
Trans UG Budgetary Reserve - Co 49	C13624	49	Damage/Failure	100,000	0	0	100,000
DxT Substation Dmg/Fail Reserve C49	C18593	49	Damage/Failure	550,000	25,000	25,000	600,000
TxT Study Budgetary Reserve - NECO	C31547	49	Asset Condition	50,000	50,000	0	100,000
DxT Study Budgetary Reserve - NECO	C28251	49	Asset Condition	50,000	50,000	0	100,000
T Sub Storm Budgetary Reserve - NEC	C38864	49	Damage/Failure	50,000	0	0	50,000
T Line Storm Budgetary Reserve - NEC	C38866	49	Damage/Failure	115,000	0	0	115,000
T Line Study Budgetary Reserve - NEC	C42288	49	Asset Condition	50,000	0	0	50,000
Totals:				1,420,000	360,000	30,000	1,810,000

USSC Closure Paper



Title:	RI FY13 Blanket Closure Paper	Sanction Paper #:	USSC-12-106C
Project #:	See Appendix A	Sanction Type:	Closure
Operating Company:	The Narragansett Electric Co.	Date of Request:	03/27/2017
Author:	Anne Wyman	Sponsor:	Carol Sedewitz, VP Electric Asset Management
Utility Service:	Electricity T&D	Project Manager:	Anne Wyman

1 Executive Summary

This paper is presented to close FY13 Blankets. The total spend was \$26.238M. The latest sanctioned amount for this project was \$30.606M.

The final spend amount is \$26.238M broken down into:

- \$20.481M Capex*
- \$3.995M Opex*
- \$1.762M Removal*

2 Project Summary

This paper recommends closure of the FY13 Blanket Projects for The Narragansett Electric Company. Blanket Projects are budgeted each year and are reset at the beginning of each fiscal year to reflect the new budget for that year. The approved budgets for each blanket project are entered into the Primavera Portfolio Management (PPM) application at the start of the new fiscal year. During the year the Blanket Projects approval levels are monitored against the forecast file that is used at the monthly Resource Planning Meetings sponsored by Resource Planning. In FY13, the blanket projects for The Narragansett Electric Company were approved for \$30.606M, with total spend being \$26.238M. Within the total of 16 projects there were a number of under runs and over runs. The final accounting for each blanket project is provided as Appendix A.

USSC Closure Paper



3 Over / Under Expenditure Analysis

3.1 Summary Table

Actual Spending (\$M)			
Project #	Description		Total Spend
Multiple	RI FY13 Blankets	Capex	20.481
		Opex	3.995
		Removal	1.762
		Total	26.238
Total		Capex	20.481
		Opex	3.995
		Removal	1.762
		Total	26.238

Project Sanction Summary Table			
Project Sanction Approval (\$M)			Total Spend
		Capex	25.532
		Opex	2.287
		Removal	2.787
		Total Cost	30.606
Sanction Variance (\$M)			Total Spend
		Capex	5.051
		Opex	(1.708)
		Removal	1.025
		Total Variance	4.368

3.2 Analysis

In FY12, monthly analyses of blankets were introduced. This practice continued in FY13 prior to the implementation of SAP. This monthly analysis allowed for review of changes in month over month spends, identifying any positive or negative trending, and improvements to our forecasting ability. Post SAP implementation, the Company experienced some difficulty generating reliable financial data relative to actual blanket spend, which temporarily made forecasting and tracking difficult. Please refer to Appendix A for blanket-specific analyses.



USSC Closure Paper

4 Improvements / Lessons Learned/ Root Cause

Improvements may need to be made to the budget file and forecast process to allow for more clarity on the drivers of the over/under spend in each blanket. In turn, this will allow for a better forecast in future months and for communication with Investment Planning when setting future budget levels. Volumes exceeded budget levels.

5 Closeout Activities

The following closeout activities have been completed.

Activity	Completed
All work has been completed in accordance with all National Grid policies	<input checked="" type="radio"/> Yes <input type="radio"/> No
All relevant costs have been charged to project	<input checked="" type="radio"/> Yes <input type="radio"/> No
All work orders and funding projects have been closed (1)	<input type="radio"/> Yes <input checked="" type="radio"/> No
All unused materials have been returned	<input checked="" type="radio"/> Yes <input type="radio"/> No
All as-builts have been completed (2)	<input type="radio"/> Yes <input checked="" type="radio"/> No
All lessons learned have been entered appropriately into the lesson learned database (3)	<input type="radio"/> Yes <input checked="" type="radio"/> No

- (1) All work orders and funding projects have been closed
Program/Blanket projects may contain work orders which have not yet been closed for reasons including but not limited to:
- design and/or construction have not yet begun
 - construction may cross multiple fiscal years
 - the work order closing process is within the late charge waiting period
 - other accounting processes or final system closing activities have not yet completed

A summary of the status for all work orders charged in the fiscal year is provided below. In addition, for any work order which remains open, a table of the



USSC Closure Paper

disposition determined during Phase 1 of the Work Order Closure effort is provided.

The Program/Blanket projects are approved annually for the current year expected spend and remain open until Asset Management and/or Resource Planning have determined the project is no longer required.

(2) All as-builts have been completed. (Refer to Work Order Summary Tables) Program/Blanket projects may contain work orders for which no as-builts have yet been recorded for reasons including but not limited to:

- design and/or construction have not yet completed
- construction may cross multiple fiscal years
- work has completed recently and as-builts have not yet been processed into the system

(3) Refer to Section 4 – Improvements/Lessons Learned/Root Cause

6 Statements of Support

6.1 Supporters

The supporters listed have aligned their part of the business to support the project.

Department	Individual	Responsibilities
Investment Planning	Glen DiConza	Endorses relative to 5-year business plan or emergent work
Resource Planning	Anne Wyman	Endorses construction resources, cost estimate, schedule, and portfolio alignment
Distribution Asset Management	Alan Labarre	Endorses scope, estimate, and schedule with the company's goals, strategies, and objectives

6.2 Reviewers

The reviewers have provided feedback on the content/language of the paper.

Function	Individual
Finance	Patricia Easterly
Regulatory	Peter Zschokke
Jurisdictional Delegates	Jim Patterson
Procurement	Art Curran

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7 Decisions

The Senior Executive Sanctioning committee (SESC) approved this paper at a SESC meeting held on 3/27/2017.

Signature..........Date..........
Margaret Smith
US Chief Financial Officer
Chair, Senior Executive Sanctioning Committee

USSC Closure Paper



Below is the summary of Blanket Project Variances from budgeted to actual amounts for the fiscal years.

				Summary Variance Discussion
Project #	Description	FY2013 Approved Amount	FY2013 Actual Spending	
COS0002	Ocean St-Dist-Subs Blanket (Damage/Failure)	843,700	961,934	FY13 was within tolerance.
C018593	Ocean St-DxT Subs D/F Reserve	227,500	74,947	
	Total	1,071,200	1,036,881	
	Variance \$\$ - Over/(Under)	(34,319)		
	Variance % - Over/(Under)	(3.2%)		
Project #	Description	FY2013 Approved Amount	FY2013 Actual Spending	
COS0004	Ocean St-Dist-Meter Blanket	814,960	506,402	FY13 saw a decrease in new business due to economic factors and required less meters to be set.
	Variance \$\$ - Over/(Under)	(308,558)		
	Variance % - Over/(Under)	(37.9%)		
Project #	Description	FY2013 Approved Amount	FY2013 Actual Spending	
COS0006	Ocean St-Dist-Genl Equip Blanket	219,480	359,451	The FY13 variance was driven by equipment purchase carryovers and in-year items.
	Variance \$\$ - Over/(Under)	139,971		
	Variance % - Over/(Under)	63.8%		
Project #	Description	FY2013 Approved Amount	FY2013 Actual Spending	
COS0009	Ocean St-Dist-Land/Rights Blanket	297,000	157,441	FY13 charges are being applied to specific projects rather than the blankets when possible.
	Variance \$\$ - Over/(Under)	(139,559)		
	Variance % - Over/(Under)	(47.0%)		
Project #	Description	FY2013 Approved Amount	FY2013 Actual Spending	
COS0010	Ocean St-Dist-New Bus-Resid Blanket	3,992,500	4,527,094	In FY13, residential applications and construction showing an increase due to economic factors.
	Variance \$\$ - Over/(Under)	534,594		
	Variance % - Over/(Under)	13.4%		
Project #	Description	FY2013 Approved Amount	FY2013 Actual Spending	
COS0011	Ocean St-Dist-New Bus-Comm Blanket	3,480,000	3,140,929	FY13 was within tolerance.
	Variance \$\$ - Over/(Under)	(339,071)		
	Variance % - Over/(Under)	(9.7%)		



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Project #	Description	FY2013 Approved Amount	FY2013 Actual Spending	
COS0012	Ocean St-Dist-St Light Blanket	679,490	864,495	In FY13, an increase of work was identified under this blanket than budgeted.
	Variance \$\$ - Over/(Under)	185,005		
	Variance % - Over/(Under)	27.2%		
COS0013	Ocean St-Dist-Public Require Blankt	1,507,220	(88,455)	In FY13, a large customer contribution for an undergrounding project was applied to the blanket resulting in an underspend for the year. The credit was moved to the correct funding project in FY14.
	Variance \$\$ - Over/(Under)	(1,595,675)		
	Variance % - Over/(Under)	(105.9%)		
COS0014	Ocean St-Dist-Damage/Failure Blankt	9,712,960	9,269,399	In FY13, the spend was within tolerance.
	Variance \$\$ - Over/(Under)	(443,561)		
	Variance % - Over/(Under)	(4.6%)		
COS0015	Ocean St-Dist-Reliability Blanket	1,376,970	(365,944)	In February of 2012, a \$3.2M credit for salvage from the prior year was applied to this blanket. This was an account adjustment to the reclass of salvage from deferred revenue to Removal cost. In FY13, the salvage credit applied to the reliability blanket drove the variance. The credit was associated with funds received
	Variance \$\$ - Over/(Under)	(1,742,914)		
	Variance % - Over/(Under)	(126.6%)		
COS0016	Ocean St-Dist-Load Relief Blanket	337,725	357,422	FY13 spend was within tolerance.
	Variance \$\$ - Over/(Under)	19,697		
	Variance % - Over/(Under)	5.8%		
COS0017	Ocean St-Dist-Asset Replace Blanket	1,471,120	1,818,546	FY13 saw an increase in work identified and constructed under this blanket.
	Variance \$\$ - Over/(Under)	347,426		
	Variance % - Over/(Under)	23.6%		
COS0020	Telecommunications Capital - Dist	150,000	-	New blanket for FY13 that was not utilized.
	Variance \$\$ - Over/(Under)	(150,000)		
	Variance % - Over/(Under)	(100.0%)		
COS0022	Ocean St-Dist-3rd Party Atch Blnkt	693,750	184,454	FY13 saw fewer applicants than anticipated and less work required to process the applications.
	Variance \$\$ - Over/(Under)	(509,296)		
	Variance % - Over/(Under)	(73.4%)		

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Project #	Description	FY2013 Approved Amount	FY2013 Actual Spending	
CN4920	NARRAGANSETT TRANSFORMER PURCHASES	3,655,000	3,425,615	FY13 was within tolerance.
	Variance \$\$ - Over/(Under)	(229,385)		
	Variance % - Over/(Under)	(6.3%)		
Project #	Description	FY2013 Approved Amount	FY2013 Actual Spending	
CN4904	NARRAGANSETT METER PURCHASES	1,147,000	1,043,493	FY13 was within tolerance.
	Variance \$\$ - Over/(Under)	(103,507)		
	Variance % - Over/(Under)	(9.0%)		
Totals		FY2013 Approved Amount	FY2013 Actual Spending	
Capex		30,606,375	26,237,223	
Opex		25,532,000	20,480,410	
Removal		2,286,910	3,995,092	
		2,787,465	1,761,721	
		30,606,375	26,237,223	
		(4,369,152)	(14.3%)	

Low Complexity Sanction Paper



Title:	Blanket Project Spending Authorization FY2014	Sanction Paper #:	USSC-13-075
Project #:	Multiple-See Appendix A	Sanction Type:	Sanction
Operating Company:	The Narragansett Electric Co.	Date of Request:	March 13, 2014
Author:	Janice Flynn	Sponsor:	Marie Jordan
Utility Service:	Electricity T&D	Project Manager:	Thomas Bennett

1 Sanctioning Summary

This paper requests the Sanctioning of The Narragansett Electric Company Blanket projects for fiscal year 2014 on a project line item basis, +/- 10%.

This sanction amount is \$30.527M (+/- 10%) broken down into:
\$24.588M Capex
\$2.674M Opex
\$3.265M Removal

2 Project Detail

2.1 Project Description and Benefits

The capital blanket projects cover the installation and removal of distribution equipment in specifically identified categories and scopes of work for local communities in Rhode Island.

2.1.1 Alternatives:

Because the bulk of the blankets support work that is considered mandatory, there are no viable alternatives.

2.2 Investment Recovery

Investment recovery will be through standard rate recovery mechanisms

2.2.1 Customer Impact

This project results in an indicative first full year revenue requirement when the asset is placed in service equal to approximately \$4.918M. This is indicative only. The actual revenue requirement will differ, depending upon the timing of the next rate case and/or the timing of the next filing in which the project is included in rate base.



Low Complexity Sanction Paper

3 Related Projects and Scoring

3.1 Summary of Projects:

Project Number	Project Title	Estimate Amount
Multiple	See Appendix A	\$ 30.527
Total		\$ 30.527

3.2 Associated Projects: None

Project Number	Project Title	Estimate Amount
Total		\$ -

3.3 Prior Sanctioning History (including relevant approved Strategies):

Date	Governance Body	Sanctioned Amount	Paper Title	Sanction Type
None				

3.4 Category:

Category	Reference to Mandate, Policy, or NPV Assumptions
<input checked="" type="radio"/> Mandatory <input type="radio"/> Policy- Driven <input type="radio"/> Justified NPV	The majority of Blanket Projects are Mandatory Projects



Low Complexity Sanction Paper

3.5 Asset Management Risk Score

Asset Management Risk Score: 49

Primary Risk Score Driver: (Policy Driven Projects Only)

- Reliability
 Environment
 Health & Safety
 Not Policy Driven

3.6 Complexity Level:

- High Complexity
 Medium
 Low Complexity
 N/A

Complexity Score: 15

4 Financial

4.1 Business Plan:

Business Plan Name & Period	Project included in approved Business Plan?	Over / Under Business Plan	Project Cost relative to approved Business Plan (\$)
FY2014 Approved Business Plan-Dist	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Over <input checked="" type="radio"/> Under	\$0.000M

4.1.1 If cost > approved Business Plan how will this be funded?

Re-allocation of funds within the portfolio will be managed by Resource Planning to meet jurisdictional budgetary, statutory and regulatory requirements.

4.2 CIAC / Reimbursement

\$M	Prior Yrs	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6 +	Total
		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
CIAC/Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Low Complexity Sanction Paper

4.3 Cost Summary Table

Project Number	Project Title	Project Estimate	Spend	Prior Yrs	Current Planning Horizon						Total	
					Yr. 1 2013/14	Yr. 2 2014/15	Yr. 3 2015/16	Yr. 4 2016/17	Yr. 5 2017/18	Yr. 6 + 2018/19		
Multiple	See Appendix A	Est Lvl	CapEx	\$ -	\$ 24,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,588
			OpEx	\$ -	\$ 2,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,674
			Removal	\$ -	\$ 3,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,265
			Total	\$ -	\$ 30,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,527

Total Project Sanction	CapEx	\$ -	\$ 24,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,588
	OpEx	\$ -	\$ 2,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,674
	Removal	\$ -	\$ 3,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,265
	Total	\$ -	\$ 30,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,527

4.4 Project Budget Summary Table

Project Costs per Business Plan

	Prior Yrs (Actual)	Current Planning Horizon						Total
		Yr. 1 2013/14	Yr. 2 2014/15	Yr. 3 2015/16	Yr. 4 2016/17	Yr. 5 2017/18	Yr. 6 + 2018/19	
CapEx	\$ -	\$ 24,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,588
OpEx	\$ -	\$ 2,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,674
Removal	\$ -	\$ 3,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,265
Total Cost in Bus. Plan	\$ -	\$ 30,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,527

Variance (Business Plan-Project Estimate)

	Prior Yrs (Actual)	Current Planning Horizon						Total
		Yr. 1 2013/14	Yr. 2 2014/15	Yr. 3 2015/16	Yr. 4 2016/17	Yr. 5 2017/18	Yr. 6 + 2018/19	
CapEx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OpEx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost in Bus. Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

5 Key Milestones:

Milestone	Target Date: (Month/Year)
Project Sanction	March, 2013
Completion	March, 2014
Closure Paper	July, 2014

Low Complexity Sanction Paper



6 Decisions:

The US Sanctioning Committee (USSC) at a meeting held on March 13, 2013:

- (a) APPROVED this paper and the investment of \$30.527M and a tolerance of +/- 10%
- (b) NOTED that Thomas Bennett is the Project Manager and has the approved financial delegation.
- (c) NOTE: In the event that any Blanket projects are not approved prior to the start of the FY2015 fiscal year, the FY2014 approval limits will remain in effect until such time as the FY2015 blanket projects are approved by USSC and/or other appropriate authority for approval.

Signature  Date 3/25/13

Lee S. Eckert
US Chief Financial Officer
Chairman, US Sanctioning Committee



Low Complexity Sanction Paper

Appendix A - Distribution FY 2014 Blanket Sanction – Rhode Island

PPLANT PROJECT #	DESCRIPTION	BUDGET CLASS	SPENDING RATIONALE	FY14 Capital Budget	FY14 Capital Related Expense	FY14 COST OF REMOVAL	Total
CN04904	03489 Narragansett Meter Purchases	Meters - Dist	Statutory/Regulatory	1,180,000	-	-	\$ 1,180,000
CN04920	03491 Narragansett Transformer Purchases	Transformers & Related Equipment	Statutory/Regulatory	3,430,000	-	-	\$ 3,430,000
COS0002	03550 Ocean St-Dist-Subs Blanket	Damage/Failure	Damage/Failure	644,000	122,000	97,000	\$ 863,000
COS0004	03544 Ocean St-Dist-Meter Blanket	Meters - Dist	Statutory/Regulatory	572,000	51,000	217,000	\$ 840,000
COS0006	03541 Ocean St-Dist-Genl Equip Blanket	General Equipment - Dist	Non-Infrastructure	105,000	2,000	-	\$ 107,000
COS0008	03542 Ocean St-Dist-Land/Rights Blanket	Land and Land Rights	Statutory/Regulatory	190,000	-	-	\$ 190,000
COS0010	03546 Ocean St-Dist-New Bus-Resid Blanket	New Business - Residential	Statutory/Regulatory	3,025,000	363,000	635,000	\$ 4,023,000
COS0011	03545 Ocean St-Dist-New Bus-Comm Blanket	New Business - Commercial	Statutory/Regulatory	3,050,000	275,000	214,000	\$ 3,539,000
COS0012	03549 Ocean St-Dist-St Light Blanket	Outdoor Lighting - Capital	Statutory/Regulatory	537,000	64,000	102,000	\$ 703,000
COS0013	03547 Ocean St-Dist-Public Require Blanket	Public Requirements	Statutory/Regulatory	984,000	226,000	167,000	\$ 1,377,000
COS0014	03540 Ocean St-Dist-Damage&Failure Blanket	Damage/Failure	Damage/Failure	7,531,000	979,000	1,280,000	\$ 9,790,000
COS0015	03548 Ocean St-Dist-Reliability Blanket	Reliability - Dist	System Capacity & Performance	1,232,000	234,000	123,000	\$ 1,589,000
COS0016	03543 Ocean St-Dist-Load Relief Blanket	Load Relief	System Capacity & Performance	239,000	26,000	26,000	\$ 291,000
COS0017	03539 Ocean St-Dist-Asset Replace Blanket	Asset Replacement	Asset Condition	1,205,000	253,000	398,000	\$ 1,856,000
COS0021	03551 Ocean St-Dist-Telecomm Blanket	Telecommunications Capital - Dist	Non-Infrastructure	150,000	-	-	\$ 150,000
COS0022	03538 Ocean St-Dist-3rd Party Atchc Blanket	3rd Party Attachments	Statutory/Regulatory	514,000	79,000	6,000	\$ 599,000
COS0020	03552 Ocean St-Dist-Transfr/Capac Blanket	Transformers & Related Equipment	Statutory/Regulatory	-	-	-	\$ -
Totals				\$ 24,588,000	\$ 2,674,000	\$ 3,265,000	\$ 30,527,000

USSC Closure Paper



Title:	FY2014 RI Blanket Closure	Sanction Paper #:	USSC-13-075C
Project #:	See Appendix A	Sanction Type:	Closure
Operating Company:	The Narragansett Electric Co.	Date of Request:	03/27/2017
Author:	Anne Wyman	Sponsor:	Carol Sedewitz Acting VP Electric Asset Management
Utility Service:	Electricity T&D	Project Manager:	Anne Wyman

1 Executive Summary

This paper is presented to close FY2014 blankets. The total spend was \$31.437M. The latest sanctioned amount for this project was \$30.527M.

The final spend amount is \$31.437M broken down into:

- \$24.654M Capex*
- \$3.915M Opex*
- \$2.868M Removal*

2 Project Summary

This paper recommends the closure of the FY14 Blanket Projects for The Narragansett Electric Company. Blanket Projects are budgeted each year and are reset at the beginning of each fiscal year to reflect the new budget for that year. The approved budgets for each blanket project are entered into Power Plan at the start of the new fiscal year. During the year, the blanket projects approval levels are monitored against the forecast file that is used at the monthly Resource Planning meetings sponsored by Resource Planning. In FY14, the suite of blanket projects for the The Narragansett Electric Company were approved for \$30.527M with total spend being \$31.437M. Within the projects there were a number of overruns and underruns. The final accounting of each blanket project is provided in Appendix A.



USSC Closure Paper

3 Over / Under Expenditure Analysis

3.1 Summary Table

Actual Spending (\$M)			
Project #	Description		Total Spend
Multiple	FY14 RI Blankets	Capex	24.654
		Opex	3.915
		Removal	2.868
		Total	31.437
Total		Capex	24.654
		Opex	3.915
		Removal	2.868
		Total	31.437

3.2 Analysis

Project Sanction Summary Table			
Project Sanction Approval (\$M)			Total Spend
		Capex	24.588
		Opex	2.674
		Removal	3.265
		Total Cost	30.527
Sanction Variance (\$M)			Total Spend
		Capex	(0.066)
		Opex	(1.241)
		Removal	0.397
		Total Variance	(0.910)

4 Improvements / Lessons Learned/ Root Cause

Improvements have been made to the budget file and forecast process to allow for more clarity on the drivers of the over/under spend in each blanket. In turn, this has allowed for a better forecast in future months and for communication with Investment Planning when setting future budget levels. Volumens exceeded budget set.



USSC Closure Paper

5 Closeout Activities

The following closeout activities have been completed.

Activity	Completed
All work has been completed in accordance with all National Grid policies	<input checked="" type="radio"/> Yes <input type="radio"/> No
All relevant costs have been charged to project	<input checked="" type="radio"/> Yes <input type="radio"/> No
All work orders and funding projects have been closed (1)	<input type="radio"/> Yes <input checked="" type="radio"/> No
All unused materials have been returned	<input checked="" type="radio"/> Yes <input type="radio"/> No
All as-builts have been completed (2)	<input type="radio"/> Yes <input checked="" type="radio"/> No
All lessons learned have been entered appropriately into the lesson learned database (3)	<input type="radio"/> Yes <input checked="" type="radio"/> No

- (1) All work orders and funding projects have been closed
Program/Blanket projects may contain work orders which have not yet been closed for reasons including but not limited to:
- design and/or construction have not yet begun
 - construction may cross multiple fiscal years
 - the work order closing process is within the late charge waiting period
 - other accounting processes or final system closing activities have not yet completed

A summary of the status for all work orders charged in the fiscal year is provided below. In addition, for any work order which remains open, a table of the disposition determined during Phase 1 of the Work Order Closure effort is provided.

The Program/Blanket projects are approved annually for the current year expected spend and remain open until Asset Management and/or Resource Planning have determined the project is no longer required.



USSC Closure Paper

All as-builts have been completed. (Refer to Work Order Summary Tables)
Program/Blanket projects may contain work orders for which no as-builts have yet been recorded for reasons including but not limited to:

- design and/or construction have not yet completed
- construction may cross multiple fiscal years
- work has completed recently and as-builts have not yet been processed into the system

(2) Refer to Section 4 – Improvements/Lessons Learned/Root Cause

6 Statements of Support

6.1 Supporters

The supporters listed have aligned their part of the business to support the project.

Department	Individual	Responsibilities
Investment Planning	Glen DiConza	Endorses relative to 5-year business plan or emergent work
Resource Planning	Anne Wyman	Endorses construction resources, cost estimate, schedule, and portfolio alignment
Distribution Asset Management	Alan Labarre	Endorses scope, estimate, and schedule with the company's goals, strategies, and objectives

6.2 Reviewers

The reviewers have provided feedback on the content/language of the paper.

Function	Individual
Finance	Patricia Easterly
Regulatory	Peter Zschokke
Jurisdictional Delegates	Jim Patterson
Procurement	Art Curran



USSC Closure Paper

7 Decisions

The Senior Executive Sanctioning committee (SESC) approved this paper at a SESC meeting held on March 27, 2017.

Signature..........Date..........

Margaret Smyth
US Chief Financial Officer
Chair, Senior Executive Sanctioning Committee



USSC Closure Paper

Below is the summary of Blanket Project Variances from budgeted to actual amounts for the fiscal years.

				Summary Variance Discussion
Project #	Description	FY2014 Approved Amount	FY2014 Actual Spending	
COS0002	Ocean St-Dist-Subs Blanket (Damage/Failure)	863,000	778,648	Below budget in FY14 was driven by fewer damage/failure conditions than anticipated.
	Variance \$\$ - Over/(Under)	(84,352)		
	Variance % - Over/(Under)	(9.8%)		
COS0004	Ocean St-Dist-Meter Blanket	840,000	265,893	FY14 saw a decrease in new business due to economic factors and required less meters to be set.
	Variance \$\$ - Over/(Under)	(574,107)		
	Variance % - Over/(Under)	(68.3%)		
COS0006	Ocean St-Dist-Genl Equip Blanket	107,000	474,238	The FY14 variance was driven by major equipment purchases of Doble test equipment, thermal imaging cameras, transformer profiling test equipment, and megger test equipment.
	Variance \$\$ - Over/(Under)	367,238		
	Variance % - Over/(Under)	343.2%		
COS0009	Ocean St-Dist-Land/Rights Blanket	190,000	51,613	In FY14, charges are being applied to specific projects rather than the blankets when possible.
	Variance \$\$ - Over/(Under)	(138,387)		
	Variance % - Over/(Under)	(72.8%)		
COS0010	Ocean St-Dist-New Bus-Resid Blanket	4,023,000	4,367,422	FY14 was within tolerance.
	Variance \$\$ - Over/(Under)	344,422		
	Variance % - Over/(Under)	8.6%		
COS0011	Ocean St-Dist-New Bus-Comm Blanket	3,539,000	3,816,355	FY14 was within tolerance.
	Variance \$\$ - Over/(Under)	277,355		
	Variance % - Over/(Under)	7.8%		

USSC Closure Paper



Project #	Description	FY2014 Approved Amount	FY2014 Actual Spending	
COS0012	Ocean St-Dist-St Light Blanket	703,000	1,168,479	FY14 saw an increase in work identified under this blanket.
	Variance \$\$ - Over/(Under)	465,479		
	Variance % - Over/(Under)	66.2%		
COS0013	Ocean St-Dist-Public Require Blankt	1,377,000	629,601	In FY14, credits received for closed DOT specific projects were applied to this blanket, resulting in lower than historical spend.
	Variance \$\$ - Over/(Under)	(747,399)		
	Variance % - Over/(Under)	(54.3%)		
COS0014	Ocean St-Dist-Damage/Failure Blankt	9,790,000	13,676,968	FY14 saw an increased level of work identified and completed under the damage/failure blankets than previous years.
	Variance \$\$ - Over/(Under)	3,886,968		
	Variance % - Over/(Under)	39.7%		
COS0015	Ocean St-Dist-Reliability Blanket	1,589,000	291,367	In FY14, the salvage credit applied to the reliability blanket drove the variance. The credit was associated with funds received for salvaged materials such as copper and aluminum.
	Variance \$\$ - Over/(Under)	(1,297,633)		
	Variance % - Over/(Under)	(81.7%)		
COS0016	Ocean St-Dist-Load Relief Blanket	291,000	431,720	In FY14 there was an increase in construction in this blanket due to the identification of summer load issues identified after each summer yielding construction in the following year.
	Variance \$\$ - Over/(Under)	140,720		
	Variance % - Over/(Under)	48.4%		
COS0017	Ocean St-Dist-Asset Replace Blanket	1,856,000	2,423,568	FY14 saw an increase in work identified and constructed under this blanket.
	Variance \$\$ - Over/(Under)	567,568		
	Variance % - Over/(Under)	30.6%		
COS0021	Ocean St-Dist-Telecom Blanket	150,000	-	This blanket was not utilized in FY14.
	Variance \$\$ - Over/(Under)	(150,000)		
	Variance % - Over/(Under)	(100.0%)		



USSC Closure Paper

Project #	Description	FY2014 Approved Amount	FY2014 Actual Spending	
COS0022	Ocean St-Dist-3rd Party Atch Blnkt Variance \$\$ - Over/(Under) Variance % - Over/(Under)	599,000 (541,083) (90.3%)	57,917	FY14 saw fewer applicants than anticipated and less work required to process the applications.
CN4920	NARRAGANSETT TRANSFORMER PURCHASES Variance \$\$ - Over/(Under) Variance % - Over/(Under)	3,430,000 (1,098,680) (32.0%)	2,331,320	In FY14, the overloaded transformer target decreased as well as an effort to reduce surplus stock leftover from cancelled projects resulted in less purchasing.
CN4904	NARRAGANSETT METER PURCHASES Variance \$\$ - Over/(Under) Variance % - Over/(Under)	1,180,000 (508,729) (43.1%)	671,271	In FY14, a decrease in the demand for meters resulted in less purchasing.
Totals				
Capex		30,527,000	31,436,380	
Opex		24,588,000	24,653,293	
Removal		2,674,000	3,914,886	
		3,265,000	2,868,202	
		30,527,000	31,436,380	
		909,380		
		3.5%		

D



Short Form Sanction Paper

Title:	Blanket Project Spending Authorization FY2015	Sanction Paper #:	USSC-14-039
Project #:	Multiple-See Appendix A	Sanction Type:	Sanction
Operating Company:	The Narragansett Electric Co.	Date of Request:	March 12, 2014
Author:	Janice Flynn	Sponsor:	Marie Jordan
Utility Service:	Electricity T&D	Project Manager:	Darrin Hunt

1 Executive Summary

1.1 Sanctioning Summary

This paper requests the Sanctioning of The Narragansett Electric Company Blanket projects for fiscal year 2015 on a project line item basis, +/- 10%.

This sanction amount is \$29.116M broken down into:

- \$23.604M Capex
- \$ 2.639M Opex
- \$ 2.873M Removal

2 Project Summary and Detail

The capital blanket projects cover the installation and removal of distribution equipment in specifically identified categories and scopes of work for local communities in Rhode Island

2.1 Alternatives

Because the bulk of the blankets support work that is considered mandatory, there are no viable alternatives.

2.2 Investment Recovery

Investment recovery will be through standard rate recovery mechanisms

2.2.1 Customer Impact

This project results in an indicative first full year revenue requirement when the asset is placed in service equal to approximately \$4.721M. This is indicative only. The actual revenue requirement will differ, depending upon the timing of the next rate case and/or the timing of the next filing in which the project is included in rate base.



Short Form Sanction Paper

3 Related Projects, Scoring, Budgets

3.1 Summary of Projects

Project Number	Project Type (Elec only)	Project Title	Estimate Amount (\$M)
Mutiple	Distribution-Gen Equip	See Appendix A	29.116
Total			29.116

3.2 Associated Projects - None

Project Number	Project Title	Estimate Amount (\$M)
Total		0.000

3.3 Prior Sanctioning History

Date	Governance Body	Sanctioned Amount	Paper Title	Sanction Type
None				

3.4 Category

Category	Reference to Mandate, Policy, or NPV Assumptions
<input checked="" type="radio"/> Mandatory	The majority of Blanket Projects are Mandatory Projects
<input type="radio"/> Policy- Driven	
<input type="radio"/> Justified NPV	



Short Form Sanction Paper

3.5 Asset Management Risk Score

Asset Management Risk Score: 49

Primary Risk Score Driver: (Policy Driven Projects Only)

Reliability Environment Health & Safety Not Policy Driven

3.6 Complexity Level

High Complexity Medium Complexity Low Complexity N/A

Complexity Score: 15

4 Financial

4.1 Business Plan

Business Plan Name & Period	Project included in approved Business Plan?	Over / Under Business Plan	Project Cost relative to approved Business Plan (\$)
FY2015 Distribution Approved Business Plan	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Over <input type="radio"/> Under <input checked="" type="radio"/> NA	\$0.000M

4.1.1 If cost > approved Business Plan how will this be funded?

Re-allocation of funds within the portfolio will be managed by Resource Planning to meet jurisdictional budgetary, statutory and regulatory requirements.

4.2 CIAC / Reimbursement

N/A

4.3 Cost Summary Table



Short Form Sanction Paper

Project Number	Project Title	Project Estimate Level (%)	Spend	Prior Yrs	Current Planning Horizon (\$M)						Total	
					Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6+		
Multiple	See Appendix A	+/- 10%	CapEx	-	23,604	-	-	-	-	-	-	23,604
			OpEx	-	2,639	-	-	-	-	-	-	2,639
			Removal	-	2,873	-	-	-	-	-	-	2,873
			Total	-	29,116	-	-	-	-	-	-	29,116

Total Project Sanction	CapEx	-	23,604	-	-	-	-	-	-	23,604
	OpEx	-	2,639	-	-	-	-	-	-	2,639
	Removal	-	2,873	-	-	-	-	-	-	2,873
	Total	-	29,116	-	-	-	-	-	-	29,116

4.4 Project Budget Summary Table

Project Costs Per Business Plan

\$M	Prior Yrs (Actual)	Current Planning Horizon (\$M)						Total
		Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6+	
CapEx	0.000	23,604	0.000	0.000	0.000	0.000	0.000	23,604
OpEx	0.000	2,639	0.000	0.000	0.000	0.000	0.000	2,639
Removal	0.000	2,873	0.000	0.000	0.000	0.000	0.000	2,873
Total Cost in Bus. Plan	0.000	29,116	0.000	0.000	0.000	0.000	0.000	29,116

Variance (Business Plan-Project Estimate)

\$M	Prior Yrs (Actual)	Current Planning Horizon (\$M)						Total
		Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6+	
CapEx	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OpEx	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Cost in Bus. Plan	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

5 Key Milestones

Milestone	Target Date: (Month/Year)
Project Sanction	March, 2014
Completion	March, 2015
Closure Paper	July, 2015



Short Form Sanction Paper

6 Statements of Support

6.1.1 Supporters

Role	Individual	Responsibilities
Investment Planner - NE	Glen DiConza	Endorses relative to 5-year business plan or emergent work
Resource Planning	Jim Patterson and Mark Phillips	Endorses Resources, cost estimate, schedule, and Portfolio Alignment

6.1.2 Reviewers

Reviewer List	Individual
Finance	Keith Fowler
Regulatory	Peter Zschokke
Jurisdictional Delegate	Jennifer Grimsley

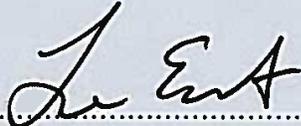


Short Form Sanction Paper

7 Decisions

The US Sanctioning Committee (USSC) at a meeting held on March 12, 2014:

- (a) APPROVED this paper and the investment of \$29.116M and a tolerance of +/- 10%
- (b) NOTED that Darrin Hunt is the Project Manager and has the approved financial delegation.
- (c) NOTE: In the event that any Blanket projects are not approved prior to the start of the FY2016 fiscal year, the FY2015 approval limits will remain in effect until such time as the FY2016 blanket projects are approved by USSC and/or other appropriate authority for approval.

Signature..........Date. 3/21/14.....

Lee S. Eckert
US Chief Financial Officer
Chairman, US Sanctioning Committee



Short Form Sanction Paper

Appendix A - Distribution FY 2015 Blanket Sanction – Rhode Island

Power Plant Project #	Project Description	Capex Spending Rationale	Budget Classification	FY15 Capital Budget	FY15 Capital Related Expense	FY15 Cost of Removal	Project Total
CN04904	Narragansett Meter Purchases	Statutory/Regulatory	Meters - Dist	1,260,000	-	-	1,260,000
CN04920	Narragansett Transformer Purchases	Statutory/Regulatory	Transformers & Related Equipment	3,634,000	-	-	3,634,000
COS0002	Ocean St-Dist-Subs Blanket	Damage/Failure	Damage/Failure	609,000	121,800	121,800	852,600
COS0004	Ocean St-Dist-Meter Blanket	Statutory/Regulatory	Meters - Dist	564,000	16,920	225,600	806,520
COS0006	Ocean St-Dist-Genl Equip Blanket	Non-Infrastructure	General Equipment - Dist	102,000	-	-	102,000
COS0009	Ocean St-Dist-Land/Rights Blanket	Statutory/Regulatory	Land and Land Rights - Dist	179,000	-	-	179,000
COS0010	Ocean St-Dist-New Bus-Resid Blanket	Statutory/Regulatory	New Business - Residential	2,870,000	373,100	574,000	3,817,100
COS0011	Ocean St-Dist-New Bus-Comm Blanket	Statutory/Regulatory	New Business - Commercial	3,024,000	332,640	211,680	3,568,320
COS0012	Ocean St-Dist-St Light Blanket	Statutory/Regulatory	Outdoor Lighting - Capital	533,000	79,950	42,640	655,590
COS0013	Ocean St-Dist-Public Require Blanket	Statutory/Regulatory	Public Requirements	914,000	182,800	137,100	1,233,900
COS0014	Ocean St-Dist-Damage&Failure Blanket	Damage/Failure	Damage/Failure	7,207,000	1,081,050	1,081,050	9,369,100
COS0015	Ocean St-Dist-Reliability Blanket	System Capacity & Performance	Reliability - Dist	683,000	136,600	136,600	956,200
COS0016	Ocean St-Dist-Load Relief Blanket	System Capacity & Performance	Load Relief	254,000	38,100	20,320	312,420
COS0017	Ocean St-Dist-Asset Replace Blanket	Asset Condition	Asset Replacement	1,166,000	233,200	291,500	1,690,700
COS0022	Ocean St-Dist-3rd Party Aitch Blnkt	Statutory/Regulatory	3rd Party Attachments	305,000	36,600	24,400	366,000
COS0025	OS-Dist-Substation LR/Rel Blnkt	System Capacity & Performance	Reliability - Dist	150,000	3,000	3,000	156,000
COS0026	OS-Dist-Substation Asset Rept Blnk	Asset Condition	Asset Replacement	150,000	3,000	3,000	156,000
				\$ 23,604,000	\$ 2,638,760	\$ 2,872,690	\$ 29,115,450

D

USSC Closure Paper



Title:	FY15 RI Blanket Closure	Sanction Paper #:	USSC-14-039C
Project #:	Multiple	Sanction Type:	Closure
Operating Company:	The Narragansett Electric Co.	Date of Request:	October 14, 2015
Author:	Anne Wyman	Sponsor:	John Gavin, VP, Asset Management
Utility Service:	Electricity T&D	Project Manager:	Anne Wyman

1 Executive Summary

This paper is presented to close FY15 blankets in RI. The total spend was \$32.376M. The latest sanctioned amount for this project was \$29.115M.

The final spend amount is \$32.375M broken down into:

- \$25.688M Capex*
- \$1.977M Opex*
- \$4.711M Removal*

2 Project Summary

This paper recommends the closure of the FY2015 Blanket Projects for The Narragansett Electric Company. Blanket Projects are budgeted each year and are reset at the beginning of each fiscal year to reflect the new budget for that year. The approved budgets for each blanket project are entered into Power Plan at the start of the new fiscal year. During the year, the blanket projects approval levels are monitored against the forecast file that is used at the monthly Resource Planning meetings sponsored by Resource Planning. In FY2015, the blanket projects for the Narragansett Electric Company were approved for approximately \$29.115M and outturn at \$32.376M in total. Within the 17 projects there were a number of overruns and underruns. The final accounting of each blanket project is provided in Appendix A.



USSC Closure Paper

3 Over / Under Expenditure Analysis

3.1 Summary Table

Actual Spending (\$M)			
Project #	Description		Total Spend
Multiple	RI FY15 Blankets	Capex	25.688
		Opex	1.977
		Removal	4.711
		Total	32.376
Total		Capex	25.688
		Opex	1.977
		Removal	4.711
		Total	32.376

Project Sanction Summary Table			
Project Sanction Approval (\$M)			Total Spend
		Capex	23.604
		Opex	2.639
		Removal	2.872
		Total Cost	29.115
Sanction Variance (\$M)			Total Spend
		Capex	(2.084)
		Opex	0.662
		Removal	(1.839)
		Total Variance	(3.261)

3.2 Analysis

4 Improvements / Lessons Learned

Improvements have been made to the budget file and forecast process to allow for more clarity on the drivers of the over/under spend in each blanket. In turn, this has allowed for a better forecast in future months and for communication with Investment Planning when setting future budget levels.

USSC Closure Paper



5 Closeout Activities

The following closeout activities have been completed.

Activity	Completed
All work has been completed in accordance with all National Grid policies	<input checked="" type="radio"/> Yes <input type="radio"/> N/A
All relevant costs have been charged to project	<input checked="" type="radio"/> Yes <input type="radio"/> N/A
All work orders and funding projects have been closed	<input type="radio"/> Yes <input checked="" type="radio"/> N/A
All unused materials have been returned	<input checked="" type="radio"/> Yes <input type="radio"/> N/A
All as-builts have been completed	<input type="radio"/> Yes <input checked="" type="radio"/> N/A
All lessons learned have been entered appropriately into the lesson learned database	<input type="radio"/> Yes <input checked="" type="radio"/> N/A

6 Statements of Support

6.1 Supporters

The supporters listed have aligned their part of the business to support the project.

Department	Individual	Responsibilities
Investment Planning	Glen DiConza	Endorses relative to 5-year business plan or emergent work
Resource Planning	Anne Wyman Mark Phillips	Endorses construction resources, cost estimate, schedule, and portfolio alignment
Asset Management /Planning	Alan T. LaBarre	Endorses scope, estimate, and schedule with the company's goals, strategies, and objectives

USSC Closure Paper



6.2 Reviewers

The reviewers have provided feedback on the content/language of the paper.

Function	Individual
Finance	Keith Fowler Philip Horowitz
Regulatory	Peter Zschokke
Jurisdictional Delegate	Jim Patterson
Procurement	Art Curran

USSC Closure Paper



7 Decisions

The US Sanctioning Committee (USSC) approved this paper at a USSC meeting held on October 14, 2015.

Signature  Date 
Margaret Smyth
US Chief Financial Officer
Chair, US Sanctioning Committee



USSC Closure Paper

Appendix A:

Below is the summary of Blanket Project Variances from budgeted to actual amounts for the fiscal years.

Project #	Description	FY2014		FY2015		Summary Variance Discussion
		Approved Amount	Actual Spending	Approved Amount	Actual Spending	
CG50002	Ocean St-Dist-Subs Blanket (Damage/Failure) Variance \$\$ - Over/(Under) Variance % - Over/(Under)	863,000	778,648	852,600	1,289,691	Below budget in FY14 was driven by fewer damage/failure conditions than anticipated. In FY15, higher than anticipated damage/failure conditions.
		(84,352) (9.8%)		437,091 51.3%		
CG50004	Ocean St-Dist-Meter Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	840,000	265,693	806,520	652,765	FY14 and FY15, saw a decrease in new business due to economic factors and required less meters to be set.
		(574,107) (68.3%)		(153,737) (19.1%)		
CG50006	Ocean St-Dist-Genl Equip Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	107,000	474,238	102,000	456,060	FY14 variance driven by major equipment purchases of Double Test equipment, thermal imaging cameras, transformer profiling test equipment, and megger test equipment. In FY15, variance driven by PTO equipment purchases, a battery trailer and security equipment.
		367,238 341.2%		334,060 327.5%		
CG50009	Ocean St-Dist-Land/Rights Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	130,000	51,613	129,000	154,883	Changes being applied to specific projects rather than the blankets in FY14. In FY15, there was an increase in volume and complexity of projects resulting in the variance.
		(78,387) (72.8%)		(14,107) (17.9%)		
CG50010	Ocean St-Dist-New Bus-Restd Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	4,023,000	4,367,422	3,817,100	4,825,695	FY14 was within tolerance. In FY15, residential applications and construction showing an increase due to economic factors.
		344,422 8.6%		1,008,596 26.4%		
CG50011	Ocean St-Dist-New Bus-Corrn Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	3,539,000	3,616,355	3,568,500	3,697,385	Commercial applications and construction increased over budgeted levels in both FY14 and FY15, showing an increase due to economic factors.
		277,355 7.8%		123,066 3.4%		



USSC Closure Paper

Project #	Description	FY14		FY15		Notes
		Approved Amount	Actual Spending	Approved Amount	Actual Spending	
COS0012	Ocean St-Dist-St Light Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	703,000	1,168,479	655,930	699,515	FY14 saw an increase in work identified under this blanket. FY15 is within tolerance.
		465,479		43,926	67%	
		66.2%		67%		
COS0013	Ocean St-Dist-Public Require Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	1,377,000	629,601	1,231,900	1,367,763	In FY14, credits received for closed DOT specific projects were applied to this blanket, resulting in lower than historical spend. In FY15 there was an increase in work initiated and constructed under this blanket.
		(747,399)		130,863	10.8%	
		(54.3%)		10.8%		
COS0014	Ocean St-Dist-Damage/Failure Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	9,790,000	13,676,968	9,369,100	12,856,293	FY14 & FY15 saw an increased level of work identified and completed under the damage/failure blankets than previous years.
		3,886,968		3,517,199	37.5%	
		39.7%		37.5%		
COS0015	Ocean St-Dist-Reliability Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	1,589,000	291,367	956,200	477,293	In both FY14 and FY15, the salvage credit applied to the reliability blanket drove the variance. The credit was associated with funds received for salvaged materials such as copper and aluminum.
		(1,297,633)		(478,907)	(50.1%)	
		(81.7%)		(50.1%)		
COS0016	Ocean St-Dist-Load Relief Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	291,000	431,720	317,400	672,618	In FY14 and FY15 there was an increase in construction in this blanket due to the identification of summer load issues identified after each summer yielding construction in the following year.
		140,720		360,198	115.5%	
		48.4%		115.5%		
COS0017	Ocean St-Dist-Asset Replace Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	1,856,000	2,423,568	1,690,700	2,499,338	FY14 and FY15 saw an increase in work identified and constructed under this blanket.
		567,568		808,638	47.8%	
		30.6%		47.8%		



USSC Closure Paper

Project #	Description	FY14		FY15		Notes
		Approved Amount	Actual Spending	Approved Amount	Actual Spending	
C060022	Ocean St-Dist-3rd Party Attach Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	599,000	57,917	366,000	40,048	FY14 and FY15 saw fewer applicants than anticipated and less work required to process the applications.
		(541,083)		(319,952)	(87,694)	
C060025	OS-Dist Substation LR/Rel Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	-	-	156,000	-	New blanket substation project created to capture costs associated with Load Relief & Reliability driven work. No small projects initiated in FY15.
		0.0%		(100.0%)		
C060026	OS-Dist Substation Asset Repl Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	-	16,275	156,000	158,330	New blanket substation project created to capture costs associated with Asset Replacement driven work. Minimal amount of work generated in FY14. FY15 was within tolerance.
		16,275		2,390	1.5%	
C04920	NARRAGANSETT TRANSFORMER PURCHASES Variance \$\$ - Over/(Under) Variance % - Over/(Under)	3,430,000	2,331,320	3,654,000	2,405,215	In FY14 and FY15, the overloaded transformer target decreased as well as an effort to reduce surplus stock leftover from cancelled projects resulted in less purchasing.
		(1,098,680)		(1,148,785)	(31.6%)	
C04904	NARRAGANSETT METER PURCHASES Variance \$\$ - Over/(Under) Variance % - Over/(Under)	1,180,000	671,271	1,260,000	22,722	In FY14, a decrease in the demand for meters resulted in less purchasing. In FY15, an accounting adjustment for benefits resulted in an offsetting credit to the funding project (\$1,430M). Otherwise the spend was within tolerance (-8%).
		(508,729)		(1,237,278)	(98.2%)	

D



Short Form Sanction Paper

Title:	Blanket Project Spending Authorization FY2016 RI	Sanction Paper #:	USSC-15-044
Project #:	Multiple-See Appendix A	Sanction Type:	Sanction
Operating Company:	The Narragansett Electric Co.	Date of Request:	March 11, 2015
Author:	Janice Flynn	Sponsor:	John Gavin
Utility Service:	Electricity T&D	Project Manager:	Darrin Hunt

1 Executive Summary

1.1 Sanctioning Summary

This paper requests the Sanctioning of The Narragansett Electric Company Blanket projects for fiscal year 2016 on a project line item basis, + /- 10%.

This sanction amount is \$32.443M broken down into:

- \$25.695M Capex
- \$ 3.282M Opex
- \$ 3.466M Removal

2 Project Summary and Detail

The capital blanket projects cover the installation and removal of distribution equipment in specifically identified categories and scopes of work in Rhode Island. Blanket projects are usually made up of high-volume, lower-cost (<\$100k) work orders that are typically standard construction, low complexity and short-duration.

2.1 Alternatives

The majority of work supported by these blankets is considered mandatory, and typically cannot be avoided or substantially deferred.

2.2 Investment Recovery

Investment recovery will be through standard rate recovery mechanisms

2.2.1 Customer Impact

This project results in an indicative first full year revenue requirement when the asset is placed in service equal to approximately \$5.139M. This is indicative only. The actual revenue requirement will differ, depending upon the timing of the next rate case and/or the timing of the next filing in which the project is included in rate base.



Short Form Sanction Paper

3 Related Projects, Scoring, Budgets

3.1 Summary of Projects

Project Number	Project Type (Elec only)	Project Title	Estimate Amount (\$M)
Mutiple	Distribution-Gen Equip	See Appendix A	32.443
Total			32.443

3.2 Associated Projects - None

3.3 Prior Sanctioning History

Date	Governance Body	Sanctioned Amount	Paper Title	Sanction Type
None				

3.4 Category

Category	Reference to Mandate, Policy, or NPV Assumptions
<input checked="" type="radio"/> Mandatory <input type="radio"/> Policy- Driven <input type="radio"/> Justified NPV	The majority of Blanket Projects are Mandatory Projects

3.5 Asset Management Risk Score

Asset Management Risk Score: 49

Primary Risk Score Driver: (Policy Driven Projects Only)

- Reliability
 Environment
 Health & Safety
 Not Policy Driven



Short Form Sanction Paper

3.6 Complexity Level

High Complexity Medium Complexity Low Complexity N/A

Complexity Score: 15

4 Financial

4.1 Business Plan

Business Plan Name & Period	Project included in approved Business Plan?	Over / Under Business Plan	Project Cost relative to approved Business Plan (\$)
FY2016 Distribution Approved Business Plan	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Over <input type="radio"/> Under <input checked="" type="radio"/> NA	\$0.000M

4.1.1 If cost > approved Business Plan how will this be funded?

Re-allocation of funds within the portfolio will be managed by Resource Planning to meet jurisdictional budgetary, statutory and regulatory requirements.

4.2 CIAC / Reimbursement

N/A

4.3 Cost Summary Table

Project Number	Project Title	Project Estimate Level (%)	Spend	Prior Yrs	Current Planning Horizon (\$M)						Total
					Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6 +	
Multiple	See Appendix A	+/- 10%	CapEx	-	25,695	-	-	-	-	-	25,695
			OpEx	-	3,282	-	-	-	-	-	3,282
			Removal	-	3,466	-	-	-	-	-	3,466
			Total	-	32,443	-	-	-	-	-	32,443
Total Project Sanction			CapEx	-	25,695	-	-	-	-	-	25,695
			OpEx	-	3,282	-	-	-	-	-	3,282
			Removal	-	3,466	-	-	-	-	-	3,466
			Total	-	32,443	-	-	-	-	-	32,443



Short Form Sanction Paper

4.4 Project Budget Summary Table

Project Costs Per Business Plan

\$M	Prior Yrs (Actual)	Current Planning Horizon (\$M)						Total
		Yr. 1 2015/16	Yr. 2 2016/17	Yr. 3 2017/18	Yr. 4 2018/19	Yr. 5 2019/20	Yr. 6 + 2020/21	
CapEx	0.000	25.695	0.000	0.000	0.000	0.000	0.000	25.695
OpEx	0.000	3.282	0.000	0.000	0.000	0.000	0.000	3.282
Removal	0.000	3.466	0.000	0.000	0.000	0.000	0.000	3.466
Total Cost in Bus. Plan	0.000	32.443	0.000	0.000	0.000	0.000	0.000	32.443

Variance (Business Plan-Project Estimate)

\$M	Prior Yrs (Actual)	Current Planning Horizon (\$M)						Total
		Yr. 1 2015/16	Yr. 2 2016/17	Yr. 3 2017/18	Yr. 4 2018/19	Yr. 5 2019/20	Yr. 6 + 2020/21	
CapEx	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OpEx	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Cost in Bus. Plan	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

5 Key Milestones

Milestone	Target Date: (Month/Year)
Project Sanction	March, 2015
Completion	March, 2016
Closure Paper	July, 2016

6 Statements of Support

6.1.1 Supporters

Role	Individual	Responsibilities
Investment Planner - NE	Glen DiConza	Endorses relative to 5-year business plan or emergent work
Resource Planning	Anne Wyman and Mark Phillips	Endorses Resources, cost estimate, schedule, and Portfolio Alignment



Short Form Sanction Paper

6.1.2 Reviewers

Reviewer List	Individual
Finance	Keith Fowler
Regulatory	Peter Zschokke
Jurisdictional Delegate	Jim Patterson

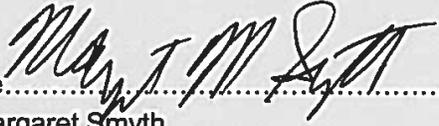
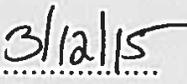


Short Form Sanction Paper

7 Decisions

The US Sanctioning Committee (USSC) at a meeting held on March 11, 2015:

- (a) APPROVED this paper and the investment of \$32.443M and a tolerance of +/- 10%
- (b) NOTED that Darrin Hunt is the Project Manager and has the approved financial delegation.
- (c) NOTE: In the event that any Blanket projects are not approved prior to the start of the FY2017 fiscal year, the FY2016 approval limits will remain in effect until such time as the FY2017 blanket projects are approved by USSC and/or other appropriate authority for approval.

Signature..........Date..........

Margaret Smyth
US Chief Financial Officer
Chair, US Sanctioning Committee



Short Form Sanction Paper

Appendix A - Distribution FY 2016 Blanket Sanction – Rhode Island

PowerPlant Project #	Project Description	Capex Spending Rationale	Budget Classification	FY16 Capital Budget	FY16 Capital Related Expense	FY16 Cost of Removal	Totals
CN04904	Narragansett Meter Purchases	Customer Requests/Public Requirements	Meters - Dist	1,180,000	0.00	0.00	1,180,000
CN04920	Narragansett Transformer Purchases	Customer Requests/Public Requirements	Transformers & Related Equipment	2,880,000	0.00	0.00	2,880,000
CO50002	Ocean St-Dist-Subs Blanket	Damage/Failure	Damage/Failure	660,000	112,000	112,000	884,000
CO50004	Ocean St-Dist-Meter Blanket	Customer Requests/Public Requirements	Meters - Dist	595,000	30,000	238,000	863,000
CO50006	Ocean St-Dist-Genl Equip Blanket	Non-Infrastructure	General Equipment - Dist	100,000	0.00	0.00	100,000
CO50009	Ocean St-Dist-Land/Rights Blanket	Customer Requests/Public Requirements	Land and Land Rights	167,000	0.00	0.00	167,000
CO50010	Ocean St-Dist-New Bus-Resid Blanket	Customer Requests/Public Requirements	New Business - Residential	3,400,000	408,000	714,000	4,522,000
CO50011	Ocean St-Dist-New Bus-Comm Blanket	Customer Requests/Public Requirements	New Business - Commercial	3,200,000	320,000	331,000	3,851,000
CO50012	Ocean St-Dist-St Light Blanket	Customer Requests/Public Requirements	Outdoor Lighting - Capital	711,000	213,000	142,000	1,066,000
CO50013	Ocean St-Dist-Public Require Blanket	Customer Requests/Public Requirements	Public Requirements	828,000	207,000	124,000	1,159,000
CO50014	Ocean St-Dist-Damage&Failure Blanket	Damage/Failure	Damage/Failure	8,500,000	1,530,000	1,275,000	11,305,000
CO50015	Ocean St-Dist-Reliability Blanket	System Capacity & Performance	Reliability	660,000	79,000	66,000	805,000
CO50016	Ocean St-Dist-Load Relief Blanket	System Capacity & Performance	Load Relief	381,000	46,000	30,000	457,000
CO50017	Ocean St-Dist-Asset Replace Blanket	Asset Condition	Asset Replacement	1,929,000	289,000	386,000	2,604,000
CO50022	Ocean St-Dist-3rd Party Atchh Blanket	Customer Requests/Public Requirements	3rd Party Attachments	154,000	13,000	12,700	179,700
CO50025	OS-Dist-Substation LR/Rel Blanket	System Capacity & Performance	Reliability	100,000	10,000	10,000	120,000
CO50026	OS-Dist-Substation Asset Repl Blanket	Asset Condition	Asset Replacement	250,000	25,000	25,000	300,000
Totals				\$ 25,695,000	\$ 3,282,000	\$ 3,465,700	\$ 32,442,700

USSC Closure Paper



Title:	FY16 RI Blanket Closure	Sanction Paper #:	USSC-15-044C
Project #:	See Appendix A	Sanction Type:	Closure
Operating Company:	The Narragansett Electric Co.	Date of Request:	03/27/2017
Author:	Anne Wyman	Sponsor:	Carol Sedewitz, VP Electric Asset Management
Utility Service:	Electricity T&D	Project Manager:	Anne Wyman

1 Executive Summary

This paper is presented to close the FY16 RI Blanket Projects. The total spend was \$37.464M. The latest sanctioned amount for this project was \$32.443M.

The final spend amount is \$37.464M broken down into:

- \$29.175M Capex*
- \$3.477M Opex*
- \$4.812M Removal*

2 Project Summary

This paper recommends the closure of the FY16 Blanket Projects for the Narragansett Electric Company. Blanket Projects are budgeted each year and are reset at the beginning of each fiscal year to reflect the new budget for that year. The approved budgets for each blanket project are entered into Power Plan at the start of the new fiscal year. During the year, the blanket projects approval levels are monitored against the forecast file that is used at the monthly Resource Planning meetings sponsored by Resource Planning. In FY16, the blanket projects for the Narragansett Electric Company were approved for approximately \$32.443M and outturn at \$37.464M in total. Within the 18 projects there were a number of overruns and underruns. The final accounting of each blanket project is provided in Appendix A.



USSC Closure Paper

3 Over / Under Expenditure Analysis

3.1 Summary Table

Actual Spending (\$M)			
Project #	Description		Total Spend
Multiple	FY16 RI Blankets	Capex	29.175
		Opex	3.477
		Removal	4.812
		Total	37.464
Total		Capex	29.175
		Opex	3.477
		Removal	4.812
		Total	37.464

3.2 Analysis

Project Sanction Summary Table			
Project Sanction Approval (\$M)			Total Spend
		Capex	25.695
		Opex	3.282
		Removal	3.466
		Total Cost	32.443
Sanction Variance (\$M)			Total Spend
		Capex	(3.480)
		Opex	(0.195)
		Removal	(1.346)
		Total Variance	(5.021)

USSC Closure Paper



4 Improvements / Lessons Learned/ Root Cause

Improvements in reporting have allowed for monthly monitoring of charges on of the individual blankets to ensure the charges are in the appropriate blanket. This has brought to light an issue with the confirming work order process associated to the damage failure blanket. A process review effort is underway to review confirming work process for future years. Also, Resource Planning is working in close coordination with Investment Planning to set future budget levels to meet the growing demand. Volumes exceeded budget levels set.

5 Closeout Activities

The following closeout activities have been completed.

Activity	Completed
All work has been completed in accordance with all National Grid policies	<input checked="" type="radio"/> Yes <input type="radio"/> No
All relevant costs have been charged to project	<input checked="" type="radio"/> Yes <input type="radio"/> No
All work orders and funding projects have been closed (1)	<input type="radio"/> Yes <input checked="" type="radio"/> No
All unused materials have been returned	<input checked="" type="radio"/> Yes <input type="radio"/> No
All as-builts have been completed (2)	<input type="radio"/> Yes <input checked="" type="radio"/> No
All lessons learned have been entered appropriately into the lesson learned database (3)	<input type="radio"/> Yes <input checked="" type="radio"/> No

- (1) All work orders and funding projects have been closed
Program/Blanket projects may contain work orders which have not yet been closed for reasons including but not limited to:
- design and/or construction have not yet begun
 - construction may cross multiple fiscal years
 - the work order closing process is within the late charge waiting period
 - other accounting processes or final system closing activities have not yet completed



USSC Closure Paper

A summary of the status for all work orders charged in the fiscal year is provided below. In addition, for any work order which remains open, a table of the disposition determined during Phase 1 of the Work Order Closure effort is provided.

The Program/Blanket projects are approved annually for the current year expected spend and remain open until Asset Management and/or Resource Planning have determined the project is no longer required.

- (2) All as-builts have been completed. (Refer to Work Order Summary Tables)
Program/Blanket projects may contain work orders for which no as-builts have yet been recorded for reasons including but not limited to:
- design and/or construction have not yet completed
 - construction may cross multiple fiscal years
 - work has completed recently and as-builts have not yet been processed into the system
- (3) Refer to Section 4 – Improvements/Lessons Learned/Root Cause

Statements of Support

6.1 Supporters

The supporters listed have aligned their part of the business to support the project.

Department	Individual	Responsibilities
Investment Planning	Glen DiConza	Endorses relative to 5-year business plan or emergent work
Resource Planning	Anne Wyman, Mark Phillips	Endorses construction resources, cost estimate, schedule, and portfolio alignment
Asset Management/Planning	Alan Labarre	Endorses scope, estimate, and schedule with the company's goals, strategies, and objectives

6.2 Reviewers

The reviewers have provided feedback on the content/language of the paper.

Function	Individual
Finance	Patricia Easterly
Regulatory	Peter Zschokke
Jurisdictional Delegate	Jim Patterson
Procurement	Art Curran



USSC Closure Paper

6 Decisions

The SE Sanctioning Committee (SESC) approved this paper at a SESC meeting held on March 27, 2017.

Signature..........Date.....

Margaret Smyth
US Chief Financial Officer
Chair, SE Sanctioning Committee



USSC Closure Paper

Below is the summary of Blanket Project Variances from budgeted to actual amounts for the fiscal years.

				Summary Variance Discussion
Project #	Description	FY2016 Approved Amount	FY2016 Actual Spending	
COS0002	Ocean St-Dist-Subs Blanket (Damage/Failure)	884,000	600,053	FY16 below budget due to fewer damage/failure conditions identified than estimated.
	Variance \$\$ - Over/(Under)	(283,947)		
	Variance % - Over/(Under)	(32.1%)		
COS0004	Ocean St-Dist-Meter Blanket	863,000	837,154	FY16 was within tolerance.
	Variance \$\$ - Over/(Under)	(25,846)		
	Variance % - Over/(Under)	(3.0%)		
COS0006	Ocean St-Dist-Genl Equip Blanket	100,000	349,561	In FY16, the variance was driven by PTO test equipment purchases including a battery trailer, security equipment and other test equipment.
	Variance \$\$ - Over/(Under)	(283,947)		
	Variance % - Over/(Under)	(32.1%)		
COS0009	Ocean St-Dist-Land/Rights Blanket	167,000	143,254	In FY16, a new land right blanket was created under the Land and Land Rights Project Type to replace the old blanket. An increase in volume was of projects resulted in the variance.
COS0091	Land and Land Rights Blanket Elect	-	61,443	
	Total	167,000	204,697	
	Variance \$\$ - Over/(Under)	37,697		
	Variance % - Over/(Under)	22.6%		
COS0010	Ocean St-Dist-New Bus-Resid Blanket	4,522,000	6,153,040	In FY16, residential applications and construction show an increase due to economic factors.
	Variance \$\$ - Over/(Under)	1,631,040		
	Variance % - Over/(Under)	36.1%		
COS0011	Ocean St-Dist-New Bus-Comm Blanket	3,851,000	4,427,369	In FY16, commercial applications and construction show an increase due to economic factors.
	Variance \$\$ - Over/(Under)	576,369		
	Variance % - Over/(Under)	15.0%		



USSC Closure Paper

Project #	Description	FY2016 Approved Amount	FY2016 Actual Spending	
COS0012	Ocean St-Dist-St Light Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	1,066,000 (907,644) (85.1%)	158,356	In FY16, the budget was set higher based on previous years spend and a specific project was used to track the construction work needed to sell assets in 3 major cities including Providence, resulting in less spend in the blanket.
COS0013	Ocean St-Dist-Public Require Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	1,159,000 136,966 11.8%	1,295,966	In FY16, there was an increase in work initiated and constructed under this blanket.
COS0014	Ocean St-Dist-Damage/Failure Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	11,305,000 3,064,134 27.1%	14,369,134	FY16 saw an increased level of work identified and completed under the damage/failure blankets than previous years.
COS0015	Ocean St-Dist-Reliability Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	805,000 362,969 45.1%	1,167,969	In FY16, several open wire secondary replacement work orders were worked by the apprentice line crews for training purposes which drove the overspend.
COS0016	Ocean St-Dist-Load Relief Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	457,000 (173,971) (38.1%)	283,029	In FY16, fewer summer load issues were identified resulting in less construction work occurring.
COS0017	Ocean St-Dist-Asset Replace Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	2,604,000 1,133,088 43.5%	3,737,088	FY16 saw an increase in work identified and constructed under this blanket.
COS0022	Ocean St-Dist-3rd Party Atch Blnkt Variance \$\$ - Over/(Under) Variance % - Over/(Under)	179,700 236,190 131.4%	415,890	In FY15, a large CIAC was received late in the fiscal year offsetting a majority of the spend for the year. The construction carried into FY16, resulting in an overspend to the FY16 budget.
COS0025	OS-Dist Substation LR/Rel Blanket Variance \$\$ - Over/(Under) Variance % - Over/(Under)	120,000 (120,000) (100.0%)	-	New blanket substation project created to capture costs associated with Load Relief & Reliability work. No small projects were initiated in FY16.
COS0026	OS-Dist Substation Asset Repl Blnk Variance \$\$ - Over/(Under) Variance % - Over/(Under)	300,000 (300,000) (100.0%)	-	New blanket substation project created to capture costs associated with Asset Replacement driven work. In FY16, no projects were identified.

USSC Closure Paper



Project #	Description	FY2016 Approved Amount	FY2016 Actual Spending	
CN04920	NARRAGANSETT TRANSFORMER PURCHASES	2,880,000	1,425,023	In FY16, the overloaded transformer target decreased as well as an effort to reduce surplus stock leftover from cancelled projects resulted in less purchasing.
	Variance \$\$ - Over/(Under)	(1,454,977)		
	Variance % - Over/(Under)	(50.5%)		
Project #	Description	FY2016 Approved Amount	FY2016 Actual Spending	
CN04904	NARRAGANSETT METER PURCHASES	1,180,000	2,039,233	In FY15, an accounting adjustment for benefits resulted in a credit to the funding project (\$1.143M). In FY16, This credit was reversed. Otherwise the spend was within tolerance (2%).
	Variance \$\$ - Over/(Under)	859,233		
	Variance % - Over/(Under)	72.8%		
Total		FY2016 Approved Amount	FY2016 Actual Spending	
Capital		32,442,700	37,463,562	
Opex		25,695,000	29,175,589	
Removal		3,282,000	3,476,642	
		3,465,700	4,811,331	
		32,275,700	37,463,562	
		5,187,862		
		16.1%		



Short Form Sanction Paper

Title:	FY2017 Blanket Project Spending Authorization	Sanction Paper #:	USSC-16-047
Project #:	Multiple-See Appendix A	Sanction Type:	Sanction
Operating Company:	The Narragansett Electric Co.	Date of Request:	March 21, 2016
Author:	Janice Flynn	Sponsor:	John Gavin, VP Electric Asset Management
Utility Service:	Electricity T&D	Project Manager:	Darrin Hunt

1 Executive Summary

1.1 Sanctioning Summary

This paper requests the Sanctioning of The Narragansett Electric Company Blanket projects for fiscal year 2017 on a project line item basis, + /- 10%.

This sanction amount is \$34.104M broken down into:

- \$26.865M Capex
- \$ 2.899M Opex
- \$ 4.340M Removal

2 Project Summary and Detail

The capital blanket projects cover the installation and removal of distribution equipment in specifically identified categories and scopes of work in Rhode Island. Blanket projects are usually made up of high-volume, lower-cost (<\$100k) work orders that are typically standard construction, low complexity and short-duration.

2.1 Alternatives

The majority of work supported by these blankets is considered mandatory, and typically cannot be avoided or substantially deferred.

2.2 Investment Recovery

Investment recovery will be through standard rate recovery mechanisms

2.2.1 Customer Impact

This project results in an indicative first full year revenue requirement when the asset is placed in service equal to approximately \$5.373M. This is indicative only. The actual revenue requirement will differ, depending upon the timing of the next rate case and/or the timing of the next filing in which the project is included in rate base.



Short Form Sanction Paper

3 Related Projects, Scoring, Budgets

3.1 Summary of Projects

Project Number	Project Type (Elec only)	Project Title	Estimate Amount (\$M)
Mutiple	Distribution-Gen Equip	See Appendix A	34.104
Total			34.104

3.2 Associated Projects - None

3.3 Prior Sanctioning History – N/A

3.4 Category

Category	Reference to Mandate, Policy, or NPV Assumptions
<input checked="" type="radio"/> Mandatory	The majority of Blanket Projects are Mandatory Projects
<input type="radio"/> Policy- Driven	
<input type="radio"/> Justified NPV	

3.5 Asset Management Risk Score

Asset Management Risk Score: 49

Primary Risk Score Driver: (Policy Driven Projects Only)

- Reliability Environment Health & Safety Not Policy Driven

3.6 Complexity Level

- High Complexity Medium Complexity Low Complexity N/A

Complexity Score: 15



Short Form Sanction Paper

4 Financial

4.1 Business Plan

Business Plan Name & Period	Project included in approved Business Plan?	Over / Under Business Plan	Project Cost relative to approved Business Plan (\$)
FY17-21 Distribution Business Plan	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Over <input type="radio"/> Under <input checked="" type="radio"/> NA	\$0.000M

4.1.1 If cost > approved Business Plan how will this be funded?

Re-allocation of funds within the portfolio will be managed by Resource Planning to meet jurisdictional budgetary, statutory and regulatory requirements.

4.2 CIAC / Reimbursement

N/A

4.3 Cost Summary Table

Project Number	Project Title	Project Estimate Level (%)	Spend	Prior Yrs	Current Planning Horizon (\$M)						Total	
					Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6 +		
Multiple	See Appendix A	Est Lvl (e.g. +/- 10%)	CapEx	-	26,865	-	-	-	-	-	-	26,865
			OpEx	-	2,899	-	-	-	-	-	-	2,899
			Removal	-	4,340	-	-	-	-	-	-	4,340
			Total	-	34,104	-	-	-	-	-	-	34,104
Total Project Sanction			CapEx	-	26,865	-	-	-	-	-	-	26,865
			OpEx	-	2,899	-	-	-	-	-	-	2,899
			Removal	-	4,340	-	-	-	-	-	-	4,340
			Total	-	34,104	-	-	-	-	-	-	34,104



Short Form Sanction Paper

4.4 Project Budget Summary Table

Project Costs Per Business Plan

\$M	Prior Yrs (Actual)	Current Planning Horizon (\$M)						Total
		Yr. 1 2016/17	Yr. 2 2017/18	Yr. 3 2018/19	Yr. 4 2019/20	Yr. 5 2020/21	Yr. 6 + 2021/22	
CapEx	0.000	26.865	0.000	0.000	0.000	0.000	0.000	26.865
OpEx	0.000	2.899	0.000	0.000	0.000	0.000	0.000	2.899
Removal	0.000	4.340	0.000	0.000	0.000	0.000	0.000	4.340
Total Cost in Bus. Plan	0.000	34.104	0.000	0.000	0.000	0.000	0.000	34.104

Variance (Business Plan-Project Estimate)

\$M	Prior Yrs (Actual)	Current Planning Horizon (\$M)						Total
		Yr. 1 2016/17	Yr. 2 2017/18	Yr. 3 2018/19	Yr. 4 2019/20	Yr. 5 2020/21	Yr. 6 + 2021/22	
CapEx	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OpEx	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Cost in Bus. Plan	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

5 Key Milestones

Milestone	Target Date: (Month/Year)
Project Sanction	March, 2016
Completion	March, 2017
Closure Paper	July, 2017

6 Statements of Support

6.1.1 Supporters

Role	Individual	Responsibilities
Investment Planner - NE	Glen DiConza	Endorses relative to 5-year business plan or emergent work
Resource Planning	Anne Wyman and Mark Phillips	Endorses Resources, cost estimate, schedule, and Portfolio Alignment



Short Form Sanction Paper

6.1.2 Reviewers

Reviewer List	Individual
Finance	Keith Fowler
Regulatory	Peter Zschokke
Jurisdictional Delegate	Jim Patterson

Short Form Sanction Paper



7 Decisions

The SE Sanctioning Committee (SESC) at a meeting held on March 21, 2016

(a) APPROVED this paper and the investment of \$34.104M and a tolerance of +/- 10%

(b) NOTED that Darrin Hunt is the Project Manager and has the approved financial delegation.

(c) NOTE: In the event that any Blanket projects are not approved prior to the start of the FY2018 fiscal year, the FY2017 approval limits will remain in effect until such time as the FY2018 blanket projects are approved by USSC and/or other appropriate authority for approval.

Signature..........Date..........

Margaret Smyth
US Chief Financial Officer
Chair, SE Sanctioning Committee

Appendix A - Distribution FY 2017 Blanket Sanction – Rhode Island

PowerPlant Project #	Project Description	Capex Spending Rationale	Budget Classification	FY17 Capital Budget	FY17 Capital Related Expense	FY17 Cost of Removal	Total
CN04904	Narragansett Meter Purchases	Customer Requests/Public Requirements	Meters - Dist	1,500	-	-	\$ 1,500
CN04920	Narragansett Transformer Purchases	Customer Requests/Public Requirements	Transformers & Related Equipment	2,750	-	-	\$ 2,750
COS0002	Ocean St-Dist-Subs Blanket	Damage/Failure	Damage/Failure	624	112	94	\$ 830
COS0004	Ocean St-Dist-Meter Blanket	Customer Requests/Public Requirements	Meters - Dist	670	20	101	\$ 791
COS0006	Ocean St-Dist-Genl Equip Blanket	Non-Infrastructure	General Equipment - Dist	100	-	-	\$ 100
COS0009	Ocean St-Dist-Land/Rights Blanket	Customer Requests/Public Requirements	Land and Land Rights	187	-	-	\$ 187
COS0010	Ocean St-Dist-New Bus-Resid Blanket	Customer Requests/Public Requirements	New Business - Residential	3,623	435	725	\$ 4,783
COS0011	Ocean St-Dist-New Bus-Comm Blanket	Customer Requests/Public Requirements	New Business - Commercial	3,380	338	406	\$ 4,124
COS0012	Ocean St-Dist-St Light Blanket	Customer Requests/Public Requirements	Outdoor Lighting - Capital	541	189	108	\$ 838
COS0013	Ocean St-Dist-Public Require Blanket	Customer Requests/Public Requirements	Public Requirements	1,009	252	151	\$ 1,412
COS0014	Ocean St-Dist-Damage&Failure Blanket	Damage/Failure	Damage/Failure	8,243	989	2,473	\$ 11,705
COS0015	Ocean St-Dist-Reliability Blanket	System Capacity & Performance	Reliability	798	96	(319)	\$ 575
COS0016	Ocean St-Dist-Load Relief Blanket	System Capacity & Performance	Load Relief	380	38	42	\$ 460
COS0017	Ocean St-Dist-Asset Replace Blanket	Asset Condition	Asset Replacement	2,605	391	521	\$ 3,517
COS0022	Ocean St-Dist-3rd Party Atch Blanket	Customer Requests/Public Requirements	3rd Party Attachments	155	8	8	\$ 171
COS0025	OS-Dist-Substation LR/Rel Blanket	System Capacity & Performance	Reliability	100	10	10	\$ 120
COS0026	OS-Dist-Substation Asset Repl Blanket	Asset Condition	Asset Replacement	200	20	20	\$ 240
TOTALS				\$ 26,865	\$ 2,899	\$ 4,340	\$ 34,104



Spending Review

Title:	RI FY2017 Blanket Spending Review/Closure	Sanction Paper #:	USSC-16-047C
Project #:	Multiple - See Appendix A	Sanction Type:	Spending Review
Operating Company:	The Narragansett Electric Co.	Date of Request:	06/26/17
Author:	Anne Wyman	Sponsor:	Carol Sedewitz, Vice President, Electric Asset Management
Utility Service:	Electricity T&D	Project Manager:	Anne Wyman

1 Executive Summary

This paper is presented to close The Narragansett Electric Company Blanket Projects for Fiscal Year 2017. The total spend was \$37.078M. The sanctioned amount for this project was \$34.104M with a tolerance of +/- 10% (project grade).

The final spend amount is \$37.078M broken down into:

- \$28.011M Capex*
- \$ 3.545M Opex*
- \$ 5.522M Removal*

2 Project Summary

This paper recommends the closure of the FY2017 Blanket Projects for The Narragansett Electric Company. Blanket Projects are budgeted each year and are reset at the beginning of each fiscal year to reflect the new budget for that year. The approved budgets for each Blanket Project are entered into Power Plan at the start of the new fiscal year. During the year, the blanket project approval levels are monitored against the forecast file that is used at the monthly Resource Planning meetings sponsored by Resource Planning. In FY2017, the Blanket Projects for The Narragansett Electric Company were approved for approximately \$34.104M, with a total spend of \$37.078M for 17 projects. Within the 17 projects there were a number of overruns and underruns, but the overall Blanket Project spend was within the tolerance of +/- 10%. The final accounting of each Blanket Project is provided in Appendix A.



Spending Review

3 Over / Under Expenditure Analysis

3.1 Summary Table

Actual Spending (\$M)			
Project #	Description		Total Spend
Multiple	RI FY17 Blankets	Capex	28.011
		Opex	3.545
		Removal	5.522
		Total	37.078
Total		Capex	28.011
		Opex	3.545
		Removal	5.522
		Total	37.078

Project Sanction Summary Table			
Project Sanction Approval (\$M)			Total Spend
		Capex	26.865
		Opex	2.899
		Removal	4.340
		Total Cost	34.104
Sanction Variance (\$M)			Total Spend
		Capex	(1.146)
		Opex	(0.646)
		Removal	(1.182)
		Total Variance	(2.974)

3.2 Analysis

See Appendix A

4 Improvements / Lessons Learned / Root Cause

Resource Planning has been working in close coordination with Investment Planning to set future budget levels to meet the growing demand. Also, monitoring at the monthly Portfolio Calibration Meeting provides an appropriate amount of oversight during the year and allows identification of blanket funding projects that may require more detailed analysis.



Spending Review

5 Closeout Activities

The following closeout activities have been completed.

Activity	Completed
All work has been completed in accordance with all National Grid policies	<input checked="" type="radio"/> Yes <input type="radio"/> No
All relevant costs have been charged to project	<input checked="" type="radio"/> Yes <input type="radio"/> No
All work orders and funding projects have been closed (1)	<input type="radio"/> Yes <input checked="" type="radio"/> No
All unused materials have been returned	<input checked="" type="radio"/> Yes <input type="radio"/> No
All as-builts have been completed (2)	<input type="radio"/> Yes <input checked="" type="radio"/> No
All lessons learned have been entered appropriately into the lesson learned database (3)	<input checked="" type="radio"/> Yes <input type="radio"/> No

- (1) All work orders and funding projects have been closed:
Blanket Projects may contain work orders and/or funding projects which have not yet been closed for reasons including, but not limited to, the following:
- the same work order(s) are used annually. They will remain open until Asset Management and/or Resource Planning have determined work orders are no longer needed;
 - construction may cross multiple fiscal years;
 - the work order closing process is within the late charge waiting period; or
 - other accounting processes or final system closing activities have not yet completed.

Each Blanket Project that is approved annually for the current year is expected spend and remain open until Asset Management and/or Resource Planning have determined the project is no longer required.

- (2) All as-builts have been completed:
Blanket Projects may contain work orders for which no as-builts have yet been recorded for reasons including, but not limited to, the following:
- design and/or construction have not yet completed;
 - construction may cross multiple fiscal years;
 - work has completed recently and as-builts have not yet been processed into the system; or



Spending Review

- does not apply. Work order(s) are not linked to work management systems. (example: Meter Purchases, Meter Changes, AMR Installations Purchase Misc Capital Tools/Equipment, etc.)
- does not apply to Information systems projects.

6 Statements of Support

6.1 Supporters

The supporters listed have aligned their part of the business to support the project.

Department	Individual	Responsibilities
Investment Planning	Glen DiConza	Endorses relative to 5-year business plan or emergent work
Resource Planning	Anne Wyman, Mark Phillips	Endorses construction resources, cost estimate; schedule, and portfolio alignment
Asset Management/Planning	Alan Labarre	Endorses scope, estimate, and schedule with the company's goals, strategies, and objectives

6.2 Reviewers

The reviewers have provided feedback on the content/language of the paper.

Function	Individual
Finance	Patricia Easterly
Regulatory	Robert Humm on behalf of Renee Gurry
Jurisdictional Delegate	Sonny Anand
Procurement	Art Curran

Spending Review



7 Decisions

The Senior Executive Sanctioning committee (SESC) approved this paper at a SESC meeting held on June 26, 2017.

Signature Margaret Smyth Date 7/10/17
Margaret Smyth
US Chief Financial Officer
Chair, Senior Executive Sanctioning Committee





Spending Review

8 Appendix A

Below is the summary of Blanket Project Variances from budgeted to actual amounts for the fiscal year 2017.

				Summary Variance Discussion
Project #	Description	FY2017 Approved Amount	FY2017 Actual Spending	
COS0002	Ocean St-Dist-Subs Blanket (Damage/Failure)	830,300	1,166,069	FY17 over budget due to more damage/failure conditions occurred than estimated.
	Variance \$\$ - Over/(Under)	335,769		
	Variance % - Over/(Under)	40.4%		
COS0004	Ocean St-Dist-Meter Blanket	791,100	545,619	In FY17 saw a decreased level of work initiated and completed under this blanket than previous years.
	Variance \$\$ - Over/(Under)	(245,481)		
	Variance % - Over/(Under)	(31.0%)		
COS0006	Ocean St-Dist-Genl Equip Blanket	300,000	243,164	In FY17, the variance was driven by equipment purchases including tan delta and hi-pot cable testing equipment. This test equipment is used for diagnostic and acceptance testing of high voltage cable systems.
	Variance \$\$ - Over/(Under)	143,164		
	Variance % - Over/(Under)	143.2%		
COS0091	Land and Land Rights Blanket Elect	187,000	200,093	In FY17, the Land Rights Blankets was within tolerance.
	Variance \$\$ - Over/(Under)	13,093		
	Variance % - Over/(Under)	7.0%		
COS0010	Ocean St-Dist-New Bus-Resld Blanket	4,782,800	6,480,696	In FY17, residential applications and construction show an increase due to economic factors.
	Variance \$\$ - Over/(Under)	1,697,896		
	Variance % - Over/(Under)	35.5%		
COS0011	Ocean St-Dist-New Bus-Comm Blanket	4,124,000	4,753,078	In FY17, commercial applications and construction show an increase due to economic factors.
	Variance \$\$ - Over/(Under)	629,078		
	Variance % - Over/(Under)	15.3%		
COS0012	Ocean St-Dist-St Light Blanket	838,400	169,591	In FY17, the budget was set higher based on previous years spend and a specific project was used to track the construction work needed to sell assets in 3 major cities including Providence, resulting in less spend in the blanket.
	Variance \$\$ - Over/(Under)	(668,809)		
	Variance % - Over/(Under)	(79.8%)		
COS0013	Ocean St-Dist-Public Require Blankt	1,412,300	1,227,070	In FY17, there was a decrease in work initiated and constructed under this blanket.
	Variance \$\$ - Over/(Under)	(185,230)		
	Variance % - Over/(Under)	(13.1%)		



Spending Review

Project #	Description	FY2017 Approved Amount	FY2017 Actual Spending	
COS0014	Ocean St-Dist-Damage/Failure Blankt	11,705,200	14,360,595	FY17 saw an increased level of work identified and completed under the damage/failure blankets than previous years.
	Variance \$\$ - Over/(Under)	2,655,395		
	Variance % - Over/(Under)	22.7%		
COS0015	Ocean St-Dist-Reliability Blanket	574,800	1,337,716	In FY17, an increased level of work was identified and completed under the reliability blanket to address pockets of poor performance.
	Variance \$\$ - Over/(Under)	762,916		
	Variance % - Over/(Under)	132.7%		
COS0016	Ocean St-Dist-Load Relief Blanket	460,000	392,190	In FY17, fewer summer load issues were identified resulting in less construction work occurring.
	Variance \$\$ - Over/(Under)	(67,810)		
	Variance % - Over/(Under)	(14.7%)		
COS0017	Ocean St-Dist-Asset Replace Blanket	3,516,800	2,856,656	FY17 saw an decrease in work identified and constructed under this blanket.
	Variance \$\$ - Over/(Under)	(660,144)		
	Variance % - Over/(Under)	(18.8%)		
COS0022	Ocean St-Dist-3rd Party Attch Blnkt	170,800	183,815	In FY17, the 3rd party attachments blanket was within tolerance.
	Variance \$\$ - Over/(Under)	13,015		
	Variance % - Over/(Under)	7.6%		
COS0025	OS-Dist Substation LR/ReI Blanket	120,000	-	New blanket substation project created to capture costs associated with Load Relief & Reliability work. Projects under these budget class codes were over \$100,000 each and were therefore charged under specific funding projects and not to this blanket.
	Variance \$\$ - Over/(Under)	(120,000)		
	Variance % - Over/(Under)	(100.0%)		
COS0026	OS-Dist Substation Asset Repl Blnk	240,000	-	New blanket substation project created to capture costs associated with asset replacement work. Projects under this budget class code were over \$100,000 each and were therefore charged under specific funding projects and not under this blanket.
	Variance \$\$ - Over/(Under)	(240,000)		
	Variance % - Over/(Under)	(100.0%)		
CN04920	NARRAGANSETT TRANSFORMER PURCHASES	2,750,000	1,835,902	In FY17, inventory management performed an audit in order to right size the stock rooms and reduce the overall number of transformers held in storage.
	Variance \$\$ - Over/(Under)	(914,098)		
	Variance % - Over/(Under)	(33.2%)		
CN04904	NARRAGANSETT METER PURCHASES	1,500,000	1,326,184	FY17 saw a decrease in meter purchases under this blanket than previous years.
	Variance \$\$ - Over/(Under)	(173,816)		
	Variance % - Over/(Under)	(11.6%)		

D



Short Form Sanction Paper

Title:	FY2018 Blanket Project Spending Authorization	Sanction Paper #:	USSC-17-032
Project #:	Multiple-See Appendix A	Sanction Type:	Sanction
Operating Company:	The Narragansett Electric Co.	Date of Request:	March 27, 2017
Author:	Janice Flynn	Sponsor:	Carol Sedewitz, VP Electric Asset Management
Utility Service:	Electricity T&D	Project Manager:	Anne Wyman and Mark Phillips

1 Executive Summary

1.1 Sanctioning Summary

This paper requests the Sanctioning of The Narragansett Electric Company blanket projects for fiscal year 2018 on a project line item basis, +/- 10%.

This sanction amount is \$35.472M broken down into:

- \$27.985M Capex
- \$ 3.146M Opex
- \$ 4.341M Removal

2 Project Summary and Detail

The capital blanket projects cover the installation and removal of distribution equipment in specifically identified categories and scopes of work in Rhode Island. Blanket projects are usually made up of high-volume, lower-cost (<\$100k) work orders that are typically standard construction, low complexity and short-duration.

2.1 Alternatives

The majority of work supported by these blankets is considered mandatory, and typically cannot be avoided or substantially deferred.

2.2 Investment Recovery

Investment recovery will be through standard rate recovery mechanisms

2.2.1 Customer Impact

This project results in an indicative first full year revenue requirement when the asset is placed in service equal to approximately \$4.867M. This is indicative only. The actual revenue requirement will differ, depending upon the timing of the next rate case and/or the timing of the next filing in which the project is included in rate base.



Short Form Sanction Paper

3 Related Projects, Scoring, Budgets

3.1 Summary of Projects

Project Number	Project Type (Elec only)	Project Title	Estimate Amount (\$M)
Mutiple	Distribution-Gen Equip	See Appendix A	35.472
Total			35.472

3.2 Associated Projects - None

3.3 Prior Sanctioning History – N/A

3.4 Category

Category	Reference to Mandate, Policy, or NPV Assumptions
<input checked="" type="radio"/> Mandatory	The majority of Blanket Projects are Mandatory Projects
<input type="radio"/> Policy- Driven	
<input type="radio"/> Justified NPV	

3.5 Asset Management Risk Score

Asset Management Risk Score: 49

Primary Risk Score Driver: (Policy Driven Projects Only)

- Reliability
 Environment
 Health & Safety
 Not Policy Driven

3.6 Complexity Level

- High Complexity
 Medium Complexity
 Low Complexity
 N/A

Complexity Score: 15



Short Form Sanction Paper

4 Financial

4.1 Business Plan

Business Plan Name & Period	Project included in approved Business Plan?	Over / Under Business Plan	Project Cost relative to approved Business Plan (\$)
FY18-22 Distribution Electric Business Plan	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Over <input type="radio"/> Under <input checked="" type="radio"/> NA	\$0.000M

4.1.1 If cost > approved Business Plan how will this be funded?

Re-allocation of funds within the portfolio will be managed by Resource Planning to meet jurisdictional budgetary, statutory and regulatory requirements.

4.2 CIAC / Reimbursement

N/A

4.3 Cost Summary Table

Project Number	Project Title	Project Estimate Level (%)	Spend	Prior Yrs	Current Planning Horizon (\$M)						Total
					Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6 +	
Multiple	See Appendix A	Est Lvl (e.g. +/- 10%)	CapEx	-	27.985	-	-	-	-	-	27.985
			OpEx	-	3.146	-	-	-	-	-	3.146
			Removal	-	4.341	-	-	-	-	-	4.341
			Total	-	35.472	-	-	-	-	-	35.472
Total Project Sanction			CapEx	-	27.985	-	-	-	-	-	27.985
			OpEx	-	3.146	-	-	-	-	-	3.146
			Removal	-	4.341	-	-	-	-	-	4.341
			Total	-	35.472	-	-	-	-	-	35.472



Short Form Sanction Paper

4.4 Project Budget Summary Table

Project Costs Per Business Plan

\$M	Prior Yrs (Actual)	Current Planning Horizon (\$M)						Total
		Yr. 1 2017/18	Yr. 2 2018/19	Yr. 3 2019/20	Yr. 4 2020/21	Yr. 5 2021/22	Yr. 6 + 2022/23	
CapEx	0.000	27.985	0.000	0.000	0.000	0.000	0.000	27.985
OpEx	0.000	3.146	0.000	0.000	0.000	0.000	0.000	3.146
Removal	0.000	4.341	0.000	0.000	0.000	0.000	0.000	4.341
Total Cost in Bus. Plan	0.000	35.472	0.000	0.000	0.000	0.000	0.000	35.472

Variance (Business Plan-Project Estimate)

\$M	Prior Yrs (Actual)	Current Planning Horizon (\$M)						Total
		Yr. 1 2017/18	Yr. 2 2018/19	Yr. 3 2019/20	Yr. 4 2020/21	Yr. 5 2021/22	Yr. 6 + 2022/23	
CapEx	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OpEx	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Cost in Bus. Plan	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

5 Key Milestones

Milestone	Target Date: (Month/Year)
Project Sanction	March 2017
Completion	March 2018
Closure Paper	July 2018

6 Statements of Support

6.1.1 Supporters

Role	Individual	Responsibilities
Investment Planner - NE	Glen DiConza	Endorses relative to 5-year business plan or emergent work
Resource Planning	Anne Wyman and Mark Phillips	Endorses Resources, cost estimate, schedule, and Portfolio Alignment



Short Form Sanction Paper

6.1.2 Reviewers

Reviewer List	Individual
Finance	Patricia Easterly
Regulatory	Peter Zschokke
Jurisdictional Delegate	Sonny Anand

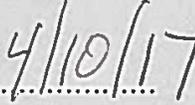
Short Form Sanction Paper



7 Decisions

The SE Sanctioning Committee (SESC) at a meeting held on March 27, 2017

- (a) APPROVED this paper and the investment of \$35.472M and a tolerance of +/- 10%
- (b) NOTED that Anne Wyman and Mark Phillips are the Project Managers and have the approved financial delegation.
- (c) NOTE: In the event that any Blanket projects are not approved prior to the start of the FY2019 fiscal year, the FY2018 approval limits will remain in effect until such time as the FY2019 blanket projects are approved by USSC and/or other appropriate authority for approval.

Signature  Date 

Margaret Smyth
US Chief Financial Officer
Chair, SE Sanctioning Committee



Short Form Sanction Paper

Appendix A - Distribution FY 2018 Blanket Sanction – Rhode Island

PowerPlant Project #	Project Description	Capex Spending Rationale	Budget Classification	FY18 Capital Budget	FY18 Capital Related Expense	FY18 Cost of Removal	Total
COS0015	OCEAN ST-DIST-RELIABILITY BLANKET	System Capacity & Performance	Reliability	944	142	(519)	566
COS0016	OCEAN ST-DIST-LOAD RELIEF BLANKET	System Capacity & Performance	Load Relief	255	38	51	344
COS0025	OS-DIST-SUBSTATION LR/REL BLNK	System Capacity & Performance	Reliability	150	15	5	169
COS0017	OCEAN ST-DIST-ASSET REPLACE BLANKET	Asset Condition	Asset Replacement	2,300	255	450	3,005
COS0026	OS-DIST-SUBSTATION ASSET REPL BLNK	Asset Condition	Asset Replacement	150	15	5	169
COS0006	OCEAN ST-DIST-GENL EQUIP BLANKET	Non-Infrastructure	General Equipment - Dist	378	19	-	397
COS0022	OCEAN ST-DIST-3RD PARTY ATTCH BLNK	Customer Requests/Public Requirements	3rd Party Attachments	204	20	20	245
COS0091	LAND AND LAND RIGHTS RI ELECT	Customer Requests/Public Requirements	Land and Land Rights	223	4	-	228
CN04904	NARRAGANSETT METER PURCHASES	Customer Requests/Public Requirements	Meters - Dist	1,030	21	-	1,051
COS0004	OCEAN ST-DIST-METER BLANKET	Customer Requests/Public Requirements	Meters - Dist	756	15	189	961
COS0011	OCEAN ST-DIST-NEW BUS-COMM BLANKET	Customer Requests/Public Requirements	New Business - Commercial	3,900	390	429	4,719
COS0010	OCEAN ST-DIST-NEW BUS-RESID BLANKET	Customer Requests/Public Requirements	New Business - Residential	5,305	478	1,327	7,109
COS0012	OCEAN ST-DIST-ST LIGHT BLANKET	Customer Requests/Public Requirements	Outdoor Lighting - Capital	153	46	23	222
COS0013	OCEAN ST-DIST-PUBLIC REQUIRE BLANKT	Customer Requests/Public Requirements	Public Requirements	886	208	208	1,303
CN04920	NARRAGANSETT TRANSFORMER PURCHASES	Customer Requests/Public Requirements	Transformers & Related Equipment	2,060	-	-	2,060
COS0002	OCEAN ST-DIST-SUBS BLANKET	Damage/Failure	Damage/Failure	510	102	153	765
COS0014	OCEAN ST-DIST-DAMAGE&FAILURE BLANKT	Damage/Failure	Damage/Failure	8,781	1,378	2,000	12,159
TOTALS \$				\$ 27,985	\$ 3,146	\$ 4,341	\$ 35,472

