

March 9, 2018

BY HAND DELIVERY AND ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 4805 - 2018 Annual Retail Rate Filing
Responses to Division Data Requests – Set 1**

Dear Ms. Massaro:

I have enclosed ten (10) copies of National Grid's¹ responses to the Division's first set of data requests in the above-referenced docket.

This filing also includes a Motion for Protective Treatment of Confidential Information (Motion) in accordance with Rule 1.2(g) of the PUC's Rules of Practice and Procedure and R.I. Gen. Laws § 38-2-2(4)(B). Specifically, the Company seeks confidential treatment of certain financial information, which is included in Attachment DIV 1-3 in the enclosed responses. In compliance with Rule 1.2(g), National Grid has provided the PUC with one complete, un-redacted copy of confidential Attachment DIV 1-3 in a sealed envelope marked: **"Contains Privileged and Confidential Materials – Do Not Release."** The Company has included redacted copies of the materials for the public filing. Pursuant to PUC Rule 1.2(g)(2), the Company respectfully requests that the PUC preliminarily grant the Company's request for confidential treatment pending the PUC's ruling on the Motion.

Thank you for your attention to this filing. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4805 Service List
John Bell, Division
Leo Wold, Esq.

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

March 9, 2018
Date

**National Grid – 2018 Annual Retail Rate Filing - Docket No. 4805
Service List Updated 2/19/18**

Name/Address	E-mail Distribution	Phone
Raquel Webster, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Raquel.webster@nationalgrid.com ;	781-907-2121
	Celia.obrien@nationalgrid.com ;	
	Joanne.scanlon@nationalgrid.com ;	
	Adam.crary@nationalgrid.com ;	
	Polina.demers@nationalgrid.com ;	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	lwold@riag.ri.gov ;	401-222-2424
	John.bell@dpuc.ri.gov ;	
	Al.mancini@dpuc.ri.gov ;	
	Jonathan.Schrag@dpuc.ri.gov ;	
	dmacrae@riag.ri.gov ;	
Richard Hahn Matt Loiacono Daymark Energy Advisors	rhahn@daymarkea.com ;	617-778-2467
	mloiacono@daymarkea.com ;	
File an original & 10 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2017
	Linda.george@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Cynthia.WilsonFrias@puc.ri.gov ;	
Office of Energy Resources Nicholas Ucci Christopher Kearns	Nicholas.ucci@energy.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND PUBLIC UTILITIES COMMISSION**

2018 Annual Retail Rate Filing

Docket No. 4805

**NATIONAL GRID'S MOTION FOR PROTECTIVE TREATMENT
OF CONFIDENTIAL INFORMATION**

National Grid¹ respectfully requests that the Rhode Island Public Utilities Commission (PUC) provide confidential treatment and grant protection from public disclosure certain confidential and sensitive information submitted in this proceeding, as permitted by Rule 1.2(g) of the Rhode Island Public Utilities Commission (PUC) Rules of Practice and Procedure and R.I. Gen. Laws § 38-2-2(4)(B). National Grid also respectfully requests that, pending entry of that finding, the PUC preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2 (g)(2).

I. BACKGROUND

On March 9, 2018, National Grid filed with the PUC its responses to the Rhode Island Division of Public Utilities and Carriers' first set of data requests. In responding to Request Division 1-3, the Company has included an invoice as Attachment DIV 1-3, which reflects New England Power Company's (NEP) payment to a financial institution. The information regarding NEP's account number and financial institution is included in this invoice. This financial information is confidential and not the type of information the Company would ordinarily disclose to the public.

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

II. LEGAL STANDARD

Rule 1.2(g) of the PUC's Rules of Practice and Procedure provides that access to public records shall be granted in accordance with the Access to Public Records Act (APRA), R.I. Gen. Laws §38-2-1 *et seq.* Under the APRA, all documents and materials submitted in connection with the transaction of official business by an agency is considered as a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I. Gen. Laws §38-2-2(4). Therefore, to the extent that information provided to the PUC falls within one of the designated exceptions to the public records law, the PUC has the authority under the terms of the APRA to treat such information as confidential and to protect that information from public disclosure.

In that regard, R.I. Gen. Laws § 38-2-2(4)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The information the Company seeks to protect in Attachment DIV 1-3 is confidential financial information.

III. BASIS FOR CONFIDENTIALITY

As discussed above, National Grid respectfully requests confidential and privileged treatment of the financial information included in Attachment DIV 1-3. National Grid would not ordinarily disclose this information to the public because it contains confidential financial information, the disclosure of which could harm NEP in many ways. This information is also the type of information that the PUC has historically recognized as confidential information.

IV. CONCLUSION

Accordingly, the Company respectfully requests that the PUC grant protective treatment to the financial information redacted in Attachment DIV 1-3.

WHEREFORE, for the foregoing reasons, the Company respectfully requests that the PUC grant its Motion for Protective Treatment.

Respectfully submitted,

NATIONAL GRID

By its attorneys,



Raquel J. Webster, RI Bar # 9064
National Grid
40 Sylvan Road
Waltham, MA 02451
(781) 907-2121

Dated: March 9, 2018

Division 1-1

Request:

Please refer to Schedule ASC-2, pages 1-9, and answer the following:

- (a) Explain the change from a net over-recovery of approximately \$16.2 million in 2016 to a net under-recovery of approximately \$4.1 million in 2017.
- (b) Explain why the industrial group continues to be over-recovered in 2017.
- (c) Explain the Company's reasoning for an increase to the forecast of kWh sales to the industrial customers compared to last year's filing.

Response:

- (a) The majority of the net over-recovery in 2016 was in the Residential and Commercial groups, with over-recoveries of \$12.1 million and \$2.9 million, respectively. There are a number of factors that can contribute to an over- or under-recovery in a given year.

First, the Company uses a monthly kilowatt hour (kWh) forecast to develop the fixed prices for the Residential and Commercial groups. To the extent that the actual distribution of kWhs across the months of a SOS rate period differs from the forecasted monthly kWhs, this contributes to an over- or under-recovery.

Second, the Company uses estimated line losses to develop the retail SOS rates from the applicable wholesale SOS bid prices. The extent that the actual line losses differ from the estimate could contribute to an over- or under-recovery.

Third, for the Residential and Commercial groups, the Company uses estimated spot market prices in the development of the retail SOS rates. The extent to which actual spot market prices differ from the estimates, the difference will contribute to an over- or under-recovery.

Fourth, the Company bills customers on a billing cycle basis, but is billed for SOS expenses on a calendar month basis. The Company prorates (i.e., separates) billed revenue in the first and last months of the reconciliation period in order to align (match) revenue with expenses. The prorate calculation is estimates the percentage of the kWh deliveries for the reconciliation period that are billed outside of the reconciliation period. As this calculation is an estimate, its results may impact the reconciliation for a particular year. However, the sum of prorated revenue amounts used in two consecutive reconciliation periods will equal the actual billed revenue for the month in which revenue is being prorated.

Division 1-1, page 2

The primary reason for the over-recoveries in the Residential and Commercial groups in 2016 is that 2016 was a transition year where the Company was moving from SOS rate periods of January through June and July through December to April through September and October through March. This required the Company to design and bill nine-month fixed SOS rates for the period January 2016 through September 2016 in order to implement the new rate periods. As a result of this transition, the Residential fixed SOS rate was greater than the monthly SOS cost per kWh in eight of the 12 months of calendar year 2016, and the Commercial fixed SOS rate was greater than the monthly SOS cost per kWh in nine of the 12 months of calendar year 2016. This difference between the fixed SOS rate and the underlying monthly SOS cost per kWh is a contributing factor to the 2016 over-recovery for these two customer groups.

In the process of performing an analysis to determine the factors causing the net SOS under-recovery of approximately \$4.1 million, the Company identified corrections it believes should be made to the calendar year 2017 SOS reconciliation contained in Schedule ASC-2. The Company will file revised schedules to reflect the changes described below.

First, the Company will revise the calculation of the portion of January 2018 revenue associated with December 2017 kWh deliveries billed in January 2018, which will increase base SOS revenue by approximately \$2.9 million for the Residential Group, \$1.0 million for the Commercial Group, and \$0.2 million for the Industrial Group. Although the Company would reflect the total January 2018 revenue billed to SOS customers when it prepares its calendar year 2018 SOS reconciliation, the Company believes it is appropriate, as a better alignment of revenue applicable to the reconciliation period, to revise the January 2018 revenue for December 2017 kWh deliveries, to make this adjustment at this time.

Second, the Company will revise SOS expenses presented in December 2017. The December 2017 amount of spot market purchase costs included purchases made during January 2018. To better align all SOS expenses with the reconciliation period, the Company will reduce December 2017 SOS expense by approximately \$2.2 million of spot market purchase cost and will reflect that amount in calendar year 2018's SOS reconciliation.

Division 1-1, page 3

As a result of these changes, the revised SOS ending balance, including interest, at December 31, 2017 for the Residential Group is an under-recovery of \$187,167; for the Commercial Group is an over-recovery of \$392,851; and for the Industrial Group is an over-recovery of \$2,041,659. The net ending balance for all groups, including interest, is an over-recovery of \$2,247,342. These amounts will be reflected in a revised Schedule ASC-2, which the Company intends to file with the PUC on March 9, 2018.

- (b) As a result of the revisions discussed in the response to part (a) above, the revised over-recovery for the Industrial Group, not including interest, is \$999,742, as shown in Attachment DIV 1-1(b), Line (13), column (e). As described on Page 45 of Adam S. Crary's Testimony, lines 8 through 20, a single large customer was improperly billed until September 2016 as a result of an incorrectly programmed meter. In order to ensure that other customers are not impacted by having less revenue in the Company's various reconciliations, a one-time adjustment to revenue was made to the Industrial SOS reconciliation in the amount of \$1,461,698, which is the cumulative total (including accumulated interest) of revenue that should have been billed to this customer for SOS. Taking this out-of-period adjustment into consideration results in a current period under-recovery for Industrial Group of \$461,956. Please see Attachment DIV 1-1(b), Lines (14) and (15). Included in this balance are resettlement credit amounts for energy delivered in 2016 but billed to the Company in 2017, resulting in credits to expense for the Industrial Group of \$235,268. Removing these invoice credits results in an under-recovery for the Industrial Group of \$697,223. Please see Attachment DIV 1-1(b), Lines (16) and (17). Lastly, as shown on Attachment DIV 1-1(b), Line (18), the remaining balance of the over-recovery incurred for Industrial SOS customers in calendar year 2015 was \$1,022,803 at the end of the refund period of April 2016 through March 2017. The ending balance, including interest, for base SOS for the Industrial Group after the adjustments shown in Attachment DIV 1-1(b), Lines (14) through (20) would be an over-recovery of \$328,656, as shown on Line (21).
- (c) Each year, the forecasted SOS kWh deliveries for each customer group are calculated by multiplying the total forecasted kWh for that group by the percentage of kWh deliveries billed for SOS customers to the total kWh deliveries billed for all customers based upon data for the most recent month available. Therefore, along with a change in the total forecasted kWh deliveries for a customer group in a subsequent year, actual kWh deliveries to the customer group as well as kWh deliveries to SOS customers in that customer group impact the forecasted SOS kWh deliveries used to calculate the proposed factors assessed to SOS customers.

Division 1-1, page 4

These differences are seen in comparing Schedule ASC-3 from each year's Annual Retail Rate Filing, which is presented below. While the total forecasted kWh deliveries for the Industrial Group for the respective April through March rate periods decreased from 2,443,785,174 kWh to 2,404,581,879 kWh, the current proportion of kWh deliveries to Industrial SOS customers has increased from 9.53% to 10.39%. The higher percentage of 10.39% offset the decline in the total Industrial kWh forecast, resulting in a slightly increased SOS forecast for Industrial Group kWh for the period of April 1, 2018 through March 31, 2019. The table below presents these calculations for the Industrial Group.

	2017 Filing Sch ASC-3 Rev, p 2 <u>Docket 4691</u>	2018 Filing Sch ASC-3 Rev, p 2 <u>Docket 4805</u>
SOS kWh – January	19,219,143	21,915,401
Total kWh – January	<u>201,626,386</u>	<u>210,922,779</u>
SOS kWh as a Percent of Total	9.53%	10.39%
Total kWh Forecast for Rate Period	<u>2,443,785,174</u>	<u>2,404,581,879</u>
SOS kWh Forecast for Rate Period	232,943,007	249,842,034

ILLUSTRATIVE STANDARD OFFER SERVICE RECONCILIATION
For the Period January 1, 2017 through December 31, 2017

Base Reconciliation

Industrial						
	<u>Month</u>	Over/(Under) Beginning <u>Balance</u> (a)	<u>Revenue</u> (b)	<u>Expense</u> (c)	Monthly <u>Over/(Under)</u> (d)	Over/(Under) Ending <u>Balance</u> (e)
(1)	Jan-17	\$0	\$2,136,450	\$1,665,080	\$471,370	\$471,370
(2)	Feb-17	\$471,370	\$1,503,991	\$1,542,996	(\$39,005)	\$432,365
(3)	Mar-17	\$432,365	\$1,302,965	\$1,161,127	\$141,838	\$574,203
(4)	Apr-17	\$574,203	\$1,077,401	\$825,050	\$252,350	\$826,554
(5)	May-17	\$826,554	\$857,569	\$1,192,153	(\$334,584)	\$491,970
(6)	Jun-17	\$491,970	\$956,670	\$1,051,710	(\$95,041)	\$396,929
(7)	Jul-17	\$396,929	\$1,353,023	\$1,368,866	(\$15,843)	\$381,086
(8)	Aug-17	\$381,086	\$1,488,512	\$1,413,039	\$75,473	\$456,558
(9)	Sep-17	\$456,558	\$1,301,724	\$1,345,556	(\$43,832)	\$412,727
(10)	Oct-17	\$412,727	\$1,398,797	\$969,239	\$429,559	\$842,285
(11)	Nov-17	\$842,285	\$1,115,481	\$1,145,019	(\$29,538)	\$812,747
(12)	Dec-17	\$812,747	\$1,268,443	\$2,106,401	(\$837,958)	(\$25,211)
(13)	Jan-18	(\$25,211)	\$1,024,953		\$1,024,953	\$999,742
<u>Adjustments</u>						
(14)	Removal of Cumulative Revenue Adjustment related to large customer billing error					(\$1,461,698)
(15)	Under -Recovery Subtotal					(\$461,956)
(16)	Energy Resettlement credits related to CY 2016 energy delivery					(\$235,268)
(17)	Under Recovery Subtotal					(\$697,224)
(18)	Remaining Balance from Over(Under) Recovery incurred during 2015					<u>\$1,022,803</u>
(19)	Over Recovery Ending Balance Prior to Application of Interest					\$325,580
(20)	Interest					<u>\$3,077</u>
(21)	Ending Balance Including Interest					\$328,656

- (1) Reflects revenues based on kWhs consumed after January 1
- (2) - (12) per Schedule ASC-2 Revised, Page 4
- (13) Reflects revenues based on kWhs consumed prior to January 1
- (14) Eliminate revenue from prior period large customer adjustment included in line (1?), column (b)
- (15) Column (e) Ending Balance + Line (15)
- (16) Eliminate resettlement credits from 2016 but received in 2017 included in lines (1) through (4), column (c)
- (17) Line (15) + Line (16)
- (18) Final values on Schedule ASC-2 Revised, Page 9, Section 1, column (g)
- (19) Line (17) + Line (18)
- (20) $[(\text{Beginning balance} + \text{Ending balance}) \div 2] \times [(2.14\% \times 2/12) + (1.84\% \times 10/12)]$
- (21) Line (19) + Line (20)
- (a) Column (e) from previous row
- (b) Schedule ASC-2 Revised, Page 5, Column (c) - Industrial
- (c) Schedule ASC-2 Revised, Page 6, Column (c) - Industrial
- (d) Column (b) - Column (c)
- (e) Column (a) + Column (d)

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4805
In Re: 2018 Retail Rate Filing
Responses to the Division's First Set of Data Requests
Issued on March 2, 2018

Division 1-2

Request:

Please provide a summary of the Company's Non-PTF Additions in 2018 by Project.

Response:

Please see Attachment DIV 1-2 which presents a summary of the projects underlying New England Power Company's 2018 Non-PTF additions.

National Grid Plant Additions
Forecast of Non-PTF Plant Additions CY18
By State and by Project

Non-PTF	CY2018 (in Millions)
Massachusetts	40.67
Rhode Island	16.98
New Hampshire	3.07
Vermont	0.55
Total	61.27

State	Project Description	Amount (In Thousands)
	Z1/Y2 Somerset-Hathaway ACR	5,132.45
	The Bunker Road Project (Phase 2)	3,843.80
	The Bunker Road Project (Phase 1)	3,058.50
	C3 (SW Strategy III)	2,888.50
	Old Boston Road #20 Substation - New Sub	1,925.00
	J10 TLine Reconductoring to Support Deerfield Wind Farm	1,720.91
	Salem Harbor Phase 4 Work - 23kV Upgrades and Replacement	1,412.50
	Hendersonville - TSub	1,350.00
	Sandy Pond AC Control House Rebuild (includes SWYD)	1,177.06
	N192 Cable Refurbishment/Replacement (UG)	1,144.50
	Deerfield 5 TRF #1 & OCB Replacement	1,076.09
	Everett # 37 115kV Xfmr Replacement	921.96
	Scobie to Tewksbury New 345kV Line (3124 Line) (Green)	877.18
	S9/S9E/H1 (SW Strategy III) - Co 5	820.25
	REYNOLDS AVE SUB - TSub	767.50
	Wilder Station (x3) - RAPR Replacement - Lebanon Barr	720.45
	REPLACE CHARTLEY POND T1	646.50
	Read St. #9 - Replace T4 Transformer	638.16
	TX I&M REPAIR PRGM LINE CO5410	614.25
	Replace Mink St T1 & T2 - TSub	575.00
	Asset Condition Refurbishment 3314	528.84
	Hendersonville Land Acquisition	500.00
	Vernon Hill 8 Xfmr #2 Replacement	498.04
	N14 and O15S Kibbe Rd Switch Refurbishment	451.50
	Field Street #1 - Long Term Flood Protection	428.00
	Old Boston Road Sub - TLine Work	421.25
	Melrose #2 - Rebuild 23kV Substation	398.79
	P168 UG Cable Relocation - Wynn Everett Casino	394.49
	South Randolph - HMI Replacement	393.45
	O42 Tap: Dunstable to James River ACR_old FP#C0443	360.00
	Parkview 115kV Asset Replacement	305.41
	RELAYREPLACEMENTSTRATEGYCO10	297.53
	Hendersonville - TLine	262.50
	G7 Asset Condition Refurbishment	239.78
	Peabody Ipswich River Study	231.88
	FLOOD CONTINGENCY PLAN NEP - T	226.25
	ST NEP PROTECTION CIRCUIT MIGRATION	200.00
	J136N CCR Project	199.93
	Sandy Pond- Asset Condition Upgrade (Related to TSNE)	197.31
	Adams #21 - Install 3rd 115 Kv Breaker	189.03
	Field Street back up generator	185.00
	Bates #115 - Replace W V2-LB Switch	183.83
	T-Line Support for Read St T4 Replacement	178.25
	NE SMART FCI PILOT	175.04
	Gilber St - Asset Issues	160.15
	Mid Weymouth TRF #2 Replacement	135.98
	Meadowbrook - Tline support	128.73
	TX ASSET D/F BLANKET LINE CO5410	125.00
	N Grafton X-24 Replace T-Line Taps	119.70
	Brayton Point 115kV Asset Separation/ACR	118.75
	BATTERY TRAILERS ASSET COND REPLACE	112.5
	Sandy Pond alleviate tertiary load sub - TSub	111.60

National Grid Plant Additions
Forecast of Non-PTF Plant Additions CY18
By State and by Project

Non-PTF	CY2018 (in Millions)
Massachusetts	40.67
Rhode Island	16.98
New Hampshire	3.07
Vermont	0.55
Total	61.27

State	Project Description	Amount (In Thousands)
MA	East Longmeadow 69kv Upgrade	108.87
	TX ASSET RPLMT BLANKET SUB CO5410	100.00
	TX ASSET RPLMT BLANKET LINE CO5410	100.00
	Hathaway #106 23 kV Yard Removal & Replace	98.50
	East Weymouth #9 - Circuit Switchers Replacement (T S	93.02
	TX ASSET PS&I BLANKET LINE CO5410	92.25
	North Grafton Replace Transformer - Sub	88.10
	M191-55-91 switch relocation	85.43
	SUB MONITORING PH1 MILLBURY 5	81.25
	REYNOLDS AVE SUB - TLINE	78.00
	E.Westminster #609 - Instl 3Vo on T1, Add Auto Reclose	76.24
	TX ASSET PS&I BLANKET SUB CO5410	75.00
	TX PLAN PS&I BLANKET LINE CO5410	75.00
	East Methuen TRF Replacement	75.00
	Turner D Switch Replacements Q169	71.58
	LT NEP PROTECTION CIRCUIT MIGRATION	67.50
	Parkview 94 ARP Battery/Charger	63.21
	I-35 TLine Decommission	62.40
	TX I&M REPAIR PRGM LINE CO5310	61.25
	G207 ACR - Comerford	56.25
	B154S/N192 Relay Reconfig	56.24
	P168 & A179 115kV TLine Reconfiguratn at Revere Ne	46.80
	West Andover #8 - Install Transformer Differential Protec	41.92
	CONDUCTOR CLEARANCE/ MEC PROGRAM	37.50
	2377N ACR	37.50
	H160/N166 ACR	37.50
	Uxbridge Sub Access road/Mobile ofc	36.00
	P168 Fiber Conduit - Wynn Everett Casino	33.74
	TP E. Webster 412 upgrd trans T1	30.00
	IHC CAPITAL SMALL TOOLS CO5410	25.01
	TX STORM D/F BLANKET LINE CO5410	25.00
	North Abington P66 - SG062 Circuit Switcher Replacem	24.99
	Swansea 11 - Install 3Vo protection - CEC Solar - MA - 1	23.50
	E. Bridgewater 797 - Install 3Vo On T914 - OLIARRI, L	23.27
	North Attleboro OCB Replacements (C181 & D182 OCB	18.75
	Belmont 98 - Replace 115kV OCB's	18.75
	TP N. Oxford 406 add 2nd transf Sub	18.75
	Florence Jt. #9 - Install 3Vo on T2 & Reset w/ Bi-Directi	16.80
	BS Mid Weymouth sub Add T1 40 MVA sub	14.33
	TX ASSET D/F BLANKET SUB CO5310	12.50

National Grid Plant Additions
Forecast of Non-PTF Plant Additions CY18
By State and by Project

Non-PTF	CY2018 (in Millions)
Massachusetts	40.67
Rhode Island	16.98
New Hampshire	3.07
Vermont	0.55
Total	61.27

State	Project Description	Amount (In Thousands)
	115/23KV TRANSF TREASURE VALLEY	12.50
	Turner Switch S9H1 MO Replacement	11.90
	East Beverly #51 - 2325 Installation - Beverly	10.11
	King St 18 Positron System Replacement	10.00
	TP Greater Lowell Area	9.38
	TX STORM D/F BLANKET LINE CO5310	7.50
	TP N. Oxford 406 add 2nd transf ln V174	6.56
	TX ASSET RPLMT BLANKET SUB CO5310	5.00
	TX ASSET D/F BLANKET LINE CO5310	5.00
	IHC CAPITAL SMALL TOOLS CO5310	5.00
	TX PLAN PS&I BLANKET LINE CO5310	2.51
	TX ASSET PS&I BLANKET SUB CO5310	2.50
	Five Corners #527 - Install 3VO Overvoltage Prot. for T1	2.43
	Harrison Blvd #75 Substation Addition	2.06
	Methuen #5 23kV Z-Tie point meter replacing 2355	1.94
	Water Str #910 Circuit Switcher Replacement	1.00
	524/525 Improve Cthodc Prot. (UG)	0.75
	Pratts Junction #225 - Add POTT Protection scheme to C	0.06
	TX ASSET PS&I BLANKET LINE CO5310	(5.03)
	Salem Harbor Separation and Retirement	(211.82)
	Salem Harbor Footprint Interconnection	(1,161.27)
	Sub-Total MA	40,674.75
	Comerford #18 - 34.5kV Rebuild (Formerly FP#C04906	1,483.87
	Pelham 14 - Ins 2nd Xfrmr & Inline Bkr	726.47
	Comerford #18 Unmetered Load	200.00
	Moore#20 Unmetered Load	200.00
	Moore #20 Switchyard Asset Repl/Separate	187.50
	McIndoes Sub ARP OCB Replacements (2 OCBs)	89.50
NH	3318 Asset Condition Refurbishment	65.80
	Pelham 14 - Inst 2nd Xfrmr & Line Bkr - Line Portion	38.33
	Golden Rock#19 - In-line Breaker and 2nd Transformer /	30.25
	3315 ACR	30.10
	Mount Support - Add 2nd 115/13kV transformer	14.00
	Bellows Falls SubT Rebuild related to C01734	1.32
	Sub-Total NH	3,067.13
	Seawall at South Street Sub	5,407.41
	Jepson Sub 115kV Rebuild	2,173.43
	South Street Station - Rebuild	2,143.75
	3308 ACR	1,064.25
	Woonsocket Substation TLine Relocate and Reconfig - Q	788.25
	Pawtucket #1 Substation - TSub	590.50
	3302 ACR	577.78
	Q-143 and R-144 Cable Replacement	475.00
	Franklin Square - 115kV Asset Replacement	392.50
	Q143S OH Step C ACR - RI	361.34
	Southeast Sub -Tap TLine	310.25
	T1/T2/T3 Circuits Rebuild	274.79
	Wampanoag 115V Z-Tie point meter replacing E-183E	269.00
	Tap off T-172S for New London Ave #150 and site cleari	265.50
	I187 ACR	237.50
	Southeast Sub # 60 New - TSub	219.00
	Manchester St. Switchyard Breakers - Providence	212.50

National Grid Plant Additions
Forecast of Non-PTF Plant Additions CY18
By State and by Project

Non-PTF	CY2018 (in Millions)
Massachusetts	40.67
Rhode Island	16.98
New Hampshire	3.07
Vermont	0.55
Total	61.27

State	Project Description	Amount (In Thousands)
	Dexter Sub - Remove 115/69kV Transformation and Rec	192.67
	T1/T2/T3 Circuits Rebuild (Franklin Square)	181.25
	Turner D Switch Replacements 63 Middletown- Navy- Fi	112.80
	TX ASSET D/F BLANKET SUB CO5360	75.00
	TX I&M REPAIR PRGM LINE CO5360	61.25
	3311 ACR	56.25
	ST NEC PROTECTION CIRCUIT MIGRATION	50.00
	R144 OH Step C ACR- RI	46.38
RI	Drumrock #14 - EMS Expansion	45.88
	TX ASSET RPLMT BLANKET SUB CO5360	37.50
	Wood River 85 - Install 3Vo & Program Exist. Relay - Ri	30.55
	East Providence Substation - TSub	30.00
	LT NEC PROTECTION CIRCUIT MIGRATION	26.25
	TX ASSET D/F BLANKET LINE CO5360	25.01
	TX ASSET RPLMT BLANKET LINE CO5360	25.00
	TX STORM D/F BLANKET LINE CO5360	25.00
	3305 ACR	18.75
	Flood Contingency Plan NECo (T)	17.50
	SUBSTATION MONITORING KENT COUNTY	16.47
	Jepson ARP Battery/Charger	15.75
	East Providence Substation - TLine	15.00
	Chase Hill Substation #xx - New Substation	13.05
	Drumrock #14 - ARP GE (6) Butyl VT Replacements	12.63
	CONDUCTOR CLEARANCE - NEC PROGRAM	12.50
	Kent County #22 - Add 115 Tap and Buswork (Related to	12.50
	TX ASSET PS&I BLANKET SUB CO5360	12.50
	TX ASSET PS&I BLANKET LINE CO5360	12.50
	TX PLAN PS&I BLANKET LINE CO5360	12.50
	Other Misc Transmission Projects in RI	11.52
	IHC CAPITAL SMALL TOOLS CO5360	7.50
	Drumrock 23kV Improvements	3.94
	1870S Line Tap(Chase Hill) (Wood River-Ct/RI border)]	2.53
	Kilvert Substation Add 2nd Transformer - TSub	2.50
	Sub-Total RI	16,983.13
	Wilder-13kV Rbld-Asset separation - Hartford	352.50
	Vernon Station #13 Rebuild	187.50
VT	Gilman #85 Automatic Substation Removal - Lunenburg	3.38
	Vernon Station #13 Land Investigation	3.00
	Bellows Falls Rebuild	1.64
	Sub-Total VT	548.02
	Total	61,273.03

Division 1-3

Request:

Please refer to the testimony of Polina V. Demers, p. 21, and provide documentation showing how the November 2016 through March 2017 BITS Surcharges were included in the April 2017 BITS Surcharge.

Response:

Please see Attachment DIV 1-3, in which the Company included a copy of the April 2017 BITS Surcharge invoice with charges for the period of November 2016 through April 2017. Please note that the Company has redacted the public version of Attachment DIV 1-3 because it contains confidential customer information.

The estimate for the May 2017 BITS Surcharge is also included in the April 2017 invoice. The actual May 2017 charge was billed in the month of June.

The "Do Not Mail" reference is reflected at the top of the invoice because New England Power Company is billing its affiliate (i.e., the Company), and an invoice does not need to be mailed, but rather, is transacted through journal entries in each company's general ledger.

REDACTED

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4805
Attachment DIV 1-3
Page 1 of 1

DATE 25-May-17

THE NARRAGANSETT ELECTRIC COMPANY
280 MELROSE STREET
PROVIDENCE, RI 02901

INVOICE #
Cable Surcharge

DO NOT MAIL - INFORMATIONAL PURPOSES ONLY

BITS Cable Surcharge

Nov-2016	\$	1,367,219.29
Dec-2016	\$	1,367,219.29
Jan-2017	\$	1,414,622.60
Feb-2017	\$	1,431,237.85
Mar-2017	\$	1,520,820.81
Apr-2017	\$	1,548,946.72
May-2017	\$	1,548,946.72
Total Billed	\$	10,199,013.26

PAYMENT SHOULD BE MADE AS FOLLOWS:

PAYMENT IS TO BE RECEIVED BY THE TWENTY - FIFTH DAY FROM THE ABOVE INVOICE DATE.

PAYMENT BY FED WIRE:

██████████

██████████

██████████████████

Credit: National Grid USA

PAYMENT BY CHECK:

New England Power Co.

Post Office - Brooklyn, P.O. Box 29803

New York, NY 10087-9803

QUESTIONS SHOULD BE ADDRESSED TO JOSEPH MURPHY (781)907-2007, TRANSMISSION COMMERCIAL

Division 1-4

Request:

Please refer to the CTC Reconciliation Reports filed in January 2017 and 2018, and answer the following:

- (a) Explain if the Phase III litigation proceeds received in December 2016 (\$14.8 million for NEP and \$3.2 million for Montaup) described in the January 2018 CTC Reconciliation Reports are in addition to the Phase III litigation proceeds received in December 2016 (\$5.9 million for NEP and \$1.7 million for Montaup) described in the January 2017 CTC Reconciliation Reports.
- (b) If the Phase III litigation proceeds referred to in the January 2018 CTC Reconciliation Reports are additional, does that mean that in CY 2017 customers would be receiving the combined credit totals?

Response:

- (a) The December 2016 Phase III litigation proceeds described in the January 2018 CTC Reconciliation Reports replaced the amounts first reported in the January 2017 CTC filing.

The January 2017 CTC filing assumed that Connecticut Yankee was awarded \$34.6 million and would be returning the entire amount to its wholesale customers; and that Maine Yankee was awarded \$24.6 million and would be returning \$3.6 million to its wholesale customers, while keeping the remainder for long-term storage funding, as seen in the table below:

<u>Unit:</u>	<u>Phase III Award</u>	<u>Long Term Storage Funding</u>	<u>Remaining Proceeds</u>	<u>Montaup's Participating %</u>	<u>Montaup's Share</u>	<u>NEP's Participating %</u>	<u>NEP's Share</u>
CT Yankee	\$34.6	\$0.0	\$34.6	4.50%	\$1.6	15.00%	\$5.2
ME Yankee	<u>\$24.6</u>	<u>\$21.0</u>	<u>\$3.6</u>	4.00%	<u>\$0.1</u>	20.00%	<u>\$0.7</u>
Phase III Totals:	\$59.2	\$21.0	\$38.2		\$1.7		\$5.9

In actuality, Connecticut Yankee received \$32.6 million of litigation proceeds and returned \$18.4 million to wholesale customers while keeping the remainder for long-term storage funding and other expenses.

Division 1-4, page 2

Additionally, the January 2017 CTC filing failed to recognize that Maine Yankee's receipt of DOE proceeds would trigger a periodic review mechanism of its Financial Assurance Level, pursuant to its Fifth Revised Rate Schedule FERC No. 1, Appendix B, Section 2(b)(i) in Docket No. ER16-2726-000. In its review and subsequent informational filing with FERC, Docket No. ER13-1395-000, Maine Yankee determined that its Spent Fuel Trust Fund was in a surplus position and decided to credit an additional \$56.5 million of the excess to its wholesale customers.

The Phase III litigation proceeds received in December 2016 described in the January 2018 CTC Reconciliation Reports were developed as seen in the table below:

<u>Unit:</u>	<u>Phase III</u> <u>Award</u>	<u>Long Term</u> <u>Storage Funding</u>	<u>Remaining</u> <u>Proceeds</u>	<u>Montaup's</u> <u>Participating %</u>	<u>Montaup's</u> <u>Share</u>	<u>NEP's</u> <u>Participating %</u>	<u>NEP's</u> <u>Share</u>
CT Yankee	\$32.6	\$14.2	\$18.4	4.50%	\$0.8	15.00%	\$2.8
ME Yankee	\$24.6	\$21.0	\$3.6	4.00%	\$0.1	20.00%	\$0.7
ME Yankee	<u>\$0.0</u>	<u>(\$56.6)</u>	<u>\$56.6</u>	4.00%	<u>\$2.3</u>	20.00%	<u>\$11.3</u>
Phase III Totals:	\$57.2	(\$21.4)	\$78.6		\$3.2		\$14.8