December 20, 2018

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI  02888

Amended Settlement Agreement

Dear Ms. Massaro:

On behalf of National Grid,¹ I enclose five copies of the Amended Settlement Agreement
by and between the Company and the Staff Advocacy Section of the Rhode Island Division of
Public Utilities and Carriers (collectively, the Parties) in the above-referenced docket. This
Amended Settlement Agreement amends the original Settlement Agreement between the Parties
filed in this docket on November 5, 2018. The enclosed Amended Settlement Agreement includes
the changes discussed between the Parties at the December 17, 2018 hearing in this docket, as well
as during a meeting between the Parties on November 15, 2018. The Parties jointly request that the
Amended Settlement Agreement be entered into the record in this docket as Joint Exhibit 2.

Thank you for your attention to this matter. If you have any questions, please contact me at
401-784-7415.

Very truly yours,

Robert J. Humm

Enclosures

cc:    Docket No. D-17-45 Service List
Macky McCleary, Administrator
Kevin Lynch
Jonathan Schrag
Thomas Kogut
Christy Hetherington, Esq.

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the 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 Division of Public Utilities and Carriers.

___________________________________   December 20, 2018
Robert J. Humm, Esq.       Date

Docket No.  D-17-45 – National Grid – Storm Fund
Service List as of 11/5/18

<table>
<thead>
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<th>Name/Address</th>
<th>E-mail</th>
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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DIVISION OF PUBLIC UTILITIES AND CARRIERS

In Re: Review of National Grid (Narragansett Electric) Storm Preparedness and Restoration Efforts Related to the October 29-30, 2017 Storm Docket No. D-17-45

AMENDED SETTLEMENT AGREEMENT

In accordance with Rule 1.27 of the Rules of Practice and Procedure of the Division of Public Utilities and Carriers, this Amended Settlement Agreement (the "Settlement Agreement") is entered into this 19th day of December, 2018, by and between The Narragansett Electric Company d/b/a National Grid (the "Company") and the Staff Advocacy Section of the Rhode Island Division of Public Utilities and Carriers (the "Division Advocacy Section") (collectively referred to as the "Parties" and individually as a "Party") in the above-captioned docket.

RECITALS:

WHEREAS, on November 1, 2017, the Division of Public Utilities and Carriers (the "Division") opened an investigatory docket to review the Company’s preparation, performance, and management of the October 29-30, 2017 storm (the "Storm");

WHEREAS, the Division Advocacy Section conducted an investigation and issued a report by its consultant, Gregory L. Booth, PE, PLS of PowerServices, Inc. ("PowerServices"), entitled "Review of National Grid Storm Preparedness and Restoration Efforts" dated March 14, 2018 (the "Report");
WHEREAS, the Company submitted its initial response to the Report on March 26, 2018 ("Initial Response") and its supplemental response to the Report on November 2, 2018 ("Supplemental Response");

WHEREAS, after receipt of the Company’s Initial Response, the Division Advocacy Section engaged in discussions with the Company regarding the various issues raised in the investigation. As a result of these discussions, the Company has made certain commitments to improve service, and agreed to pay for the costs of the Report that was performed as part of the investigation. In light of these commitments by the Company, the Division Advocacy Section agrees that it is appropriate to conclude the review and investigation in this docket;

WHEREAS, the Settlement Agreement was filed initially with the Division on November 5, 2018;

WHEREAS, the Division held a hearing on the Settlement Agreement on December 17, 2018, at which the Parties agreed to amend Paragraph 1 of the Settlement Agreement in certain respects; and

WHEREAS, the Parties believe this Settlement Agreement is reasonable, in the public interest, and in accordance with law and regulatory policy.

NOW, THEREFORE, in consideration of the recitals hereto, the exchange of promises and covenants hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged under seal, the Parties, intending to be legally bound, hereby agree as follows:

1. Implementation Plan

The Parties agree that the Company shall implement certain improvements to its Emergency Response Plan ("ERP") and take actions to improve its preparedness and response to
future major storm events. Specifically, the Parties agree that the Company shall implement the
actions set forth below:

a. By November 16, 2018, the Company will provide the Division with a
comprehensive update on the Predictive Outage Model tool for Rhode Island, which was
made operational on June 1, 2018;

b. By November 16, 2018, the Company will develop a simplified
classification table to be added to its ERP for the Division’s review and comment and
meet with the Division to discuss adjustments and enhancements to the ERP with the
objective of developing a simplified classification table by June 1, 2019;

c. The Company will work together with the Division to derive a detailed
storm restoration matrix and review the ranges and classification. By November 16,
2018, the Company will meet with the Division to discuss adjustments and enhancements
to the ERP with the objective of developing a detailed storm restoration matrix by June 1,
2019;

d. The Company shall perform a root cause analysis to determine the
breakdown in internal communications and processes that resulted during the Storm,
including underestimation of restoration times, inadvertent uploading of incorrect
“Estimated Times of Restoration” ("ETRs"), and multiple revisions to ETRs that may
have served to confuse and frustrate customers. Concurrently, the Company shall
incorporate a process to develop initial ETRs based on actual field assessments, rather
than rely on default values generated by predictions. The Company shall develop an
enhanced process of flowing accurate changes in the ETRs through public
communications channels to mitigate potential customer frustrations and potential lack of
confidence in the Company’s outage restoration process and estimates. The Company
shall continue to leverage all forms of social media throughout a storm event, including
further use of YouTube videos which may be prerecorded or live stream. By November
16, 2018, the Company will complete these actions and provide an update to the Division
on these efforts;

e. The Company shall review its storm summary report format in light of the
proposed enhancements recommended by PowerServices and present a new format to the
Division for its review. By November 16, 2018, the Company will provide a draft of its
revised storm summary report format for the Division’s review. Once the Company and
the Division agree on the revised report format, the Company will use that format for
major storm events that occur after June 1, 2019;

f. To accommodate the Division’s strong interest in obtaining data regarding
a storm event as soon as the data becomes available, the Company agrees to provide data
to the Division as soon as available, with the Division’s express understanding that such
data will be unvalidated and may not be accurate and the Company will provide the
Division with the validated data as soon as it is available. The Company may seek
confidential treatment for any unvalidated data. With respect to the time in which the Company must file responses to Division data requests in a storm review or investigation, the Company agrees to comply with the Division’s Rules of Practice and Procedure (815-RICR-00-00-1), particularly Rule 1.21.C.2; and

g. The Company agrees to provide a review of the mutual assistance and contractor acquisition process to the Division. By December 31, 2018, the Company will meet with the Division to present and discuss the results of the Company’s review of the mutual assistance and contractor acquisition process.

2. **Company to Pay for Cost of Report by Contribution to the Storm Fund**

   The Division Advocacy Section shall provide a copy of the PowerServices invoice to the Company for all the work that PowerServices performed in the investigation, including without limitation, the preparation and associated costs of the investigation. The Company shall credit the Storm Contingency Fund (the “Storm Fund”) in the amount of $85,806.26 equal to the total cost of the investigation. This credit to the Storm Fund will be recorded upon Division approval of this Settlement Agreement. Customers will benefit from this Company credit to the Storm Fund as it will help replenish the Storm Fund, which at present has a negative fund balance.

3. **Other Provisions**

   (a) Unless expressly stated herein, the making of this Settlement Agreement establishes no principles or precedents and may not be construed or cited as precedent in any future proceeding. The covenants contained in this Settlement Agreement are limited to the above-captioned docket only and shall not be deemed to foreclose any Party from taking any position or making any contention in any other docket, proceeding, or investigation.

   (b) This Settlement Agreement is the result of settlement negotiations between the Parties. The content of those negotiations is privileged and all offers of settlement and discussions relating thereto are and shall be privileged, shall be without prejudice to the
position of any Party, and are not to be used in any manner in connection with these or other proceedings involving any one or more of the Parties to this Settlement Agreement or otherwise. The agreement by a Party to the terms of this Settlement Agreement shall not be construed as an agreement as to any matter of fact or law for any other purpose.

(c) All prior discussions and agreements with respect to the subject matter hereof are merged in this Settlement Agreement, which alone constitutes the entire agreement between the Parties as to its subject matter. This Settlement Agreement may not be amended, modified, or terminated except by a written agreement signed by both Parties, which specifically references this Settlement Agreement.

(d) This Settlement Agreement is submitted on the condition that it is approved in its entirety by the Division. In the event that the Division (i) rejects this Settlement Agreement in its entirety; (ii) fails to accept this Agreement as filed; or (iii) accepts this Settlement Agreement subject to conditions unacceptable to any Party hereto, then this Settlement Agreement shall be deemed withdrawn and shall be null and void in all respects, except this paragraph (d), and shall not constitute a part of the record in this or any proceeding or be used for any purpose, unless all Parties agree to Division modifications.

(e) Any number of counterparts of this Settlement Agreement may be executed, and each shall have the same force and effect as an original instrument, and as if all the parties to all the counterparts had signed the same instrument.

(f) The undersigned hereby attest on behalf of their respective organizations that this Settlement Agreement is reasonable, in the public interest, and in accordance with law and regulatory policy.

[SIGNATURES FOLLOW ON THE NEXT PAGE]
Respectfully submitted,

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID

By:  
Timothy F. Horan,  
President

Date: December ___, 2018

DIVISION OF PUBLIC UTILITIES AND CARRIERS STAFF ADVOCACY SECTION

By:  
Christy Hetherington  
Special Assistant Attorney General

Date: December ___, 2018
Respectfully submitted,

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID

Date: December ___, 2018

By: ____________________________
    Timothy F. Horan,
    President

DIVISION OF PUBLIC UTILITIES AND
CARRIERS STAFF ADVOCACY SECTION

Date: December 19th, 2018

By: ______________________________
    Christy Hetherington
    Special Assistant Attorney General