



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Accounting Section

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Memo To: Luly Massaro, Commission Clerk

From : John Bell, Chief Accountant

Date : September 11, 2020

Subject : Electric Infrastructure, Safety, and Reliability Plan FY 2020 Reconciliation,
Docket No. 4915

The Narragansett Electric Company d/b/a National Grid (“National Grid” or “the Company”) filed its Fiscal Year 2020 Infrastructure, Safety, and Reliability (ISR) Plan reconciliation on August 3, 2020. Calculations supporting the revenue requirements associated with the vegetation management, inspection & maintenance, and qualifying capital investment components are included in the electric ISR Reconciliation.

National Grid’s filing shows an under recovery of the capital investment (CapEx) component of the revenue requirements of \$4,794,788 and a \$9,000 under recovery of operation and maintenance expenses for a total under recovery of \$4,804,078. The current CapEx reconciliation factor for residential customers is \$0.00071 and is proposed to increase to \$0.00093. The current operation and maintenance expense reconciliation factor for residential customers is (\$0.00008) and is proposed to increase to \$0.00002. The combined impact of these changes on a typical residential customer using 500 kWh’s per month is an increase of \$0.17 per month.

Included in the Company’s filing is the Direct Testimony of Patricia Easterly. Witness Easterly explains the variances between budgeted and actual spending for FY 2020. Division consultant Greg Booth reviewed the FY 2020 ISR spending variances on behalf of the Division and prepared a memo summarizing his review which is being filed in conjunction with this memo. Based on Mr. Booth’s review, he found that no variances raised any issue of prudence. However, Mr. Booth recommended that the Division obtain additional information related to the variance in the Public & Regulatory Requirement category. The Company supplied additional information related to the variance and the Division is still in the process of reviewing it. The Division reserves its right to supplement our filing at the conclusion of our review.

The Division reviewed the calculations included in the filing and did not note any exceptions in its review and analysis of the Company’s reconciliation of its Fiscal Year 2020 ISR revenue

requirements. The detail of the revenue requirement calculations is included in the testimony and supporting schedules of Company witness Melissa Little. Company witness Adam Crary provided testimony presenting the proposed CapEx and O&M Reconciling Factors. The Division reviewed the calculation of the proposed factors and found they were accurately calculated.

Based on our review of the Company's filing, the Division finds that the revenue requirements and related reconciling factors were accurately calculated and recommends approval of the Company's ISR reconciliation factors for effect October 1, 2020.