

March 8, 2021

BY ELECTRONIC MAIL

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

**RE: Docket 5099 – FY 2022 Gas Infrastructure, Safety and Reliability Plan
Clarification of National Grid’s Responses to Data Requests Regarding Metering**

Dear Ms. Massaro:

In connection with the above-referenced docket, I write to provide some background and additional context regarding the Company’s data request responses regarding metering. As described in detail below, the Company’s meter inventory system is forward-looking and is not designed to report historical information. Instead, the inventory system provides information based on a snapshot in time.

In efforts to be responsive to the Rhode Island Public Utilities Commission’s (“PUC”) meter-related data requests, which sought historical meter count information, the Company estimated several factors, including historical year end counts, percent of meters purchased for ISR programs versus non-ISR programs, and percent of meters rebuilt. Estimating multiple factors in an attempt to show changing inventory levels has resulted in information that does not provide an accurate view of the Company’s management of its meter inventory, nor does it demonstrate the process by which the Company forecasts the number of meters needed for mandated work, which are funded through the ISR, and the number of meters needed for growth work, which are not funded through the ISR. Further efforts to update these estimates may lead to confusion and more inaccurate information. The only FY year-end inventory levels that should be considered more accurate than best estimates are those for FY 2021, which are based on an actual hand count of meters conducted on February 18, 2021. The Company has provided additional background regarding this issue below. The Company has done its best to reconcile the meter data it provided to the PUC in its responses to the PUC’s seventh and ninth set of data requests, which the Company has filed under separate cover.

1. Background of Meter Inventory Process and Issues With Responding the PUC’s Data Requests

As stated above, in its efforts to fully respond to the PUC’s Data Requests, the Company estimated several factors for the Data Request Responses since the meter inventory system does not track the exact information requested by the PUC. However, these estimates resulted in data inaccuracies.

A. Factors Contributing to Inaccuracies in the Company’s Responses to Data Requests Regarding Metering

Five specific factors contributed to the inaccuracies in the Company’s responses to data requests regarding metering:

1. The inventory tracking system was not designed to store and report on historical inventory levels;
2. The inventory system provides a current snap shot in time view only;
3. Inventory is not segmented into ISR and non-ISR (growth) meters;
4. Inventory does not distinguish between newly purchased and refurbished meters; and
5. Timing – meters are purchased and deliveries are managed on a Fiscal Year budget while the Company’s meter change program is forecasted and managed on a calendar-year basis in accordance with Service Quality reporting requirements.

B. Timing of Meter Purchases and Inventory

National Grid believes that there are other key factors that are helpful in understanding how the Company forecasts meter purchases, how the Company determines when to schedule delivery of meters and how the Company manages and controls its meter inventory.

Specifically:

- a. Meter purchase orders are negotiated with the manufacturers at the beginning of the year, with deliveries scheduled throughout the year to save cost, maximize efficiency of the meter shop and minimize meter storage. Delivery of meters is triggered by actual inventory levels designed to ensure sufficient meters are available for installation for all program types.
- b. If meter levels are higher than projected, deliveries will be deferred until meter levels fall to the minimum amounts specified to trigger a meter delivery.
- c. It is necessary to inform meter manufacturers of annual meter purchase totals with sufficient lead time so that the manufacturers are able to build the meters and make them available for delivery. It is typically not possible to request additional meters during the year if need outstrips inventory levels, since the manufacturer will not have sufficient inventory available.
- d. The Company always has the option to take delivery of fewer meters than forecasted. Therefore, customers will only pay for those meters that are needed based on actual delivered amounts.
- e. Looking at a longer period of time for meter purchases and installs (rather than inventory levels) may provide a clearer view showing that the Company is purchasing an appropriate number of meters to meet demand for all programs – not just ISR work.
- f. The table below shows a 7.6K variation in meter inventory over a five-year period. The inventory of meters fluctuates throughout the year due to the seasonality of meter change processes, long lead time for meter ordering and meter availability from manufacturers.
- g. At a minimum , the Company typically keeps three to four months of meters available in its inventory.

		FY2017	FY2018	FY2019	FY2020	FY2021 YTD	Total
A	Total Meter Changes	18,670	22,638	22,770	14,535	12,216	90,829
B	Total Meter Purchases	7,037	13,269	17,807	16,043	15,145	69,301
C	Total Rebuilt Meters	1,407	2,654	3,561	3,209	3,029	13,860
D	Total Available (B + C)	8,444	15,923	21,368	19,252	18,174	83,161
E	Changes less Available (D - A)	(10,226)	(6,715)	(1,402)	4,717	5,958	(7,668)

2. Proposed Reporting Enhancements

The Company recognizes the need to demonstrate to the PUC that it is managing its meter inventory in an efficient and accurate manner and proposes to enhance its ability to demonstrate this for the FY 2022 ISR period as follows:

- The Company will manually track meter delivery, meter installation, and meter inventory levels on a month ending basis.
- The Company will include meter purchase, install and inventory levels in its Quarterly ISR reports.
- The Company proposes a technical session with the PUC and the Rhode Island Division of Public Utilities and Carriers to take place during the first quarter of FY 2022.
- The Company proposes a meter shop site visit, which will include a full walkthrough of inventory processes.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-472-0531.

Very truly yours,



Raquel J. Webster

cc: Docket 5099 Service List
Leo Wold, Esq.
Al Mancini, Division
John Bell, Division
Rod Walker, Division

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

February 5, 2021
Date

Docket No. 5099- National Grid’s FY 2022 Gas Infrastructure, Safety and Reliability (ISR) Plan - Service List 1/7/2021

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