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May 16, 2024

VIA HAND DELIVERY & ELECTRONIC MAIL

Kristen L. Masse, EFSB Coordinator
RI Energy Facility Siting Board
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket No. SB-2021-04 – The Narragansett Electric Company Aquidneck Island Gas Reliability Project Old Mill Lane, Portsmouth, Rhode Island Responses to Record Requests (Batch 2)

Dear Kristen:

On behalf of The Narragansett Electric Company (the “Company”), I have enclosed the Company’s responses to the Energy Facility Siting Board’s (the “Board”) Record Request 7 from the Final Hearings in the above-referenced docket.

Attachment RR 7-3 and Attachment RR 7-4 to the Company’s response to Record Request No. 7 includes the Company’s equipment rental and contracted service costs under contracts with Stabilis, or future estimates of those costs. The current rental costs are commercially sensitive and are set forth in contracts with specific confidentiality provisions. The estimated future rental costs are based upon existing confidential contract costs, and disclosure of those estimates would hamper the Company’s ability to negotiate favorable terms. Therefore, the Company has provided a redacted and a confidential version of these materials and has requested confidential treatment pursuant to R.I. Gen. Laws § 38-2-2(4)(B).

Thank you for your attention to this matter. If you have any questions, please contact me at (401) 709-3351.

Sincerely,



George W. Watson III

Enclosures

cc: Docket SB-2021-04 Service List

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were 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.



Heidi J. Seddon

May 16, 2024

Date

SB-2021-04 The Narragansett Electric Company's Application for a License to Mobilize and Operate a Liquefied Natural Gas (LNG) Vaporization Facility at Old Mill Lane (Portsmouth, RI)

Updated February 28, 2024

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**STATE OF RHODE ISLAND
ENERGY FACILITY SITING BOARD**

In re:)
The Narragansett Electric Company)
Aquidneck Island Gas Reliability Project) EFSB Docket No. SB-2021-04
Old Mill Lane, Portsmouth, Rhode Island)
)
)

**MOTION OF THE NARRAGANSETT ELECTRIC COMPANY
FOR PROTECTIVE TREATMENT OF
CONFIDENTIAL INFORMATION**

The Narragansett Electric Company (the “Company”) hereby respectfully requests that the Energy Facility Siting Board (“EFSB” or “Board”) grant protection from public disclosure of certain confidential information submitted by the Company. The reasons for the protective treatment are set forth herein. The Company also requests that, pending entry of that finding, the EFSB preliminarily grant the Company’s request for confidential treatment.

Attachment RR 7-3 and Attachment RR 7-4 to the Company’s response to Record Request No. 7 (the “Confidential Attachments”) includes the Company’s equipment rental and contracted services costs for deployment and operation of portable LNG vaporization and injection equipment at its facility at Old Mill Lane as well as the estimated costs for the new garage structure. The disclosure of these costs could hamper the Company’s ability to negotiate advantageous pricing in the future.

I. LEGAL STANDARD

Rhode Island’s Access to Public Records Act (“APRA”), R.I.G.L. §38-2-1 *et. seq.*, sets forth the parameters for public access to documents in the possession of state and local government agencies. Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency are deemed to be a “public record,” unless the information

contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Board falls within one of the designated exceptions to APRA, the Board has the authority under the terms of APRA to deem such information to be 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 Company v. Convention Center Authority*, 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.

The Rhode Island Supreme Court has also noted that the agencies making determinations as to the disclosure of information under APRA may apply a balancing test. *See Providence Journal v. Kane*, 577 A.2d 661 (R.I. 1990). Under this balancing test, after a record has been determined to be public, the Board may protect information from public disclosure if the benefit of such protection outweighs the public interest inherent in disclosure of information pending before regulatory agencies. *Kane*, 577 A.2d at 663 (“Any balancing of interests arises only after a record has first been determined to be a public record.”).

II. BASIS FOR CONFIDENTIALITY

The confidential information contained in Attachment RR 7-3 is the itemized estimated costs for the various components of the potential garage structure to be built in Exeter. The disclosure of the cost breakdown could hamper the Company's ability to negotiate costs with contractors, especially as the Company explores options to reduce the costs from the initial estimate it has received. For that reason, the Company is seeking protective treatment of the itemized costs that would not typically be disclosed to the public.

The confidential information contained in Attachment RR 7-4 is sensitive pricing information that the Company would not ordinarily make public, and the contracts through which such prices were set contain confidentiality provisions. The disclosure of these negotiated pricing terms could hamper the Company's ability to negotiate favorable pricing terms for similar equipment rentals and contracted services in the future. For that reason, the Company has consistently sought and obtained protective treatment of the identified costs and does not publicly disclose the information.

Because the confidential information contained in the Confidential Attachments is not of a kind that would customarily be released to the public by the Company, the first prong of the *Providence Journal* test has been satisfied. *See Providence Journal, 774 A.2d at 47.*

III. CONCLUSION


For the foregoing reasons, the Company respectfully requests that the Board grant this motion for protective treatment of the confidential information contained in the Confidential Attachments. The Company has submitted redacted versions of the Confidential Attachments for the public record, and confidential versions subject to this motion for protective treatment.

[SIGNATURES ON NEXT PAGE]

Respectfully submitted,

**THE NARRAGANSETT ELECTRIC
COMPANY**

By its attorneys,



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Dated: May 16, 2024

CERTIFICATE OF SERVICE

I hereby certify that on May 16, 2024, I delivered a true copy of the foregoing Motion via electronic mail to the parties on the Service List for Docket No. SB-2021-04.



Heidi J. Seddon

The Narragansett Electric Company
Docket No. SB-2021-04
In Re: The Narragansett Electric Company Application for a
License to Mobilize and Operate a Liquefied Natural Gas (LNG)
Vaporization Facility at Old Mill Lane (Portsmouth, RI)
Responses to Record Requests
Issued at the EFSB's Final Hearings

Record Request 7

Request:

Create a schedule that itemizes all the capital costs of the project. Please separately identify each component that is equal to or greater than \$1 million. Please include within the estimate a high level, best estimate of the cost of the proposed garage at the Exeter location that is being considered to house the Old Mill Lane vaporization equipment when not deployed.

Response:

Please refer to the following attachments:

- Attachment RR 7-1 (Old Mill Lane Estimate for Capital Cost Items)
- Attachment RR 7-2 (Site Work Estimate)
- Attachment RR 7-3 (LNG Equipment Storage Garage Estimate)
- Attachment RR 7-4 (Cost Analysis for Purchasing Equipment versus Leasing).

Please note that Attachments RR 7-3 and RR 7-4 contain commercially sensitive confidential information. Therefore, the Company has submitted redacted versions of these attachments as well as unredacted confidential versions subject to a motion for protective treatment.

Old Mill Lane Estimate for Capital Cost Items

Item	Assumption	Cost	Comment
Site Work	Labor and improvements necessary to relocate the vaporization operation further back into lot. (See SB-2021-04-RR 7-2)	\$12,649,304	Estimate for project sitework to use facility in the proposed larger footprint
Purchase of Vaporizing Equipment	Purchase new portable LNG storage tanks & vaporizers (in lieu of annual leasing)	\$12,500,000	Quote from August 2023 with 12.5% contingency added for expected inflation and manufacturing labor
Sound Wall	Purchase and Construction of Sound Wall not included in original estimate	\$517,000	Estimate comprised of quotation from Acoustibloc vendor for materials as well as RIE construction estimate template to erect
Subtotal:		\$25,666,304	Project estimate for sitework and new equipment purchase
LNG Equipment Storage Garage	Off season / offsite storage garage to store LNG tankers and vaporizers when not in use. Proposed to be located at Exeter LNG Plant. (In lieu of annual leasing. (See SB-2021-04-RR 7-3)	\$7,796,025	This is a preliminary estimate and the Company is discussing design options for a lower cost Architect's estimate includes a 30% RIE contingency for undeveloped costs & 25% capital overheads
Total (include offsite storage garage):		\$33,462,329	Project estimate for sitework, new equipment purchase, and potential offsite storage garage. The Company is discussing options for lower cost storage options

Old Mill Lane Estimate Assumptions

Item	Assumption	Cost
Labor	Internal Labor to support Project	\$750,000
Civil Improvements	Vegetation removal, grading, gas main relocation, manifold relocation, environmental features, site infrastructure, fencing, paving	\$937,500
Process Systems	Pipe racks, vaporizers, trucking, liquid processing equipment	\$823,215
Nitrogen	Nitrogen for purging	\$150,000
Security	On-site 24 hour	\$150,000
Plant Improvements	Electrical, above ground hard pipe to reduce use of hoses.	\$225,000
SUBTOTAL:		\$3,035,715
Field Labor	In-house labor to support field work for project. Field Construction Contractor, Field Supervision, Pressure Regulation, LNG Ops, Field Ops, Project Management, Engineering support, In-house Environmental, Contracted Environmental, Legal	\$4,026,000
SUBTOTAL		\$7,061,715
Capital Burdens	24% Capital burden	\$1,694,812
AFUDC	Funds used during Construction	\$284,587
SUBTOTAL		\$9,041,114
Contingency - 30%		\$2,712,334
TOTAL PROJECT COST		\$11,753,448
Escalation 3.5%		\$411,371
SUBTOTAL		\$12,164,818
P50 Unidentified risk		\$2,432,963.67
Final Estimate		\$14,597,782

Old Mill Lane Estimate Assumptions w/ LNG Winter Ops Subtracted

Item	Assumption	Cost
Labor	Internal Labor to support Project	\$750,000
Civil Improvements	Vegetation removal, grading, gas main relocation, manifold relocation, environmental features, site infrastructure, fencing, paving	\$937,500
Process Systems	Pipe racks, vaporizers, trucking, liquid processing equipment	\$0
Nitrogen	Nitrogen for purging	\$150,000
Security	On-site 24 hour	\$0
Plant Improvements	Electrical, above ground hard pipe to reduce use of hoses.	\$225,000
SUBTOTAL:		\$2,062,500
Field Labor	In-house labor to support field work for project. Field Construction Contractor, Field Supervision, Pressure Regulation, LNG Ops, Field Ops, Project Management, Engineering support, In-house Environmental, Contracted Environmental, Legal	\$4,026,000
SUBTOTAL		\$6,088,500
Capital Burdens	24% Capital burden	\$1,461,240
AFUDC	Funds used during Construction	\$284,587
SUBTOTAL		\$7,834,327
Contingency - 30%		\$2,350,298
TOTAL PROJECT COST		\$10,184,625
Escalation 3.5%		\$356,462
SUBTOTAL		\$10,541,087
P50 Unidentified risk		\$2,108,217.40
Final Estimate		\$12,649,304

REDACTED

Old Mill Lane Estimate for LNG Equipment Storage Garage

Item	Assumption	Cost
Concrete	Preliminary	
Metals	Preliminary	
Woods, Plastics, Composites	Preliminary	
Thermal & Moisture Protection	Preliminary	
Openings	Preliminary	
Finishings	Preliminary	
Specialties	Preliminary	
Equipment	Preliminary	
Fire Suppression	Preliminary	
Plumbing	Preliminary	
HVAC	Preliminary	
Electrical	Preliminary	
Communications	Preliminary	
Earthwork	Preliminary	
Exterior Improvements	Preliminary	
Utilities	Preliminary	
Garage Materials & Labor Subtotal:		
General Conditions Requirements		
Overhead & Profit		
Design & Estimation Contingency		
Garage Miscellaneous Subtotal:		
Architect's Estimate Total:		
RIE Contingency	30% Adder	
RIE Capital OH	25% Adder	
Contingency and OH Subtotal:		
Preliminary Project Total Estimated Cost (with maximum contingency):		

REDACTED

OML LNG

Equipment cost: (2) 750 MSCFH Vaporizers & (6) Smart Storage Queens, Including 12.5% contingency

December 1st - March 31st Operating Cost

Year	Contractor Service	Cost	RIE cost to operate using Purchased Equipment	Cost	Running Cost of Contracted Operation	Breakeven Cost <i>contracted operation expenses less the purchase price of the equipment</i>	Comments
1	Seasonal Service Operation		Labor (less current costs)	300,000			Cost of Current Labor is 215K (not including security)
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	380,000			
2	Seasonal Service Operation		Labor (less current costs)	309,000			
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	389,000			
3	Seasonal Service Operation		Labor (less current costs)	318,270			
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	398,270			
4	Seasonal Service Operation		Labor (less current costs)	327,818			
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	407,818			
5	Seasonal Service Operation		Labor (less current costs)	337,653			Contract cost increase from recent contract extension
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	417,653			
6	Seasonal Service Operation		Labor (less current costs)	347,782			
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	427,782			
7	Seasonal Service Operation		Labor (less current costs)	358,216			
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	438,216			
8	Seasonal Service Operation		Labor (less current costs)	368,962			Savings = Contracted Service - (Equipment Purchase + RIE O&M)
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	448,962			
Sum Total				3,307,700			Cost savings to customers using purchases equipment instead of using contracted services

REDACTED

OML LNG

Equipment cost: (2) 750 MSCFH Vaporizers & (6) Smart Storage Queens, Including 12.5% contingency

December 1st - March 31st Operating Cost with 1 out of season mobilization for pipeline maintenance

Year	Contractor Service	Cost	RIE cost to operate using Purchased Equipment	Cost	Running Cost of Contracted Operation	Breakeven Cost <i>contracted operation expenses less the purchase price of the equipment</i> \$12,472,701	Comments
1	Seasonal Service Operation		Labor (less current costs)	300,000			Cost of Current Labor is 215K (not including security)
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	380,000			
2	Seasonal Service Operation		Labor (less current costs)	309,000			
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	389,000			
3	Seasonal Service Operation		Labor (less current costs)	318,270			
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	398,270			
4	Seasonal Service Operation		Labor (less current costs)	327,818			
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	407,818			
5	Seasonal Service Operation		Labor (less current costs)	337,653			Contract cost increase from recent contract extension
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	417,653			
6	Seasonal Service Operation		Labor (less current costs)	347,782			Savings = Contracted Service - (Equipment Purchase + RIE O&M)
	Out of season service Operation		O&M	80,000			
	Annual Cost		Annual Cost	427,782			
Sum Total				2,420,523			Cost savings to customers using purchases equipment instead of using contracted services