

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID – ELECTRIC AND GAS : DOCKET NO. 4770
DISTRIBUTION RATE FILING :

COMMISSION’S FIRST SET OF DATA REQUESTS
DIRECTED TO NATIONAL GRID
(Issued November 28, 2017)

This proceeding is a ratemaking proceeding for the electric and gas distribution operations of The Narragansett Electric Company, which together represent the entirety of the regulated operations conducted in Rhode Island by the Company.

In this case, the regulated entity is the “Company,” where the reference is to both electric and gas distribution operations on a collective basis.

Where there is a need to refer to the “stand-alone” or individual electric or gas operations of The Narragansett Electric Company, the terms will be “Narragansett Electric” or “Narragansett Gas,” respectively.

“National Grid USA” will be referenced as “National Grid”

“National Grid plc” will be spelled out as is.

Where the question references “Company” and the response is different for, or expenses are recovered through distribution rates specific to Narragansett Electric or Narragansett Gas, please respond for each, clearly labeling the response to the appropriate entity.

1-1 Please provide the following for National Grid and the Company for the years 2012 through 2016 as they become available:

- (a) the 10-Ks;
- (b) the 8-Ks;
- (c) the Annual Reports to shareholders and bondholders;
- (d) the Proxy statements;
- (e) the FERC Form 60s;
- (f) any auditor’s reports;
- (g) the five-year or ten-year financial and statistical summaries; and
- (h) the consolidating statements.

1-2 Please provide the 10-Qs and quarterly reports to bondholders and shareholders for National Grid and the company for the years 2016 and 2017 as they become available.

- 1-3 Please provide the prospectus distributed in anticipation of the most recent sale of any equity or debt by the Company and National Grid.
- 1-4 Please provide a list or index, or any document which contains a list or index of the Company's periodic reports (i.e. monthly, quarterly) used internally.
- 1-5 Please provide the following information for the Company for each month of the fiscal years 2015, 2016 and 2017:
- (a) the budgeted and actual monthly income statements;
 - (b) a Statement of Cash Flows; and
 - (c) the short-term debt balance, short-term interest expense and rate as well as a comparison of the short-term interest rate to the contemporaneous prime rate.
- 1-6 Please provide the following information for the fiscal years 2012 through 2017:
- (a) capitalization table for each of the affiliates of the Company showing the outstanding balances of capital, the capital ratios, and the costs of capital; and
 - (b) the annual balance sheets and income statements for each of the affiliates of the Company.
- 1-7 Please provide a copy of any and all management, organizational, construction, and performance audits of any kind of the Company and any of its affiliates performed by company personnel, contractors, consultants, any regulatory body, or any organization or individual whatsoever during the most recent five years.
- 1-8 Please provide copies of all speeches made by National Grid to its shareholders from March 1, 2016 to the present.
- 1-9 Please provide all statements and materials supplied by National Grid and the Company to financial analysts, securities analysts, rating agencies and utility groups from January 1, 2014 to the present.
- 1-10 Please provide all publications, rating announcements, etc., concerning the National Grid and its affiliates by Moody's, Standard & Poor's, Argus and other similar entities from January 1, 2014 through the present.
- 1-11 Please provide the earned return on average common equity for the twelve-month periods ending December 31st for the years 2012 to 2016 for National Grid and the Company.
- 1-12 Please re-file copies of earnings reports filed in Docket No. 4323, for Narragansett Electric for the twelve-month periods ending December 31st for the years 2013 to 2016 which include not only the energy efficiency (C&LM) incentive, but also the Long-Term Contracting for Renewable Energy remuneration, Distributed Generation Standard Contracts remuneration, and Renewable Energy Growth Program incentive.

- 1-13 Please provide the following information for the Company:
- (a) the most recent five-year sales volume forecasts for each of its customer classes;
 - (b) the most recent five-year financial forecast; and
 - (c) the most recent projected financings for the next five years.
- 1-14 Please provide the debt and equity rating history for the fiscal years 2015 through 2017 for National Grid and its affiliates.
- 1-15 Please provide the following items for the Company for each of the most recent five calendar years (2012-2016):
- (a) the plant in service by account and the additions, retirements, transfers, and adjustments to each of those accounts;
 - (b) the year-end construction work in progress balances; and
 - (c) the land and rights-of-way by account.
- 1-16 Please provide the capital authorization and closing reports for all projects begun or finished since January 1, 2013 of \$250,000 or more in magnitude.
- 1-17 Please itemize and quantify all year 20015 and year 2016 costs allocated or assigned to Construction Work In Progress.
- 1-18 Please provide the fiscal year 2015 and year 2016 depreciation accrual rates and depreciation expense by plant account.
- 1-19 Please itemize and quantify all depreciation, income tax, property tax, equity return, or interest costs included in the Company's test year Operations and Maintenance Expense Accounts either directly or through an allocation or assignment from an affiliated company.
- 1-20 Please provide all written contracts between the Company and its affiliates. Provide a narrative description of any unwritten contracts between the Company and any affiliate, including all material terms.
- 1-21 Please itemize all line item expenses from the Company allocated to any of the Company's affiliates.
- 1-22 Please itemize all line item expenses allocated or assigned to the Company from each of its affiliates.
- 1-23 Please itemize and quantify all extraordinary income booked by the Company during the fiscal years 2013 through 2017.
- 1-24 Please describe the types of new service offerings being developed by the Company. In responding to this question, please provide a detailed description of the new service being developed or being considered by the company for future development. New services can

be defined as any new product or service which will be provided by the Company and will be available to consumers for a fee or be made available to the public free of charge (equipment sales, rentals, or service; conservation and load management services; energy audits or advice.).

- 1-25 Please provide for the service companies and the Company a detailed breakdown of Miscellaneous Revenues by source. Please also provide the amount of expenses by account associated with generating these miscellaneous revenues.
- 1-26 Please provide a chart of accounts for the company for the twelve month periods ended 12/31/2014, 12/31/2015 and 12/31/2016. Please include subaccounts, titles to the subaccounts, and balances of the subaccounts.
- 1-27 Please itemize and quantify all National Grid and Company employee bonuses and incentive compensation plan payments incurred during the calendar years 2014, 2015 and 2016.
- 1-28 Please itemize and quantify for each National Grid and Company management employee and officer the compensation and benefits including bonuses paid to each management employee and officer during the calendar years 2014, 2015 and 2016.
- 1-29 Please explain the corporate policy on National Grid, service company and Company employee and officer use of Company vehicles, noting the make, model, year, and original cost or annual lease expense of the Company vehicle used by each officer. Please also indicate whether any directors, officers, or other employees of the Company have Company supplied chauffeurs and the test year costs of those chauffeurs.
- 1-30 Please provide the following for the calendar years 2015 and 2016 for each employee, officer, director, shareholder or investor of National Grid, its service companies:
 - (a) the amount(s) of all loans or forgiveness of debts provided by the Company to such individual;
 - (b) the type(s) and costs(s) of all services provided by the Company to such individual; and
 - (c) the type(s) and cost(s) of all products provided by the Company to such individual.
- 1-31 Please provide both the dollar amount and percent capitalized of the wages, salaries and overheads for each of the last five years.
- 1-32 Please provide a five-year history of wage and salary increases for each of the employee groups (e.g. union, clerical, management).
- 1-33 Please provide a copy of all employee wage contracts in effect at any time during the years 2015, 2016, and 2017 and those signed since 2016.

- 1-34 Please provide a timing schedule of the wage and salary increases for each employee group in each of the last five years (e.g. union, clerical, management).
- 1-35 Please provide the number of National Grid and Company employees at the end of each month for the years 2014 through 2016 by employee group (e.g. union, clerical, management).
- 1-36 Please provide the annual percentage of overtime hours worked compared to total hours worked for each of the last five calendar years. Please also provide the total expense associated with overtime wages and salaries incurred during the years 2015 and 2016.
- 1-37 Please provide the latest actuarial reports used to determine the Company's pension costs and post retirement benefits other than pension costs.
- 1-38 Please provide a breakdown of the year-end 2015 and 2016 expenses, for all non-pension benefits available to employees. For each benefit, include a detailed description of the benefit and the conditions that each employee must meet to be entitled to the benefit.
- 1-39 Please provide the average health care cost per employee incurred by the Company during the year 2015 and 2016. Please provide the working rate used for each of the respective years.
- 1-40 Please provide a complete and detailed description of the methods that the Company is using to reduce its health care costs. Please include, but do not limit the description to: (a) the Company's provision of incentives for employees to use the least cost insurer and (b) the company's efforts to provide incentives for employees to contribute to lower health care costs.
- 1-41 Please provide an itemized list of all vehicles leased or purchased by National Grid and the Company. For each vehicle, please provide the make, model, year and rental charge or original book value. In the response, please separate the distribution company vehicles out by Narragansett Electric and Narragansett Gas. For purposes of this question, vehicle includes all equipment used on or off-road for electric or gas operations (i.e., backhoes, trailers, etc.).
- 1-42 Please provide any policy, written or otherwise, governing the replacement of vehicles for Company use, including any employee-assigned vehicles. For purposes of this question, vehicle includes all equipment used on or off-road for electric or gas operations (i.e., backhoes, trailers, etc.).
- 1-43 Please provide an itemized list of all aircraft and watercraft leased or purchased by National Grid, the service companies and the Company. For each aircraft and watercraft, please provide the make, model, year, rental charge and original book value.
- 1-44 Please provide a list of all instances where food, beverage, entertainment, and travel costs included in operations and maintenance expenses in the years 2015 and 2016 exceed \$2500

per event. Please also provide for each item, the date, location, number of employees attending, number of non-employees attending, and the nature of the event.

- 1-45 Please provide a list of all organizations to which the Company pays dues, whether directly or as a part of a corporate allocation in the Test Year. For each organization, please indicate the purpose of membership in the organization.
- 1-46 Please itemize and quantify the year 2015 and year 2016 costs included in Account 922—Administrative Expenses Transferred.
- 1-47 Please provide the following information regarding the Company’s insurance policies:
- (a) a breakdown of the insurance expenses recorded in each of the years 2015 and 2016 and, for each insurance expense, please provide a detailed explanation for any differences between the expense amounts included in the year and the insurance premiums paid during that year;
 - (b) the invoices for the insurance premiums paid in each of the years 2015 and 2016 and, if the Company only pays a portion of the insurance expense, please provide a summary of each insurance invoice showing the total expense and the Company’s allocated portion of the expense;
 - (c) if any insurance expense (including premiums) recorded in each of the years 2015 and 2016 have been allocated or assigned to the Company from any affiliate, please indicate the amount allocated or assigned and the method of assignment and provide copies of all policies for which expenses are allocated or assigned; and
 - (d) an itemization and quantification of any insurance proceeds (e.g. reimbursements, recoveries, refunds, distribution, adjustments) received by the Company during or since the year 2015, along with a complete and detailed description of the accounting treatment given those proceeds.
- 1-48 Please provide the terms of any insurance policies and the annual expense amount relating to “key man” or other corporate life insurance (aka “janitor’s insurance) where National Grid and/or the Company or its affiliate is a beneficiary.
- 1-49 Please provide the terms of any insurance policies and the annual expense amount relating to any corporate life insurance (aka “janitor’s insurance”) where the employee’s family rather than the Company is the beneficiary and confirm whether the related expenses have been captured in the employee benefit expense within the rate filing. Identify where in the filing those expenses have been captured.
- 1-50 Please provide a complete and detailed description of each self-insurance procedure that National Grid and the Company have in effect. For each please provide (but do not limit the response to) the following information:
- (a) a description of the nature of the risks being insured;
 - (b) the year 20015 and the year 2016 accounting of the self-insurance plan costs including the year beginning and ending reserve balance and an itemization of the

debits and the credits to the reserve during the year as well as a five-year history of the debits and credits to that reserve

- 1-51 Please provide all lease-type expenses paid during each of the years 2014, 2015 and 2016. (If the company only pays a portion of the total lease expense, please provide a summary of each lease invoice showing the total lease expense and the Company's allocated portion of the expense.) Vehicles are excluded if included in response to 1-41.
- 1-52 Please provide a detailed breakdown of the Company's 2015 and 2016 year-end balances of miscellaneous deferred debits. Please also indicate the amounts and the accounts that were charged when the deferred debits were credited during those years.
- 1-53 Please set forth the accounting information concerning all out-of-period book adjustments made to book entries for the calendar years 2014, 2015 and 2016.
- 1-54 Please provide a detailed breakdown of the Company's 2015 and 2016 year-end balances of other deferred credits. Please also indicate the amounts and the accounts that were charged when the deferred credits were debited during those years.
- 1-55 Please itemize and quantify the costs of National Grid and the Company's Outside Services Employed during each of the years 2015 and 2016.
- 1-56 Please provide for each of the last three fiscal years, the gross write-offs and recoveries for each customer class.
- 1-57 Please identify all municipal, state, other public accounts, including quasi-public agencies where there is a past due balance greater than 90 days. Please include the account balance.
- 1-58 Please identify all uncollectable write-offs for each year 2013-2016 where write-offs were:
 - (a) Residential >\$2,500 (electric) or >\$3,500 (gas) (please break out between A-16, A-60, Residential Heating, Residential Low-Income Heating, Residential Non-Heating, and Residential Low-Income Non-Heating);
 - (b) C-06 >\$2,500 (electric) or >\$3,500 (gas);
 - (c) G-02, G-32, G-62 >\$5,000 (electric or gas);
 - (d) Please provide the accounts receivable ageing for residential customers, commercial customers, industrial customers, and public accounts separately.
- 1-59 Please provide a detailed description of the Company's accounting policies governing the write-off of accounts receivable during the fiscal years 2015-2017.
- 1-60 Please provide a detailed description of the Company's method of accounting for unbilled revenues. Please also provide a complete and detailed description of the formula used to determine the amount of test year end unbilled revenue.

- 1-61 Please itemize by account and amount all advertising and media-related costs included in operations and maintenance expense, and source of funds. Please also include a copy of each advertisement and the cost of each for fiscal years 2015-2017.
- 1-62 Please itemize the amounts of donations made to charitable organizations by National Grid, its service companies and the Company during each of the years 2014, 2015, 2016.
- 1-63 Please itemize the amounts of lobbying expenses included in operations and maintenance expense for each of the years 2015 and 2016. For purposes of this request, lobbying is defined by R.I. Gen. Laws § 42-139.1-3.
- 1-64 Please provide the expenses for each of the years 2015 and 2016 relating to corporate identification. Please itemize all expenses relating to any National Grid, National Grid service company, and the Company name changes, logo changes, notices of new service centers, and any expense relating to National Grid's, service company's and the Company's name being printed on "give-a-way" items, such as mugs, shirts, etc.
- 1-65 Please provide in list form the details of all judgment and/or settlements resulting from suits brought which involved National Grid plc, National Grid and/or the Company as a defendant, which resulted in National Grid, its service companies and/or the Company, in each of the years 2015 and 2016, paying or agreeing to pay or being ordered to pay an amount in excess of \$10,000.
- 1-66 Please provide in list form the details of all warranty claims the Company has pending including but not limited to the amount being sought, the manufacturer, the date the claim was submitted, the specific item(s) under warranty.
- 1-67 Please provide the combined total dollar amount of all legal suits presently pending in which National Grid plc, National Grid, and/or the Company is a defendant.
- 1-68 Please provide the combined total dollar amount of all legal suits presently pending which have been filed by National Grid plc, National Grid, and/or the Company.
- 1-69 Please provide in two lists the aggregate amount of all fines and/or penalties in excess of \$5,000 paid or agreed to be paid in whole or in part by National Grid and or the Company in the Test Year including the nature of each such fine or penalty, the date assessed, and the entity assessing National Grid, and/or the Company. Provide this information even if appeals are pending and note every instance of an appeal. Please indicate whether ratepayer funds were used to satisfy any of the penalties and explain the rationale.
- 1-70 Please provide by community, the Company's property taxes paid in each of the calendar years 2015 and 2016, assessed valuation, and property tax rate. Please specify between real or tangible property tax, where applicable.
- 1-71 Please provide the amount of tax abatements received by year for the last three years (2014-2016).

- 1-72 Please set forth the total dollar amount of property tax abatements which would result should all of the Company's presently pending abatement requests be granted. If an exact total cannot be supplied provide the Company's best estimate.
- 1-73 Please indicate whether the Company uses normalization accounting for all book/tax timing differences.
- 1-74 Please itemize and quantify all corporate charges assigned/allocated to the Company from National Grid and its service companies for each of the last three years (2014-2016).
- 1-75 Please itemize and quantify all outside services charges assigned/allocated to the Company from National Grid and its service companies for each of the last three years (2014-2016).
- 1-76 Please provide a complete and detailed description of the methodology that National Grid and its service companies use to allocate/assign to the Company plant that is common to more than one of its affiliates. Please also provide the workpapers, calculations, formulas, assumptions, and supporting documents used to determine each allocation or assignment.
- 1-77 Please itemize and quantify all of the products and services provided to National Grid or any of its affiliates during the test year (7/1/16-6/30/17) by each of the firms who employ the directors of National Grid.
- 1-78 Please itemize and quantify the political contributions made by National Grid and/or The Narragansett Electric Company during the Test Year (7/1/16-6/30/17).
- 1-79 Please itemize and quantify the Company's total outside legal fees for each of the last five years (2012-2016).
(a) For each PUC Docket, please provide the name of the law firm and the total paid.
(b) For each 12-month period, for Division formal termination hearings, please provide the name of the law firm(s) and the total paid.
(c) For each miscellaneous Division complaint that went to a formal hearing, please provide the name of the law firm and the total paid.
- 1-80 Please itemize and quantify the expenses for each of the five years (2012-2016) associated with consulting services provided by National Grid, its service companies and the Company's outside auditors.
- 1-81 Please provide an organization chart showing National Grid's corporate structure and each of its subsidiaries and affiliates.
- 1-82 Please provide copies of all employee termination contracts that National Grid and the Company has with its managers and directors.

- 1-83 Identify the number of physical terminations for nonpayment for each month for the last 36 months. Please break out each month by Residential – Protected, Residential – Standard and Non-Residential.
- 1-84 Identify for each month beginning in January 2012, the number of employees whose primary work location is Rhode Island. Break each month down by number of employees assigned to Operations Centers, Special Purpose Facilities and Main Office Facilities.
- 1-85 For each of the past five years (2012-2016) and to the present, please provide the number of customers in each customer class by month.
- 1-86 Please provide copies of any documents the Company uses to advertise the availability of the A-60 rate to customers who are LIHEAP eligible but not receiving LIHEAP.
- 1-87 Please provide the month of the system peak and the month of the peak for each customer class.
- 1-88 Please provide an analysis of customer usage in the A-16 and A-60 rate classes. Please provide the mean, median, and average usage for the 12-month period April to March and for the periods April-September and October-March for that same 12-month period.
- 1-89 What percentage of A-16 and A-60 customers are engaged in some form of net metering (either through traditional net metering or a similar bill credit program)?
- 1-90 Are there any remaining issues related to the rollout of SAP in 2012? If so, what are they and what are the projected expenses in the Rate Year?