

Andrew S. Marcaccio Senior Counsel

February 12, 2021

VIA ELECTRONIC MAIL

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

RE: Docket 5098 - Proposed FY 2022 Electric Infrastructure, Safety, and Reliability Plan Responses to PUC Data Requests - Set 2

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company"), enclosed¹, please find the Company's responses to the Public Utilities Commission's Second Set of Data Requests, containing one request, in the above-referenced matter.

Thank you for your attention to this transmittal. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,

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Andrew S. Marcaccio

Enclosures

cc: Docket 5098 Service List John Bell, Division Greg Booth, Division Tiffany Parenteau, Esq. Al Contente, Division

¹ Per Commission counsel's update on October 2, 2020, concerning the COVID-19 emergency period, the Company is submitting an electronic version of this filing followed by an original and five hard copies filed with the Clerk within 24 hours of the electronic filing.

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

<u>February 12, 202</u>1 Date

Docket No. 5098 - National Grid's Electric ISR Plan FY 2022 Service List as of 1/28//2021

Name/Address	E-mail Distribution	Phone
Andrew.Marcaccio, Esq.	Andrew.Marcaccio@nationalgrid.com;	401-784-7288
Jennifer Hutchinson, Esq.		
National Grid	jennifer.hutchinson@nationalgrid.com;	
280 Melrose St. Providence, RI 02907	celia.obrien@nationalgrid.com;	
	Joanne.scanlon@nationalgrid.com;	
National Grid Melissa Little Patricia Easterly Kathy Castro Susan Toronto Ryan Constable William Richer	Melissa.Little@nationalgrid.com;	
	Patricia.easterly@nationalgrid.com;	-
	Kathy.Castro2@nationalgrid.com;	
	Susan.Toronto@nationalgrid.com;	
	Ryan.Constable@nationalgrid.com;	
	William.Richer@nationalgrid.com;	
Division of Public Utilities (Division) Christy Hetherington, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	christy.hetherington@dpuc.ri.gov;	
	Dmacrae@riag.ri.gov;	
	MFolcarelli@riag.ri.gov;	
	John.bell@dpuc.ri.gov;	
	Joseph.shilling@dpuc.ri.gov;	
	Margaret.l.hogan@dpuc.ri.gov;	
	Linda.george@dpuc.ri.gov;	
	Robert.Bailey@dpuc.ri.gov;	
		602.064.6526
David Effron Backshire Consulting	Djeffron@aol.com;	603-964-6526
Berkshire Consulting 12 Pond Path		
North Hampton, NH 03862-2243		
110111 Hampton, 111 03002-2243		1

Gregory L. Booth, PLLC 14460 Falls of Neuse Rd. Suite 149-110 Raleigh, N. C. 27614	<u>gboothpe@gmail.com;</u>	919-441-6440
Linda Kushner L. Kushner Consulting, LLC 514 Daniels St. #254 Raleigh, NC 27605	Lkushner33@gmail.com;	919-810-1616
Office of Energy Resources (OER) Albert Vitali, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 th Floor Providence, RI 02908	Albert.Vitali@doa.ri.gov; <u>Nancy.Russolino@doa.ri.gov;</u> <u>Christopher.Kearns@energy.ri.gov;</u> <u>Nicholas.Ucci@energy.ri.gov</u> ; <u>Carrie.Gill@energy.ri.gov</u> ;	401-222-3417
File an original & five (5) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov;John.harrington@puc.ri.gov;Cynthia.WilsonFrias@puc.ri.gov;Todd.bianco@puc.ri.gov;Alan.nault@puc.ri.gov;	401-780-2107
Matthew Sullivan, Green Development	ms@green-ri.com;	

<u>PUC 2-1</u>

Request:

Based on the Commission's review of data responses in the Gas ISR in Docket 5099, it appears the Company may be calculating the FY 2022 Gas ISR revenue requirement by including expenditures related to projects that have not yet been placed into service nor are expected to be in service in FY 2022. Please indicate whether the Company is calculating the FY 2022 Electric ISR revenue requirement by including expenditures related to projects that have not yet been placed into service nor are expected to be in service in FY 2022. If so, please recalculate the FY 2022 Electric ISR revenue requirement based on the principle that recovery of capital investment costs does not begin until the capital asset to which the capital expenditures apply are placed into service or are projected to be placed in service during the applicable rate year (i.e., FY 2022). Please provide appropriate schedules reflecting the recalculation.

Response:

The Company is calculating the FY 2022 Electric ISR Plan revenue requirement by including expenditures related to projects that have been placed into service or are expected to be placed into service in FY 2022.

"Non-Discretionary Capital Investment" refers to capital investment related to the Company's commitment to meet customer requests, fix failed equipment and statutory and/or regulatory obligations.

"Discretionary Capital Investment" refers to capital investment, other than 'Non-Discretionary' Capital Investment defined above. The amount of discretionary capital investment the Company includes in its calculation of the revenue requirement must be no greater than the cumulative amount of discretionary project spending as approved by the PUC. This means discretionary investment is limited to the lesser of actual cumulative discretionary capital additions or spending, or cumulative discretionary spending approved by the PUC.

For purposes of the annual ISR Plan revenue requirement, the Company limits the amount of both non-discretionary and discretionary capital investment included in ISR rate base to the amount of incremental capital investment either placed or expected to be placed into service during the upcoming fiscal year. In the ISR reconciliation filing for that fiscal year, the Company will perform the test described above on discretionary capital investment dollars to determine the lessor of the actual cumulative discretionary capital additions or spending, or cumulative discretionary spending approved by the PUC which will determine the level of capital investment included in the ISR revenue requirement calculation.