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Also admitted in Massachusetts

Via Electronic Mail and Hand Delivery

September 26, 2019

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

Re: Docket 4963 - 2019 Gas Cost Recovery Filing Responses to Division Data Requests - Set 2

Dear Ms. Massaro:

Enclosed please find 10 copies of National Grid's¹ responses to the Division of Public Utilities and Carriers' (Division) Second Set of Data Requests issued on September 5, 2019 in the above referenced docket.

This filing also contains a Request for Protective Treatment of Confidential Information in accordance with Rule 810-RICR-00-001.3(H) of the Public Utilities Commission's (PUC) Rules of Practice and Procedure and R.I. Gen. Laws § 38-2-2(4)(B). National Grid seeks protection from public disclosure of certain confidential and privileged information contained in the response to Division 2-2 and Attachments DIV 2-3-1 and 2-3-2. National Grid has provided the PUC with one complete unredacted copy of the confidential materials in a sealed envelope marked "Contains Privileged and Confidential Materials – Do Not Release," and has included redacted copies of the materials for the public filing.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-709-3359.

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

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Luly E. Massaro, Commission Clerk September 26, 2019 Page 2

Very truly yours,

Steven J. Boyajian Enclosures

Copy to: Docket 4963 Service List

Leo Wold, Esq. Al Mancini, Division John Bell, Division

Jerome D. Mierzwa, Consultant to the Division

Docket No. 4963 – National Grid – 2019 Annual Gas Cost Recovery Filing (GCR) - Service List as of 8/30/2019

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File an original & nine (9) copies w/:	Luly.massaro@puc.ri.gov;	401-780-2107
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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS RHODE ISLAND PUBLIC UTILITIES COMMISSION

Annual Gas Cost Recovery Filing 2019))))	Docket No. 4963
)	

MOTION OF THE NARRAGANSETT ELECTRIC COMPANY D/B/A NATIONAL GRID FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION

National Grid¹ hereby requests that the Rhode Island Public Utilities Commission (PUC) grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by PUC Rule 810-RICR-00-001.3(H) (Rule 1.3(H)) and R.I. Gen. Laws § 38-2-2(4)(B). The Company also hereby requests that, pending entry of that finding, the PUC preliminarily grant the Company's request for confidential treatment pursuant to Rule 1.3(H)(2).

I. BACKGROUND

On September 26, 2019, the Company submitted responses to the Second Set of Data Requests from the Division of Public Utilities and Carriers in this docket (Division Set 2). Division Set 2 includes requests that require confidential and privileged information to be included in the responses. The response to Division 2-2 and Attachments DIV 2-3-1 and 2-3-2 include confidential gas pricing information that is commercially sensitive. The Company ordinarily does not make such information public, and in some cases is contractually obligated to maintain the information as confidential. Further, such information has historically been

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

maintained as confidential when provided in PUC filings. Therefore, the Company requests that, pursuant to Rule 1.2(H), the PUC afford confidential treatment to the information contained in the response to Division 2-2 and Attachments DIV 2-3-1 and 2-3-2.

II. LEGAL STANDARD

Rule 1.2(H) of the PUC's Rules of Practice and Procedure provides that access to public records shall be granted in accordance with the Access to Public Records Act (APRA), R.I. Gen. Laws § 38-2-1, *et seq.* Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency are deemed to be "public records," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I. Gen. Laws § 38-2-2(4). To the extent that information provided to the PUC falls within one of the designated exceptions to APRA, the PUC has the authority to deem such information as confidential and to protect that information from public disclosure.

In that regard, R.I. Gen. Laws § 38-2-2(4)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where the disclosure of information would be likely either (1) to impair the government's ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. *Providence Journal*, 774 A.2d 40 (R.I. 2001).

The first prong of the test is satisfied when information is provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. *Providence Journal*, 774 A.2d at 47.

III. BASIS FOR CONFIDENTIALITY

The gas pricing information contained in the response to Division 2-2 and Attachments DIV 2-3-1 and 2-3-2 is commercially sensitive and contains confidential commercial information of the type that National Grid would not ordinarily make public. As such, the information should be protected from public disclosure. Public disclosure of such information could impair National Grid's ability to obtain advantageous pricing or other terms in the future, thereby causing substantial competitive harm. Accordingly, National Grid respectfully requests that the PUC provide confidential treatment to the information.

IV. CONCLUSION

For the foregoing reasons, National Grid respectfully requests that the PUC grant its Motion for Protective Treatment of Confidential Information.

[SIGNATURE ON NEXT PAGE]

Respectfully submitted,

THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID

By its attorney,

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Robinson & Cole LLP

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Dated: September 26, 2019

Division 2-1

Request:

Reference page 8, lines 17-19 of the testimony of witnesses Arangio and Jaffe. Please identify, by contract, those contracts that have a 1/24th hourly flow rate limit and those that have a 6 percent hourly flow rate limit.

Response:

Please see below a listing of the Company's Algonquin contracts, including the contractual maximum daily quantity (MDQ) and hourly flow rate limit for each contract.

Contract	City Gate MDQ	Hourly Flow Limit
9001	11,063	1/24
90106	19,465	1/24
90107	26,129	6%
933005	2,061	1/24
93001ESC	2,384	6%
93011E	56,035	6%
93401S	335	1/24
96004SC	1,695	1/24
9B105	8,539	1/24
9S100S	187	1/24
9W009E	6,812	6%
510801	18,000	1/24
510985	96,000	1/24

REDACTED

Division 2-2

Request:

Are there any incremental costs included in the proposed GCR that were incurred by Narragansett Electric as a result of the shutdown and operational problems encountered at the Providence LNG facility on January 21, 2019? If so, please identify, explain, and include a schedule showing the incremental amount and showing how it was calculated. For purposes of answering this question, the incremental costs should be the difference between what the supply costs would have been had the Providence LNG facility not shutdown or encountered vaporization problems, compared to the supply costs actually incurred on that day.

Response:

When the operational problems occurred at the Providence LNG facility, supplies that would have otherwise been dispatched from the facility had to be purchased at the Algonquin city gate. The Company purchased Dth at the Algonquin city gate on the intra-day market at a price of \$ _____/Dth. Below is a comparison of the cost of the citygate supply compared to the cost of the supply had it come from the Providence LNG facility at the Company's weighted average cost of gas in inventory. The incremental cost to purchase the Algonquin citygate supply totals \$193,902.44. These costs were included in the GCR reconciliation balance, which is a component of the proposed GCR rates.

			Volume (Dth)	Price per Dth	Cost
a.	Algonquin Citygate				
b.	NG LNG				
c.	Incremental Costs	(a-b)		\$	\$193,902.44

Division 2-3

Request:

Are there any other incremental costs (if any) included in the proposed GCR that relate to the Company's attempt to address the low-pressure conditions that were being experienced on Aquidneck Island on January 21, 2019 (other than incremental costs incurred as a result of the Providence LNG facility shutdown on January 21, 2019)? If so, please identify, explain, and include a schedule showing the incremental amount and showing how it was calculated.

Response:

For the month of January 2019 the Company incurred incremental costs of approximately \$80,000 to deploy portable LNG vaporization equipment on Aquidneck Island in response to the low-pressure conditions experienced on January 21, 2019. Attachment DIV 2-3-1 presents two invoices charged to the Company for these portable LNG services. These costs were included in the GCR reconciliation balance, which is a component of the proposed GCR rates.

Additionally, for the month of March 2019 the Company incurred incremental costs of approximately \$44,000 to deploy portable LNG vaporization equipment on Aquidneck Island. This deployment was intended to ensure adequate pressure in anticipation of colder than normal weather during the week of March 4, 2019. Attachment DIV 2-3-2 presents one invoice charged to the Company for these portable LNG services. These costs were inadvertently included in the Company's inventory balance and are therefore not distinctly part of the GCR reconciliation balance included in the proposed GCR rates. Instead, these costs contribute to the weighted average cost of gas used to calculate costs as LNG is withdrawn from inventory, vaporized and delivered to customers. Therefore, these costs were not charged to customers in a discrete month, but over time as LNG inventory is utilized.

Attachments DIV 2-3-1 and 2-3-2 contain commercially sensitive and confidential information that is subject to a Motion for Protective Treatment. The Company is providing confidential and redacted versions of the both attachments.

Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4963 Attachment DIV 2-3-1 Page 1 of 2



TRANSGAS Inc. · 87 Industrial Avenue East · Lowell, Massachusetts 01852-5193 978-856-2900 · www.transgasLNG.com · email: info@transgasLNG.com

INVOICE

NATIONAL GRID PAUL LOIACONO-GAS CONTROL 55 BEARFOOT ROAD NORTHBORO, MA 01532

DATE: 01/23/2019

INVOICE NO:

390105

CUSTOMER NO: PO NO:

PORTABLE PIPELINE BILLING

SHEET **DATES** 1 OF 1 01/21/19-01/21/19

SITE(S) Portsmouth, RI Re-directed to Providence, RI

TOTAL **AMOUNT**

WIRE TRANSFER INFORMATION:

RECIPIENT NAME:

RECIPIENT BANK:

RECIPIENT BANK ABA # (ACH):

RECIPIENT ACCOUNT #

TYPE OF ACCOUNT:

TRANSGAS INC



COMMERCIAL CHECKING

2.26-19

INVOICE INQUIRY:

PLEASE CONTACT BILLING DEPARTMENT AT (978) 856-2904

Due Date

Amount \$

DETAILED PORTABLE PIPELINE BILLING SHEE

Date

Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4963 Attachment DIV 2-3-1 Page 2 of 2



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INVOICE

NATIONAL GRID CHRIS CLOONEY-GAS CONTROL **55 BEARFOOT ROAD** NORTHBORO, MA 01532

DATE: 02/04/2019

INVOICE NO: CUSTOMER NO: 390213

PO NO:

PORTABLE PIPELINE BILLING

SHEET 1 OF 2

2 OF 2

DATES

01/22/19-01/22/19 1/30/19 - 1/31/19

Site Visit

SITE(S) Portsmouth, RI

Portsmouth, RI

TOTAL **AMOUNT**

WIRE TRANSFER INFORMATION:

RECIPIENT NAME:

RECIPIENT BANK:

RECIPIENT BANK ABA # (ACH):

RECIPIENT ACCOUNT #

TYPE OF ACCOUNT:

TRANSGAS INC



COMMERCIAL CHECKING

INVOICE INQUIRY:

PLEASE CONTACT BILLING DEPARTMENT AT (978) 856-2904

Amount \$

Signature

DETAILED PORTABLE PIPELINE BILLING SI HEETS ATTACHED

Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4963 Attachment DIV 2-3-2 Page 1 of 2



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INVOICE

NATIONAL GRID CHRIS CLOONEY-GAS CONTROL 55 BEARFOOT ROAD NORTHBORO, MA 01532 DATE: 03/11/2019

INVOICE NO: CUSTOMER NO:

390318

PO NO:

PORTABLE PIPELINE BILLING

SHEET DATES 1 OF 1 03/05/19-03/08/19

SITE(S) Portsmouth, RI TOTAL AMOUNT

WIRE TRANSFER INFORMATION:

RECIPIENT NAME: TRANSGAS INC

RECIPIENT BANK:

RECIPIENT BANK ABA # (ACH):

RECIPIENT ACCOUNT NO:

TYPE OF ACCOUNT: COMMERCIAL CHECKING

INVOICE INQUIRY: PLEASE CONTACT BILLING DEPARTMENT AT (978) 856-2904

OR CONTRACTOR OF THE PROPERTY OF THE PROPERTY

Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4963 Attachment DIV 2-3-2 Page 2 of 2

FINAL

Division 2-4

Request:

Referring to the table on page 10 of 27 of the Testimony of Arangio and Jaffe and the column for 2019/20 labeled "Total Firm Peak Hour Balance, (-) = Shortfall, (+) = Surplus," <u>for each row</u> containing a negative balance (shortfall), please separately explain what actions or commitments the Company has undertaken or will be taking to assure that these shortfalls can be met for the winter of 2019/20.

Response:

				2019/20		
Pipeline/LNG	Lateral	Take Station	Meter No.	Total Supply Deliveries Company & Marketers (Dth/hr)	Total Firm Peak Hour Model Flow (DTH/hr)	Total Firm Peak Hour Balance (-) = Shortfall (+) = Surplus (DTH/hr)
AGT	G	Barrington	00064	0	0	0
AGT	G	Warren	00012	811	794	17
AGT	G	Burrillville	00044	0	30	-30
AGT	G	Crary St	00842	0	2,060	-2,060
AGT	G	Dey St	00004	5,540	2,077	3,463
AGT	G	Cumberland	00083	42	49	-8
AGT	G	Portsmouth	00013	1,045	1,210	-164
AGT	G	Tiverton	00033	56	68	-12
AGT	G	E Providence	00010	1,698	2,221	-523
AGT	E	Westerly	80000	144	112	32
AGT		Montville	00059	208	233	-25
TGP	Cranston	Cranston	420750	2,794	2,107	687
TGP	Cranston	Lincoln	420758	1,283	1,053	230
TGP	Cranston	Smithfield	420910	450	1,608	-1,158
TGP		Cumberland	420135	1,343	1,823	-480
LNG		Exeter		1,000	1,000	0
LNG (incl. KLNG)		Providence		3,958	4,750	-792
LNG		Cumberland		750	750	0
			Total:	21,122	21,944	-821

Although not all gate stations show a negative balance (shortfall), the Company has sought to eliminate the hourly shortfalls on both Algonquin and Tennessee, at the specific gate station if possible, or across the specific pipeline system. On Algonquin, as was the case last winter, the Company is contracting for 14,100 Dth/day of city gate supplies delivered via Algonquin to the Company's Dey Street gate station (13,100 Dth/day and 546 Dth/hour) and Warren gate station (1,000 Dth/day and 42 ds/hour)¹. In addition, the Company has contracted for a multi-year agreement for portable LNG storage and vaporization services on Aquidneck Island at Old Mill

¹ The contract term for city gate supplies delivered via Algonquin is for the 2019/20 through 2022/23 heating seasons and will be presented to the Division for review.

Lane which can provide up to 650 Dth/hour. The overall balance across the Algonquin G-6 system, which includes the Dey Street, Crary Street, Warren, and East Providence gate stations, shows a surplus of 897 Dth/hour. The Company is continuing discussions with Algonquin to enable some, if not all, of the deliveries to balance across their G-6 system, with the excess volumes at Dey Street to be taken at Crary Street. The Westerly gate station and Montville gate station feed the same load pocket, located off Algonquin's E-system. The hourly imbalance at the NGLNG plant shows a shortfall of 798 Dth/hour, which serves the same load pocket with the Algonquin G-6 lateral. Therefore, this shortfall balances with the surplus with an estimated surplus of 101 Dth/hour.

On Tennessee, the Company has contracted for an additional 20,000 Dth/day of incremental capacity with a receipt point of Dracut, MA and a delivery point of Cranston, RI. The daily volume of 20,000 Dth/day provides for an hourly volume of 833 Dth. The Cranston gate station is the furthest-most gate station on the Cranston lateral, with both the Lincoln and Smithfield gate stations located upstream, therefore allowing volumes to be taken upstream of Cranston if needed, eliminating the shortfalls at those gate stations. As was done last year, the Company is also planning on deploying portable LNG at the former Cumberland LNG site.

In order to support the portable LNG storage operations at Cumberland and Old Mill Lane, the Company will need to pursue a supplemental winter only LNG purchase agreement and will also arrange for the necessary trucking resources. The Company may also need to purchase additional winter only liquid should it be determined that the Exeter and NGLNG/Providence LNG facilities will be utilized more actively for balancing purposes during the 2019/20 winter season. These volumes are not yet finalized.