

February 23, 2021

BY ELECTRONIC MAIL

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

RE: Docket 5099 - Proposed FY 2022 Gas Infrastructure, Safety, and Reliability Plan Amended Responses to PUC Data Requests – Set 3

Dear Ms. Massaro:

I have enclosed an electronic version of National Grid's¹ amended responses to Data Requests PUC 3-3, PUC 3-21 and PUC 3-22 in the above-referenced matter.

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

Very truly yours,



Raquel J. Webster

Enclosures

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

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

February 23, 2021

Date

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

Name/Address	E-mail Distribution	Phone
Raquel J. Webster, Esq. National Grid 40 Sylvan Road Waltham, MA 02451	raquel.webster@nationalgrid.com ;	781-907-2121
	celia.obrien@nationalgrid.com ;	
	Joanne.scanlon@nationalgrid.com ;	
	Jennifer.Hutchinson@nationalgrid.com ;	
National Grid Amy Smith Melissa Little Lee Gresham Ryan Scheib	Amy.smith@nationalgrid.com ;	
	Robert.Gresham@nationalgrid.com ;	
	Melissa.Little@nationalgrid.com ;	
	Ann.leary@nationalgrid.com ;	
	Theresa.Burns@nationalgrid.com ;	
	Michael.Pini@nationalgrid.com ;	
	Nathan.Kocon@nationalgrid.com ;	
	McKenzie.Schwartz@nationalgrid.com ;	
	Ryan.Scheib@nationalgrid.com ;	
Division of Public Utilities & Carriers Leo Wold, Esq.	Leo.Wold@dpuc.ri.gov ;	401-780-2130
	Margaret.l.hogan@dpuc.ri.gov ;	
	Al.mancini@dpuc.ri.gov ;	
	John.bell@dpuc.ri.gov ;	
	Robert.Bailey@dpuc.ri.gov ;	
	dmacrae@riag.ri.gov ;	
	MFolcarelli@riag.ri.gov ;	
Rod Walter, CEO/President Rod Walker & Associates	Rwalker@RWalkerConsultancy.com ;	706-244-0894
Office of Energy Resources (OER) Albert Vitali, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 th Floor	Albert.Vitali@doa.ri.gov ;	
	Nancy.Russolino@doa.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	
	Nicholas.Ucci@energy.ri.gov ;	

Providence, RI 02908	Carrie.Gill@energy.ri.gov ;	
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 ;	401-780-2107
	Patricia.lucarelli@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	
Conservation Law Foundation James Crowley, Esq. Conservation Law Foundation 235 Promenade St. Suite 560, Mailbox 28 Providence, RI 02908	jcrowley@clf.org ;	401-228-1904

Amended PUC 3-3

Request:

Please provide the Company's most current forecast of and budget spending for FY 2021, breaking down the spending components in a form similar to Table 1 for FY 2021, adding a column next to the original budget showing forecasted expenditures through FY 2021 and budget expenditures. Please also provide a revised Table 3, adding a column for the forecasted spending for FY 2021 and the approved budget for 2021.

Amended Response:

Table 1: The listed year-to-date budget for the Southern RI Gas Expansion Project – Pipeline has been corrected from \$25.917 million to \$33.356 million, which results in a YTD overspending variance of \$0.96 million versus the previously stated overspending variance of \$8.40 million. This was a result of a formula error when the data was being transferred into the tables.

Table 3: The FY 2021 Budget Gas ISR Grand Total has been corrected from \$184.086 million to \$198.612. This was a result of a formula error when the table was expanded.

Please see Attachment PUC 3-3-1 (Amended) for an amendment to the updated version of Table 1 for FY 2021. Additionally, please see Attachment PUC 3-3-2 (Amended) for an amendment to the updated version of Table 3, which now includes the forecasted spend for FY 2021 and the approved budget for FY 2021.

Original Response:

Please see the updated version of Table 1 for FY 2021, as Attachment PUC 3-3-1.

Additionally, please see the updated version of Table 3, which now includes the forecasted spend for FY 2021 along with the approved budget for FY 2021 as Attachment PUC 3-3-2.

PUC 3-3 - Updated Table 1_v2

The Narragansett Electric Company
d/b/a National Grid - RI Gas
Capital Spending by Investment Categories - Detail
FY 2021 through December 31, 2020
(\$000)

Categories	FYTD			FY 2021 - Total		
	Budget	Actual	Variance	Budget	Forecast	Variance
NON-DISCRETIONARY						
Public Works						
CSC/Public Works - Non-Reimbursable	\$16,681	\$10,583	(\$6,098)	\$17,368	\$15,122	(\$2,246)
CSC/Public Works - Reimbursable	\$1,052	\$562	(\$490)	\$1,403	\$850	(\$553)
CSC/Public Works - Reimbursements	(\$1,052)	(\$1,166)	(\$114)	(\$1,403)	(\$1,650)	(\$247)
Public Works Total	\$16,681	\$9,979	(\$6,702)	\$17,368	\$14,322	(\$3,046)
Mandated Programs						
Corrosion	\$1,049	\$1,066	\$17	\$1,166	\$1,166	\$0
Purchase Meters (Replacements)	\$4,100	\$3,631	(\$469)	\$4,852	\$5,423	\$571
Reactive Leaks (CI Joint Encapsulation/Service Replacement)	\$10,016	\$5,883	(\$4,133)	\$12,280	\$9,097	(\$3,183)
Service Replacements (Reactive) - Non-Leaks/Other	\$1,856	\$1,243	(\$612)	\$2,096	\$1,600	(\$496)
Main Replacement (Reactive) - Maintenance (incl Water Intrusion)	\$510	\$936	\$426	\$680	\$1,139	\$459
Transmission Station Integrity	\$586	\$43	(\$543)	\$610	\$42	(\$568)
Other Mandated	\$0	(\$2)	(\$2)	\$0	\$85	\$85
Mandated Total	\$18,116	\$12,800	(\$5,316)	\$21,684	\$18,552	(\$3,217)
Damage / Failure (Reactive)						
Damage / Failure (Reactive)	\$187	\$0	(\$187)	\$249	\$93	(\$156)
NON-DISCRETIONARY TOTAL	\$34,984	\$22,780	(\$12,204)	\$39,301	\$32,967	(\$6,419)
DISCRETIONARY						
Proactive Main Replacement						
Main Replacement (Proactive) - Leak Prone Pipe	\$54,856	\$52,056	(\$2,799)	\$59,250	\$56,808	(\$2,442)
Main Replacement (Proactive) - Large Diameter LPCI Program	\$3,212	\$1,377	(\$1,835)	\$3,398	\$1,438	(\$1,960)
Atwells Avenue	\$5,081	\$5,621	\$539	\$5,081	\$5,520	\$439
Proactive Main Replacement Total	\$63,149	\$59,054	(\$4,095)	\$67,729	\$63,766	(\$3,963)
Proactive Service Replacement						
Proactive Service Replacement Total	\$349	\$180	(\$169)	\$350	\$160	(\$190)
Reliability						
Gas System Control	\$59	\$19	(\$40)	\$118	\$64	(\$54)
System Automation	\$1,139	\$904	(\$235)	\$1,252	\$1,115	(\$137)
Heater Installation Program	\$2,273	\$2,340	\$67	\$2,961	\$2,524	(\$438)
Pressure Regulating Facilities	\$7,602	\$3,705	(\$3,898)	\$7,849	\$4,297	(\$3,552)
Allens Ave Multi Station Rebuild	\$6,200	\$7,779	\$1,579	\$6,200	\$8,421	\$2,221
Take Station Refurbishment	\$746	\$383	(\$363)	\$995	\$666	(\$329)
Valve Installation/Replacement (incl Storm Hardening & Middletown/Newport)	\$531	\$113	(\$417)	\$676	\$376	(\$300)
Gas System Reliability	\$2,132	\$476	(\$1,656)	\$2,371	\$598	(\$1,773)
I&R - Reactive	\$1,044	\$1,018	(\$26)	\$1,392	\$1,399	\$7
Distribution Station Over Pressure Protection	\$3,381	\$919	(\$2,462)	\$3,636	\$1,620	(\$2,016)
LNG	\$3,482	\$1,161	(\$2,321)	\$6,433	\$2,657	(\$3,776)
Aquidneck Island Long Term Capacity Options	\$0	\$3	\$3	\$0	\$700	\$700
Replace Pipe on Bridges	\$1,460	(\$13)	(\$1,472)	\$1,500	\$151	(\$1,349)
Access Protection Remediation	\$229	\$71	(\$158)	\$260	\$260	\$0
Tools & Equipment	\$384	\$214	(\$170)	\$603	\$603	\$0
Reliability Total	\$30,664	\$19,093	(\$11,571)	\$36,246	\$25,451	(\$10,795)
SUBTOTAL DISCRETIONARY (Without Gas Expansion)	\$94,162	\$78,327	(\$15,835)	\$104,325	\$89,377	(\$14,948)
Southern RI Gas Expansion Project						
Pipeline	\$33,356	\$34,317	\$961	\$38,798	\$40,252	\$1,454
Other Upgrades/Investments	\$598	\$663	\$65	\$451	\$710	\$259
Regulator Station Investment	\$737	\$72	(\$665)	\$1,211	\$420	(\$791)
Southern RI Gas Expansion Project Total	\$34,691	\$35,052	\$361	\$40,460	\$41,382	\$922
DISCRETIONARY TOTAL (With Gas Expansion)	\$128,853	\$113,379	(\$15,474)	\$144,785	\$130,759	(\$14,026)
CAPITAL ISR TOTAL (Base Capital - Without Gas Expansion)	\$129,146	\$101,106	(\$28,040)	\$143,626	\$122,344	(\$21,367)
CAPITAL ISR TOTAL (With Gas Expansion)						
Amount does not include incremental paving associated with new RI Paving Law or PE Stamps	\$163,837	\$136,158	(\$27,678)	\$184,086	\$163,726	(\$20,445)
Incremental Costs¹						
PE Stamps	\$1,403	\$0	(\$1,403)	\$1,515	See Note 1	(\$1,515)
Incremental Paving - Main Installation	\$4,197	\$0	(\$4,197)	\$5,596	See Note 1	(\$5,596)
Incremental Paving - Patches	\$3,601	\$0	(\$3,601)	\$4,801	See Note 1	(\$4,801)
Incremental Paving - Southern RI Gas Expansion	\$2,614	\$0	(\$2,614)	\$2,614	See Note 1	(\$2,614)
Incremental Costs Total	\$11,814	\$0	(\$11,814)	\$14,526	\$0	(\$14,526)
CAPITAL ISR TOTAL (with Gas Expansion, PE Stamps, and Incremental Paving)	\$175,651	\$136,158	(\$39,493)	\$198,612	\$163,726	(\$34,971)

() in Variance column denotes an underspend

1. The actual costs and forecasts for incremental costs are included within the applicable ISR categories that incur the costs, above.

PUC 3-3 - Updated Table 3_v2

RI Gas ISR Historical Spend (with FY 2021 Forecast and FY 2021 Approved Budget)
(\$000)

Investment Categories	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2021
	Actual	Actual	Actual	Actual	Actual	Forecast Thru Q3	Budget
NON-DISCRETIONARY							
Public Works	\$ 7,732	\$ 8,597	\$ 14,590	\$ 13,575	\$ 16,523	\$ 14,322	\$ 17,368
Mandated Programs	\$ 16,861	\$ 16,370	\$ 22,110	\$ 18,868	\$ 19,043	\$ 18,062	\$ 21,684
Damage / Failure (Reactive)	\$ -	\$ -	\$ 1,610	\$ -	\$ -	\$ 93	\$ 249
Special Projects	\$ -	\$ 5,020	\$ 1,780	\$ 8,486	\$ -	\$ -	\$ -
NON-DISCRETIONARY TOTAL	\$ 24,592	\$ 29,987	\$ 40,080	\$ 40,928	\$ 35,566	\$ 32,477	\$ 39,301
DISCRETIONARY							
Proactive Main Replacement	\$ 58,386	\$ 48,872	\$ 51,210	\$ 52,548	\$ 58,032	\$ 56,808	\$ 59,250
Proactive Main Replacement - Large Diameter LPCI Program	\$ -	\$ -	\$ 1,180	\$ -	\$ 1,115	\$ 1,438	\$ 3,398
Atwells Avenue	\$ -	\$ -	\$ -	\$ 81	\$ 906	\$ 5,520	\$ 5,081
Service Replacement - Proactive	\$ 1,789	\$ -	\$ -	\$ -	\$ -	\$ 160	\$ 350
Reliability	\$ 7,914	\$ 8,403	\$ 13,950	\$ 10,290	\$ 15,933	\$ 25,451	\$ 36,246
Special Projects	\$ 1,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DISCRETIONARY TOTAL	\$ 69,277	\$ 57,275	\$ 66,330	\$ 62,918	\$ 75,986	\$ 89,377	\$ 104,325
Base ISR Capital Total (Excluding Growth)	\$ 93,869	\$ 87,262	\$ 106,410	\$ 103,846	\$ 111,552	\$ 121,854	\$ 143,626
Southern RI Gas Expansion Project	\$ -	\$ -	\$ -	\$ -	\$ 42,729	\$ 41,382	\$ 40,460
Capital ISR Total (With Gas Expansion, but Excluding Growth)	\$ 93,869	\$ 87,262	\$ 106,410	\$ 103,846	\$ 154,281	\$ 163,236	\$ 184,086
Incremental Costs						See Note 1	\$ 14,526
Capital ISR Total (With Gas Expansion, With Incremental Costs, but Excluding Growth)	\$ 93,869	\$ 87,262	\$ 106,410	\$ 103,846	\$ 154,281	\$ 163,236	\$ 198,612
O&M Total	\$ 464	\$ 488	\$ 560	\$ 179	\$ -	\$ -	\$ -
GAS ISR GRAND TOTAL	\$ 94,333	\$ 87,750	\$ 106,970	\$ 104,025	\$ 154,281	\$ 163,236	\$ 198,612

Note 1: Forecasts for incremental costs are contained within the applicable ISR categories that will incur the costs.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

Amended PUC 3-21

Request:

Referring to the Purchase Meter program for each fiscal year from FY 2017 through FY 2020,

- (a) Please provide the number of meters (and the associated dollar value) the Company forecasted it would install in each fiscal year in the original budget, compared to the number actually installed in each fiscal year, and
- (b) For each fiscal year, please identify the number of meters (and associated actual dollar value) that went to inventory, if any.

Amended Response:

Please see the Company's amended response below. The Company has updated its response to reflect that FY 2020 year-end inventory changed from 9,880 to 5,588, and dollar value changed accordingly. This change in inventory forecast is based on an actual physical count of meters in inventory as of February 18, 2021 and a comparison against meter changes and number of meters ordered in FY 2021 to date. The additional numbers reflected in the charts below were adjusted based on this change. The inventory level shown in the original response was estimated using the Company's IT systems, which were not designed to accommodate historic point-in-time inventory level management.

- a) The attached table outlines the forecasted number of meter changes per year, the actual meter changes, and dollar value of the meters being installed. The dollar value is fully loaded, which includes raw material cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries.

	FY17	FY18	FY19	FY20
Forecasted Meter Changes (Quantity: Value)	14,000: \$3,913,140	14,000: \$2,317,280	18,000: \$3,718,980	18,000: \$3,757,140
Actual Meter Changes (Quantity, Value)	10,369: \$2,898,239	14,209: \$2,351,874	14,383: \$2,917,672	7,931: \$1,655,438

- b) The attached table outlined the increase in meter inventory for each year, along with the associated dollar value. The dollar value is fully loaded, which includes raw material cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries.

	FY17	FY18	FY19	FY20
Meter Inventory at Year End (Quantity, Value)	8,733: \$2,440,933	8,740: \$1,446,595	9,767: \$2,018,033	5,588: \$1,166,430

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
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Issued on January 19, 2021

PUC 3-21

Original Response:

- a) The table below outlines the forecasted number of meter changes per year, the actual meter changes, and dollar value of the meters being installed. The dollar value is fully loaded, which includes raw material cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries.

	FY17	FY18	FY19	FY20
Forecasted Meter Changes (Quantity: Value)	14,000: \$3,913,140	14,000: \$2,317,280	18,000: \$3,718,980	18,000: \$3,757,140
Actual Meter Changes (Quantity: Value)	7,931: \$2,216,794	14,383: \$2,380,674	14,209: \$2,935,721	10,369: \$2,164,321

- b) The table below outlines the increase in meter inventory for each year, along with the associated dollar value. The dollar value is fully loaded, which includes raw material cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries.

	FY17	FY18	FY19	FY20
Meter Inventory at Year End (Quantity: Value)	8,733: \$2,440,933	8,740: \$1,446,595	9,767: \$2,018,033	9,880: \$2,062,336

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

Amended PUC 3-22

Request:

For FY 2022, please identify the number of meters (and associated actual dollar value) the Company forecasts it will install compared to purchases that will go to inventory, if any.

Amended Response:

Please see the Company's amended response below. Forecasted FY 2022 end of year inventory has been updated from 12,245 in the original response to 7,398, and the dollar value has been adjusted accordingly. Similar to the Company's response to PUC 3-21 (Amended), this change in inventory forecast is based on an actual physical count of meters in inventory as of February 18, 2021 and comparing against meter changes and number of meters ordered in FY21 to date. The inventory level shown in the original response was estimated using the Company's IT systems, which were not designed to accommodate historic point-in-time inventory level management.

The Company forecasts that it will install 18,640 meters in FY 2022, which equates to \$5.592M in loaded meter dollar value. The Company forecasts that end-of-year FY2022 inventory will be 7,398 meters, which equates to \$2.217M loaded meter dollar value. The total dollars are fully loaded, which includes meter cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries. The ending inventory includes any refurbished meters that are reused in the meter change program.

FY 2022				
	Forecasted Beginning Inventory	Forecasted Purchases	Forecasted Installations	Forecasted Ending Inventory
# Meters	9,880	9,600	18,640	7,398
Dollar Value	\$2.062M	\$2.880M	\$5.592M	\$2.217M

Original Response:

The Company forecasts that it will install 18,640 meters in FY 2022, which equates to \$5.592M in loaded meter dollar value. The Company forecasts that at the end of FY2022, inventory will be 12,245, which equates to \$3.673M loaded meter dollar value. The total dollars are fully loaded, which includes meter cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries.