

Docket No. 4770
First Set of Data Requests of the
Division of Public Utilities and Carriers to National Grid
January 7, 2018

RE: Schedule NWA-2 Electric (2016 Electric Depreciation Study)

- 1-1 Provide the workpapers that support NWA-2 Electric (2016 Electric Depreciation Study). When possible, provide the work papers and other documents requested electronically in Excel (or in text delimited format if not available in Excel.)

Response can be found in Book 1 part 1.

- 1-2 Provide any documents created or used during the preparation of the NWA-2 Electric (2016 Electric Depreciation Study) showing any discussions had with Company personnel pertaining to the life or net salvage, or issues that impact life or net salvage. Include any trip notes and photographs if there was a field visit(s), and state the date of the field visit(s).

Response can be found in Book 1 part 1 through part 3.

- 1-3 Page 61 (page 34 of 222) of NWA-2 Electric (2016 Electric Depreciation Study) discusses a field trip. Please provide copies of notes, photos taken or documents received from the company as a result of this field trip.

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

- 1-4 Page 71 (page 44 of 222) of NWA-2 Electric (2016 Electric Depreciation Study) states "Amortization accounting is proposed for a number of accounts ..." Are these General Plant Accounts 391, 393, 394, 395, 397, and 398 currently depreciated using amortization accounting?

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

- 1-5 Part VII NWA-2 Electric (2016 Electric Depreciation Study) includes the Service Life Statistics by account. Pages 80-164 (pages 53-137 of 222) do not indicate which account the data is from, please provide revised pages that include a heading indicating which account the data is from.

Response can be found in Book 2 on Bates page(s) 3 – 225.

- 1-6 Part VII NWA-2 Electric (2016 Electric Depreciation Study) includes the Service Life Statistics by account.

(a) Please provide a complete copy of the depreciation database which was used in the Service Life Statistics. This should include (but not necessarily be limited to) the transaction amount, account/subaccount number (leave in the account/subaccount name and any account/subaccount description that is on the file), transaction type, vintage year, and transaction year. Provide the meaning of any codes (transaction codes, location codes,

account codes, etc.) used in these files. Please provide the database requested electronically in Excel (or in text delimited format if not available in Excel.)

(b) Were any amounts that were booked excluded from the Service Life Statistics data shown in part VII of NWA-2 Electric (2016 Electric Depreciation Study)?

(c) Were any amounts included in the amounts in the Service Life Statistics data shown in part VII of NWA-2 Electric (2016 Electric Depreciation Study) not booked amounts?

(d) If the response to either (b) or (c) is yes, provide the booked amounts, reconcile the difference between the booked amounts and the amounts shown in part VII of NWA-2 Electric (2016 Electric Depreciation Study), and explain the reason for the adjustment or discrepancy.

Response can be found in Book 3 part 1 through part 4.

- 1-7 Part VIII of NWA-2 Electric (2016 Electric Depreciation Study) includes Net Salvage Statistics by account. Pages 166-182 (pages 139-155 of 222) do not indicate which account the data is from, please provide revised pages that include a heading indicating which account the data is from.

Response can be found in Book 4 on Bates page(s) 1.

- 1-8 Part VIII of NWA-2 Electric (2016 Electric Depreciation Study) includes Net Salvage Statistics by account.

(a) Please provide a complete copy of the database which was used in the Net Salvage Statistics. This should include (but not necessarily be limited to) the transaction amount, account/subaccount number (leave in the account/subaccount name and any account/subaccount description that is on the file), transaction type, vintage year, and transaction year. Provide the meaning of any codes (transaction codes, location codes, account codes, etc.) used in these files. Please provide the database requested electronically in Excel (or in text delimited format if not available in Excel.)

(b) Were any amounts that were booked excluded from the Net Salvage Statistics data shown in part VIII of NWA-2 Electric (2016 Electric Depreciation Study)?

(c) Were any amounts included in the amounts in the Net Salvage Statistics data shown in part VIII of NWA-2 Electric (2016 Electric Depreciation Study) not booked amounts?

(d) If the response to either (b) or (c) is yes, provide the booked amounts, reconcile the difference between the booked amounts and the amounts shown in part VIII of NWA-2 Electric (2016 Electric Depreciation Study), and explain the reason for the adjustment or discrepancy.

Response can be found in Book 4 on Bates page(s) 2 – 184.

- 1-9 Part IX of NWA-2 Electric (2016 Electric Depreciation Study) includes remaining life calculation by account. Pages 184-249 (pages 157-222 of 222) do not indicate which

account the data is from, please provide revised pages that include a heading indicating which account the data is from.

Response can be found in Book 4 page 185.

1-10 Please provide the following in Excel for each account included in Part IX of NWA-2 Electric (2016 Electric Depreciation Study):

1. the Original Cost of plant in service by vintage,
2. the Calculated Accrued, and
3. the Allocated Book Reserve.

Response can be found in Book 5 on Bates page(s) 1 – 245.

1-11 Regarding allocating cost between cost of removal and replacement asset.

(a) In Account 364 when a pole is retired, removed, and a new pole installed in the same hole or very near to the same hole, how is the labor and equipment costs allocated between cost of removal and the replacement addition?

(b) If a percent allocator is used, please provide the workpapers or documents that support the establishment of that percent allocator.

(c) When did the company first implement the allocation procedure described in part (a)? If a different allocation procedure was used since 2006, please provide a description of the allocation method used and why the company changed the method.

(d) Please provide the same information for the other accounts included in the NWA-2 Electric (2016 Electric Depreciation Study).

Response can be found in Book 5 on Bates page(s) 246 – 248.

1-12 NWA-2 Electric (2016 Electric Depreciation Study) includes the net salvage history for Account 364 - Poles, Tower, and Fixtures.

(a) Provide the quantity of distribution poles (with or without towers does not matter) in service each year for the years 2004-2016 shown in NWA-2 Electric (2016 Electric Depreciation Study) (or as many years as available if all the years are not available).

(b) Provide the quantity of distribution poles (with or without towers does not matter) retired each year for the years 2004-2016 shown in NWA-2 Electric (2016 Electric Depreciation Study) (or as many years as available if all the years are not available).

(c) During the years for which information is provided in response to parts (a) and (b), did the Company significantly change its geographical distribution service area (merge with another utility, acquire another utility, sell some distribution service area, etc.)? (By “significantly” please include any such change that could reasonably be expected to alter the quantity in service by more than 10%).

(d) For each change provided in response to part (c), provide the date of that change, indicate if this added to or removed from the Company’s geographical distribution service

area, and provide the number of customers prior to that change and the number of customers after that change.

(e) For each change provided in response to part (c), provide any information reasonably available showing the size of the geographic distribution area served by the Company prior to that, and separately after that change. If the size of these two geographic distribution areas is available (i.e. 123,435 square miles, etc.), provide them.

(f) When possible, provide the workpapers and other documents requested electronically in Excel (or in text delimited format if not available in Excel.)

Response can be found in Book 5 on Bates page(s) 249 – 251.

1-13 NWA-2 Electric (2016 Electric Depreciation Study) includes the net salvage history for Account 369 - Services.

(a) Please provide a description of a retirement unit for Account 369 - Services. Please provide this information separately for overhead and underground services.

(b) As of December 31, 2016, how many units were in service using the retirement unit definition provided in response to part (a). If available, please provide the information separately for overhead and underground services.

(c) Separately for each year 2004-2016 shown in NWA-2 Electric (2016 Electric Depreciation Study), how many units were in service using the retirement unit definition provided in response to part (a) (or as many years as available if all the years are not available). If available, please provide the information separately for overhead and underground services.

(d) Separately for each year 2004-2016 shown in NWA-2 Electric (2016 Electric Depreciation Study), how many units were retired each year for the years 2004-2016 using the retirement unit definition provided in response to part (a) (or as many years as available if all the years are not available). If available, please provide the information separately for overhead and underground services.

(e) During the years for which information is provided in response to parts (b) and (c), did the Company significantly change its geographical distribution service area (merge with another utility, acquire another utility, sell some distribution service area, etc.)? (By “significantly” please include any such change that could reasonably be expected to alter the quantity in service by more than 10%).

(f) For each change provided in response to part (e), provide the date of that change, indicate if this added to or removed from the Company’s geographical distribution service area, and provide the number of customers prior to that change and the number of customers after that change.

(g) For each change provided in response to part (e), provide any information reasonably available showing the size of the geographic distribution area served by the Company

prior to that, and separately after that change. If the size of these two geographic distribution areas is available (i.e. 123,435 square miles, etc.), provide them.

(h) When possible, provide the workpapers and other documents requested electronically in Excel (or in text delimited format if not available in Excel.)

Response can be found in Book 5 on Bates page(s) 252 – 255.

1-14 NWA-2 Electric (2016 Electric Depreciation Study) includes the net salvage history for Account 369 - Services.

(a) Is it a correct statement that the underground services in account 369 are generally retired in place? If this is not a correct statement, provide the corrected statement and the support for the corrected statement.

(b) In total for the years 2012-2016, were at least 75% of the underground services in account 369 that retired during those years retired in place? If this is not a correct statement, provide the corrected statement and the support for the corrected statement.

(c) In total for the years 2012-2016, what percent of the underground services in account 369 that were retired during those years retired in place?

(d) If the response to part (b) is something other than an unqualified affirmative, explain the most frequent reason that the underground services were not retired in place, and explain how they were physically retired (for example dug up the entire length and physically removed).

Response can be found in Book 5 on Bates page(s) 256 – 257.

1-15 Provide a copy of the Company's FERC Form 1 separately for each of the years 2012, 2013, 2014, 2015, and 2016.

Response can be found in Book 6 part 1 through part 5.

1-16 Provide a copy of the Company's annual report filed with the Commission separately for each of the years 2012, 2013, 2014, 2015, and 2016.

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

1-17 Regarding current approved depreciation rates.

(a) Please provide the currently approved: (1) probable retirement date; (2) survivor curve; (3) future net salvage percent; and (4) depreciation rate for each account shown on pages 76-78 (49-51 of 222) of NWA-2 Electric (2016 Electric Depreciation Study).

(b) Please provide a copy of the Commission Order that approved the depreciation rates and parameters provided in response to part (a) of this request.

(c) If possible, please provide the documents requested in part (a) electronically in Excel.

Response can be found in Book 7 on Bates page(s) 2 – 212.

- 1-18 Please provide a comparison between the most recently approved depreciation rates and the depreciation rates proposed in NWA-2 Electric (2016 Electric Depreciation Study) using the same accounts and investment amounts shown on pages 76-78 (49-51 of 222) of NWA-2 Electric (2016 Electric Depreciation Study). Please provide the comparison requested electronically in Excel.

Response can be found in Book 7 on Bates page(s) 213 – 215.

- 1-19 Page 78 (51 of 222) of NWA-2 Electric (2016 Electric Depreciation Study) includes a note that states: “** 5 year Amortization of Adjusted Reserve related to implementation of Amortization Accounting.”

(a) Please provide the support for the 5-year amortization period.

(b) Has this 5-year amortization period been approved by the Commission? If so, please provide a specific reference to the docket and page in the Order that approved the use of the “5 year Amortization of Adjusted Reserve related to implementation of Amortization Accounting.”

Response can be found in Book 7 on Bates page(s) 216.

- 1-20 Page 78 (51 of 222) of NWA-2 Electric (2016 Electric Depreciation Study) includes Book Reserve amounts for “Reserve Adjustment for Amortization.”

(a) How are the book reserve amounts for “reserve adjustment for amortization” calculated?

(b) Please provide workpapers that support the book reserve amounts for “reserve adjustment for amortization.” If possible, provide the workpapers and other documents requested electronically in Excel (or in text delimited format if not available in Excel.)

Response can be found in Book 7 on Bates page(s) 217.

- 1-21 Please provide a brief description of the assets in each account included in NWA-2 Electric (2016 Electric Depreciation Study).

Response can be found in Book 7 on Bates page(s) 218 – 254.

RE: Schedule NWA-2 Gas (2016 Gas Depreciation Study)

- 1-22 Provide the workpapers that support NWA-2 Gas (2016 Gas Depreciation Study). When possible, provide the work papers and other documents requested electronically in Excel (or in text delimited format if not available in Excel.)

Response can be found in Book 7 on Bates page(s) 255.

- 1-23 Provide any documents created or used during the preparation of the NWA-2 Gas (2016 Gas Depreciation Study) showing any discussions had with Company personnel pertaining to the life or net salvage, or issues that impact life or net salvage. Include any trip notes and photographs if there was a field visit(s), and state the date of the field visit(s).

Response can be found in Book 8 part 1 through part 2.

- 1-24 Page 61 (page 34 of 203) of NWA-2 Gas (2016 Gas Depreciation Study) discusses a field trip. Please provide copies of notes, photos taken or documents received from the Company as a result of this field trip.

Response can be found in Book 9 on Bates page(s) 1.

- 1-25 Page 71 (page 44 of 203) of NWA-2 Gas (2016 Gas Depreciation Study) states "Amortization accounting is proposed for a number of accounts ..." Are these General Plant Accounts 376.04, 376.17, 379.01, 381.40, 385.01, 386.02, 391.10, 394.00, 395.00, 397.42, and 398.00 currently depreciated using amortization accounting?

Response can be found in Book 9 on Bates page(s) 2.

- 1-26 Part VII of NWA-2 Gas (2016 Gas Depreciation Study) includes the Service Life Statistics by account.

(a) Please provide a complete copy of the depreciation database which was used in the Service Life Statistics. This should include (but not necessarily be limited to) the transaction amount, account/subaccount number (leave in the account/subaccount name and any account/subaccount description that is on the file), transaction type, vintage year, and transaction year. Provide the meaning of any codes (transaction codes, location codes, account codes, etc.) used in these files. Please provide the database requested electronically in Excel (or in text delimited format if not available in Excel.)

(b) Were any amounts that were booked excluded from the Service Life Statistics data shown in part VII of NWA-2 Gas (2016 Gas Depreciation Study)?

(c) Were any amounts included in the amounts in the Service Life Statistics data shown in part VII of NWA-2 Gas (2016 Gas Depreciation Study) not booked amounts?

(d) If the response to either (b) or (c) is yes, provide the booked amounts, reconcile the difference between the booked amounts and the amounts shown in part VII of NWA-2 Gas (2016 Gas Depreciation Study), and explain the reason for the adjustment or discrepancy.

Response can be found in Book 9 on Bates page(s) 3 – 142.

- 1-27 Part VIII of NWA-2 Gas (2016 Gas Depreciation Study) includes Net Salvage Statistics by account.

(a) Please provide a complete copy of the database which was used in the Net Salvage Statistics. This should include (but not necessarily be limited to) the transaction amount, account/subaccount number (leave in the account/subaccount name and any

account/subaccount description that is on the file), transaction type, vintage year, and transaction year. Provide the meaning of any codes (transaction codes, location codes, account codes, etc.) used in these files. Please provide the database requested electronically in Excel (or in text delimited format if not available in Excel.)

(b) Were any amounts that were booked excluded from the Net Salvage Statistics data shown in part VIII of NWA-2 Gas (2016 Gas Depreciation Study)?

(c) Were any amounts included in the amounts in the Net Salvage Statistics data shown in part VIII of NWA-2 Gas (2016 Gas Depreciation Study) not booked amounts?

(d) If the response to either (b) or (c) is yes, provide the booked amounts, reconcile the difference between the booked amounts and the amounts shown in part VIII of NWA-2 Gas (2016 Gas Depreciation Study), and explain the reason for the adjustment or discrepancy.

Response can be found in Book 9 on Bates page(s) 143 – 153.

1-28 Please provide the following in Excel for each account included in Part IX of NWA-2 Gas (2016 Gas Depreciation Study):

1. the Original Cost of plant in service by vintage,
2. the Calculated Accrued, and
3. the Allocated Book Reserve.

Response can be found in Book 9 on Bates page(s) 154 – 186.

1-29 NWA-2 Gas (2016 Gas Depreciation Study) includes the net salvage history for Account 376 - Mains.

(a) Is it a correct statement that the Mains in Account 376 are generally retired in place? If this is not a correct statement, provide the corrected statement and the support for the corrected statement.

(b) In total for the years 2012-2016, were at least 75% of the Mains in Account 376 that retired during those years retired in place? If this is not a correct statement, provide the corrected statement and the support for the corrected statement.

(c) In total for the years 2012-2016, what percent of the Mains in Account 376 that were retired during those years retired in place?

(d) If the response to part (b) is something other than an unqualified affirmative, explain the most frequent reason that the Mains were not retired in place, and explain how they were physically retired (for example dug up the entire length and physically removed).

Response can be found in Book 9 on Bates page(s) 187.

1-30 NWA-2 Gas (2016 Gas Depreciation Study) includes the net salvage history for Account 380 - Services.

(a) Please provide a description of a retirement unit for Account 380 - Services.

(b) As of December 31, 2016, how many units were in service using the retirement unit definition provided in response to part (a).

(c) Separately for each year 2005-2016 shown in NWA-2 Gas (2016 Gas Depreciation Study), how many units were in service using the retirement unit definition provided in response to part (a) (or as many years as available if all the years are not available).

(d) Separately for each year 2005-2016 shown in NWA-2 Gas (2016 Gas Depreciation Study), how many units were retired each year for the years 2004-2016 using the retirement unit definition provided in response to part (a) (or as many years as available if all the years are not available).

(e) During the years for which information is provided in response to parts (b) and (c), did the Company significantly change its geographical distribution service area (merge with another utility, acquire another utility, sell some distribution service area, etc.)? (By “significantly” please include any such change that could reasonably be expected to alter the quantity in service by more than 10%).

(f) For each change provided in response to part (e), provide the date of that change, indicate if this added to or removed from the Company’s geographical distribution service area, and provide the number of customers prior to that change and the number of customers after that change.

(g) For each change provided in response to part (e), provide any information reasonably available showing the size of the geographic distribution area served by the Company prior to that, and separately after that change. If the size of these two geographic distribution areas is available (i.e. 123,435 square miles, etc.), provide them.

(h) When possible, provide the workpapers and other documents requested electronically in Excel (or in text delimited format if not available in Excel.)

Response can be found in Book 9 on Bates page(s) 188 – 191.

1-31 NWA-2 Gas (2016 Gas Depreciation Study) includes the net salvage history for Account 380 - Services.

(a) Is it a correct statement that the Services in Account 380 are generally retired in place? If this is not a correct statement, provide the corrected statement and the support for the corrected statement.

(b) In total for the years 2012-2016, were at least 75% of the Services in Account 380 that retired during those years retired in place? If this is not a correct statement, provide the corrected statement and the support for the corrected statement.

(c) In total for the years 2012-2016, what percent of the Services in Account 380 that were retired during those years retired in place?

(d) If the response to part (b) is something other than an unqualified affirmative, explain the most frequent reason that the Services were not retired in place, and explain how they were physically retired (for example dug up the entire length and physically removed).

Response can be found in Book 9 on Bates page(s) 192.

- 1-32 Provide a copy of the Company's FERC Form 2 separately for each of the years 2012, 2013, 2014, 2015, and 2016.

Response can be found in Book 9 on Bates page(s) 193.

- 1-33 Provide a copy of the Company's annual report filed with the Commission separately for each of the years 2012, 2013, 2014, 2015, and 2016.

Response can be found in Book 10 part 1 through part 2.

- 1-34 Regarding current approved depreciation rates.

(a) Please provide the currently approved: (1) probable retirement date; (2) survivor curve; (3) future net salvage percent; and (4) depreciation rate for each account shown on pages 76-78 (49-51 of 203) of NWA-2 Gas (2016 Gas Depreciation Study).

(b) Please provide a copy of the Commission Order that approved the depreciation rates and parameters provided in response to part (a) of this request.

(c) If possible, please provide the documents requested in part (a) electronically in Excel.

Response can be found in Book 11 on Bates page(s) 1 – 150.

- 1-35 Please provide a comparison between the most recently approved depreciation rates and the depreciation rates proposed in NWA-2 Gas (2016 Gas Depreciation Study) using the same accounts and investment amounts shown on pages 76-78 (49-51 of 203) of NWA-2 Gas (2016 Gas Depreciation Study). Please provide the comparison requested electronically in Excel.

Response can be found in Book 11 on Bates page(s) 151 – 153.

- 1-36 Page 78 (51 of 203) of NWA-2 Gas (2016 Gas Depreciation Study) includes a note that states: "*** 5 year Amortization of Adjusted Reserve related to implementation of Amortization Accounting."

(a) Please provide the support for the 5-year amortization period.

(b) Has this 5-year amortization period been approved by the Commission? If so, please provide a specific reference to the docket and page in the Order that approved the use of the "5 year Amortization of Adjusted Reserve related to implementation of Amortization Accounting."

Response can be found in Book 11 on Bates page(s) 154.

1-37 Page 78 (51 of 203) of NWA-2 Gas (2016 Gas Depreciation Study) includes Book Reserve amounts for “Reserve Adjustment for Amortization.”

(a) How are the book reserve amounts for “reserve adjustment for amortization” calculated?

(b) Please provide workpapers that support the book reserve amounts for “reserve adjustment for amortization.” If possible, provide the workpapers and other documents requested electronically in Excel (or in text delimited format if not available in Excel.)

Response can be found in Book 11 on Bates page(s) 155.

1-38 Please provide a brief description of the assets in each account included in NWA-2 Gas (2016 Gas Depreciation Study).

Response can be found in Book 11 on Bates page(s) 156 – 174.