



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Accounting Section

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**To: Luly Massaro, Commission Clerk
Rhode Island Public Utilities Commission**

**From: John Bell, Chief Accountant
Division of Public Utilities & Carriers**

Date: September, 7 2021

Re: Docket No. 4995; National Grid's FY 2021 Electric ISR Reconciliation

The Narragansett Electric Company d/b/a National Grid ("National Grid" or "the Company") filed its Fiscal Year 2021 Infrastructure, Safety, and Reliability (ISR) Plan reconciliation for fiscal year 2021 on July 30, 2021. In response to the filing, Mr. Gregory Booth, Division Engineering Consultant, reviewed the filing related to the variances between the ISR Plan budget and the actual spend. Mr. David Effron, along with myself, reviewed the reconciliation of the revenue requirements.

Variance Review

Mr. Booth, provided me with a memo of his review and he noted that there were a few areas in National Grid's reconciliation report where clearer explanations of the variances would be beneficial. I spoke to the Company concerning Mr. Booth's comments in these areas and they agreed to provide additional information on the variances as part of their rebuttal. In addition, the Company agreed to work with the Division during FY22 to enhance reporting. Other than clearer explanations of a few of the variances, Mr. Booth did not find any exceptions and concluded that based on his review there were no variances that raised any issue of prudence.

Revenue Requirements Review

As part of the Company's filing, they provided calculations supporting the revenue requirements associated with the vegetation management, inspection & maintenance, and qualifying capital investment components. In addition, they provided the calculations and supporting schedules in Excel format for the Division's review. The Division reviewed the information provided and did not note any exceptions in its analysis of the Company's reconciliation of its Fiscal Year 2021 ISR revenue requirements. The calculations result in a decrease in the Operating and

Maintenance Reconciliation Factor from \$0.00002 to (\$0.00010)/kWh and a decrease in the CapEx Reconciliation Factor from \$0.00090 to (\$0.00069)/kWh. The impact of the proposed rate changes is a decrease of \$0.90/month for a residential customer using 500 kWhs. The Division recommends approval of the Company's ISR reconciliation rates for effect October 1, 2021.