

Jennifer Brooks Hutchinson Senior Counsel

June 10, 2021

VIA ELECTRONIC MAIL

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

RE: Docket No. 5113 – Updated Advanced Metering Functionality Business Case Docket No. 5114 – Grid Modernization Plan <u>Responses to PUC Data Requests – Set 1</u>

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed an electronic version of the Company's responses to the Public Utilities Commission's First Set of Data Requests in the above-referenced dockets.²

Thank you very much for your time and attention to this matter. If you have any questions, please contact me at 401-784-7288.

Very truly yours,

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Jennifer Brooks Hutchinson

Enclosures

cc: Docket 5113 Service List Docket 5114 Service List Jon Hagopian, Esq. John Bell, Division

¹ The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

² Per practice during the COVID-19 emergency period, the Company is providing a PDF version of these responses to PUC Set 1. The Company will provide the Commission Clerk with five (5) hard copies and, if needed, additional hard copies at a later date.

<u>PUC 1-1</u>

Request:

Is it an accurate statement that the benefit/cost analysis (BCA) contained in the updated AMF business case is based at least in part, on synergies with National Grid's New York operations? If so, will the BCA be materially impacted by the acquisition of The Narragansett Electric Company by PPL?

Response:

Yes. The AMF Panel's Testimony (page 17 of 59) clarifies that the Company's AMF proposal "includes cost synergies based on a multi-jurisdictional Rhode Island and New York (RI+NY) deployment." As further set forth in footnote 4, "[t]he nature and extent of the cost synergies ... is dependent on the technology adopted in each respective jurisdiction and the timing of the proposed AMF/AMI deployments." With PPL's acquisition of The Narragansett Electric Company, the same cost synergies among National Grid affiliates in Rhode Island and New York, as presented in the Company's AMF proposal, would not occur. The Company cannot, however, speculate as to the materiality such a change would have on an AMF BCA developed using PPL's assumptions.

<u>PUC 1-2</u>

Request:

Are the proposals and pathways in the Grid Modernization Plan based on the services of the National Grid USA Service Company? If so, are the proposals in the Grid Modernization Plan dependent, at least in part, on the functionalities National Grid currently has and intends to deploy? If so, would the proposals and pathways in the Grid Modernization Plan subject to change as a result of the acquisition of The Narragansett Electric Company PPL?

Response:

Yes. The Company's Benefit-Cost Analysis (BCA) Model provided as Confidential Attachment C to the Company's Grid Modernization Plan (GMP) filing submitted on January 21, 2021shows the specific investments, which are based on the services of the National Grid USA Service Company (National Grid) (*See* "ServCo" labeled investments in the "Cost Benefit Results" tab).

Yes. The proposals in the GMP are dependent, at least in part, on the functionalities and solutions National Grid currently has and intends to deploy. As stated in Section 4.1 of the GMP Business Case,

[T]he Company is already progressing efforts on a number of initiatives including developing requirements for, and in some cases implementing, the following solutions: AMF Business Case, System Data Portal, GIS Data Enhancements, ADMS Core Functionality, Underlying IT Infrastructure (i.e., Enterprise Service Bus, Data Lake, and Advanced Data Analytics), Appropriate Cyber Services, and Operational Telecommunications. These initial investments are necessary to progress the proposed AMF, System Data Portal, GIS Data Enhancements, ADMS, Underlying IT Infrastructure, Appropriate Cyber Services, and Telecommunications investments described in the GMP.

These investments are part of the 2017 Rate Case funding for grid modernization under the terms of the Amended Settlement Agreement and form the foundation of the GMP's five-year implementation plan and ten-year roadmap.

PUC 1-2, page 2

Yes. Some aspects of the proposals and pathways in the GMP could be subject to change as a result of the acquisition of The Narragansett Electric Company by PPL, but the Company cannot speculate as to exactly how the proposals and pathways could change at this time.

<u>PUC 1-3</u>

Request:

Even if the Commission considered the needs assessment related to metering, would the solutions and benefit cost analysis be dependent upon PPL's current and future functionalities?

Response:

Yes. Assuming the Division approves PPL's acquisition of The Narragansett Electric Company, the final metering solution and benefit cost analysis will depend on PPL's preferred solution and assumptions.

<u>PUC 1-4</u>

Request:

If the acquisition of The Narragansett Electric Company would affect the underlying assumptions in the two filings, should the Commission proceed with the assessment of these dockets at this time or at a minimum, stay the matters pending the outcome of the Division's acquisition review process to reevaluate the filings? Please support your answer.

Response:

The Company does not object to a stay of the dockets pending the outcome of the Division's review of the Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA, and The Narragansett Electric Company for Authority to Transfer Ownership of The Narragansett Electric Company to PPL Rhode Island Holdings, LLC in Docket No. D-21-09¹, and believes such a stay would be the most administratively efficient process at this time. In the Company's Updated Advanced Metering Functionality (AMF) Business Case filing, the Company presented its analysis of three components: 1) need; 2) value; and 3) accountability. While it would be possible for the Commission to advance an initial assessment of the "needs" component of the filing now, as further discussed below, the value and accountability components, including the final metering solution and benefit-cost analysis will depend on PPL's assumptions and preferred solution, which cannot be presented to the Commission for review until after the closing of the sale of the Company to PPL. In addition, the five-year implementation plan and 10-year roadmap set forth in the Company's Grid Modernization Plan (GMP) are based, in part, on the current and future functionalities of National Grid. Following the closing of the sale to PPL, certain aspects of the GMP and AMF proposal will need to be adjusted to reflect PPL's functionalities and the integration of the Company within PPL's existing systems. For these reasons, it would be a more efficient use of the Commission's, the Division's and the Company's time and resources to stay the dockets pending the outcome of the Division's review in Docket No. D-21-09.

Notwithstanding the above, if the Commission prefers to proceed with an initial assessment of the dockets, the Company could facilitate the development of the record regarding the metering need in a couple of ways. Specifically, the Company's Meter Engineering team monitors the health of the current metering fleet and the associated risk of meter failures. As set forth in the

¹For purposes of this response, references to the "Company" refer to The Narragansett Electric Company and references to "National Grid" refer to National Grid USA. References to "PPL" in this response refer to PPL Corporation and PPL Rhode Island Holdings, LLC, collectively.

PUC 1-4, page 2

AMF Panel's Testimony (Page 27 of 59; Bates Page 27), the Company designed its AMF meter schedule to align with the estimated useful life of the current electric metering fleet. The information upon which the Commission will rely in making its initial assessment of the operational need for AMF is not likely to change under new ownership, and therefore, could be advanced at this time.

Likewise, the Company conducted a needs-based customer segmentation of its residential and commercial customers. As set forth in the Updated AMF Business Case (Pages 91 of 175; Bates Page 155)) and AMF Customer Engagement Plan (Section 2.2; Bates Page 8), the analysis included in-depth profiles of energy-related attitudes, and products and services customers are interested in (*e.g.*, AMF-enabled functionalities, such as time-varying rates, bill alerts, and access to more granular energy usage information). With this background, the Company could also facilitate the development of the record regarding customer needs and preferences related to AMF based on the Company's analysis of current customers.

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.

<u>June 10, 2021</u> Date

Joanne M. Scanlon

National Grid Docket No. 5113 – Advanced Meter Functionality (AMF) Combined Service list updated 6/4/2021

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