

October 9, 2015

**BY HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4576 - 2015 Gas Cost Recovery Filing Responses to Division 1-10 and 1-11**

Dear Ms. Massaro:

On behalf of National Grid<sup>1</sup>, I have enclosed the Company's responses to data requests Division 1-10 and Division 1-11 in the above-referenced matter.

Pursuant to Rhode Island Public Utilities Commission (PUC) Rule 1.2(g) and R.I. Gen. Laws § 38-2-2(4)(B), the Company is seeking protective treatment of certain confidential information in the enclosed responses. Accordingly, the Company has also enclosed a Motion for Protective Treatment, along with one copy of the unredacted confidential responses and ten copies of the redacted responses for the PUC's review.

This transmittal completes the Company's responses to the Division's first set of data requests.

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

Sincerely,



Raquel J. Webster

Enclosures

cc: Docket 4576 Service List  
Leo Wold, Esq.  
Steve Scialabba, Division  
Bruce Oliver, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

**Docket No. 4576 – National Grid – 2015 Annual Gas Cost Recovery Filing  
 (“GCR”) - Service List as of 9/18/15**

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<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
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**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

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**Annual Gas Cost Recovery Filing 2015**  
**Docket No. 4576**

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**NATIONAL GRID'S MOTION**  
**FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid<sup>1</sup> respectfully requests that the Rhode Island Public Utilities Commission (PUC) provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by PUC Rule 1.2(g) and R.I. Gen. Laws. § 38-2-2(4)(B). National Grid also requests that, pending entry of that finding, the PUC preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2 (g)(2).

**I. BACKGROUND**

On October 9, 2015, National Grid filed with the PUC responses to data requests 1-10 and 1-11, which were issued by the Rhode Island Division of Public Utilities and Carriers (Division). Similar to other data requests issued in this docket, data requests 1-10 and 1-11 refer to the confidential testimony of Elizabeth D. Arangio and seek, among other things, sensitive pricing information and analyses associated with certain precedent agreements that the Company has entered into for citygate supplies, and other contractual

arrangements for the Company's gas portfolio needs. Therefore, the Company is providing redacted and un-redacted versions of the responses to Division Data Requests 1-10 and 1-11 as well as confidential Attachments 1-10 and 1-11, which also contain highly confidential information. The information contained in these responses and attachments contain confidential and proprietary pricing information that National Grid would not ordinarily disclose to the public. Therefore, National Grid requests that, pursuant to Rule 1.2(g), the PUC afford confidential treatment to the information contained in the un-redacted versions of the Company's responses to Division Data Requests 1-10 and 1-11 and Attachments DIV 1-10 and DIV 1-11.

## **II. LEGAL STANDARD**

The Commission's Rule 1.2(g) 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 the APRA, all documents and materials submitted in connection with the transaction of official business by an agency is 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. Gen. Laws §38-2-2(4). Therefore, to the extent that information provided to the PUC falls within one of the designated exceptions to the public records law, the PUC 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:

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

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 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 voluntarily 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.

## **II. BASIS FOR CONFIDENTIALITY**

The information contained in the un-redacted versions of the responses to Division Data Requests 1-10 and 1-11 and Attachments DIV 1-10 and 1-11 contain confidential and proprietary pricing information related to, among other things, National Grid's precedent agreements for citygate supplies and other contractual arrangements for the Company's gas portfolio needs. Disclosure of this information would greatly impede National Grid's future ability to obtain competitive pricing. Therefore, National Grid is providing the un-redacted versions of Division Data Requests 1-10 and 1-11 and Attachments 1-10 and 1-11 to the PUC and the Division on a voluntary basis to assist the PUC with its decision-making in this proceeding, but respectfully requests that the PUC provide confidential treatment to these data request responses and attachments.

**III. CONCLUSION**

Accordingly, the Company respectfully requests that the PUC grant protective treatment to the un-redacted versions of the Company's responses to Division Data Requests 1-10 and 1-11 and Attachments DIV 1-10 and 1-11.

**WHEREFORE**, the Company respectfully requests that the PUC grant this Motion for Protective Treatment.

Respectfully submitted,

**NATIONAL GRID**

By its attorney,



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Raquel J. Webster (RI Bar # 9064)  
40 Sylvan Road  
Waltham, MA 02451  
Phone: (781) 907-2121

Dated: October 9, 2015

Division 1-10

Request:

Re: Witness Arangio's Direct Testimony at page 18, line 18, to page 19, line 3, please:

- a. Provide the data upon which the Company has relied to assess the limits on availability of LNG in the region;
- b. Provide a list of all other companies in the Northeast with liquefaction capabilities, indicate the capacity of those existing facilities; and the capacity of each committed expansion of an existing LNG liquefaction facility;
- c. Identify each of the other companies from whom the Company has sought LNG supply commitments;
- d. Identify each other company with whom National Grid is currently in discussions for LNG supply for the winter of 2015-2016 and the status of those discussions.

Response:

- a. The Company, along with a group of New England gas distribution companies formed an Ad hoc LNG working group to address LNG in the region. The group's objective was to assess the limits on the availability of LNG in the region and to seek additional sources of LNG liquid to the region. Confidential Attachment DIV 1-10(a) is a PowerPoint presentation that describes the Ad hoc LNG working group's process and findings to address the constraints on LNG in the region. Since the entire PowerPoint presentation is confidential, the Company is not providing Attachment DIV 1-10(a) for the public filing.
- b. Please see the table below for all the Non-LDC companies in the Northeast with LNG liquefaction capabilities:

Company	Facility Location	Existing Liquefaction Capacity (Dth per Day)	Capacity of Committed Expansion (Dth per Day)
UGI LNG	Valley Forge, PA	6,000	N/A
Transco	Carlstadt, NJ	10,000	N/A
Philadelphia Gas Works	Philadelphia, PA	16,000	N/A
Gaz Metro	Montreal	12,000	18,000

Division 1-10, page 2

- c. The Company has sought LNG supply commitments from the following companies:  
Northeast Energy, Gaz Metro, GDF Suez and National Grid LNG.
- d. The Company is currently in discussions with GDF Suez for LNG supply for the winter of 2015-16.



**REDACTED**

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4576  
Confidential Attachment DIV 1-10(a)

Pursuant to Commission Rule 1.2(g), the Company is seeking confidential treatment of Confidential Attachment DIV 1-10(a) in its entirety.

**Redacted**  
Division 1-11

Request:

Re: Witness Arangio's Direct Testimony at page 18, line 18, to page 19, line 3, please:

- a. Provide detailed quantification of the expected capital costs of the planned liquefaction facilities;
- b. Identify the portion of the planned LNG liquefaction facilities that National Grid proposes to dedicate to its Rhode Island gas distribution utility operations;
- c. Provide the expected life of the planned LNG liquefaction facilities and the basis for the Company's estimation of the expected useful life of those facilities;
- d. Provide by year from the planned in-service date of the liquefaction facilities the Company's best estimates of the annual costs of maintaining those facilities;
- e. Provide the Company's best estimates of the annual non-gas operating costs for the planned LNG liquefaction facilities;
- f. Provide the workpapers, assumptions, calculations, and supporting documents that demonstrate that the Company will be able to liquefy summer gas volumes at costs competitive with historic LNG purchases and reflect all anticipated changes in the economics of LNG liquefaction over the expected life of the planned liquefaction facilities.

Response:

- a. A detailed quantification of the capital costs of the planned NGLNG liquefaction facilities is provided as Confidential Attachment DIV 1-11(a). Because the entire attachment is confidential, it is not being included as part of the public filing. We do not have comparable capital cost data in connection with the Northeast Energy liquefaction facilities.

**Redacted**

Division 1-11, page 2

- b. Please see table below for the contracted quantities from each of the liquefaction projects dedicated to the Narragansett Electric Company.

Northeast Energy Liquefaction

Project:

MDQ = 1,780 dt/day

MSQ = 381,000 dt

NGLNG Liquefaction Project:

MDQ = 2,616 dt/day

MSQ = 508,000 dt

- c. Based on information provided by NGLNG, the estimated life expectancy of the liquefaction facilities is 25 to 30 years. Based on information provided by Northeast Energy, the estimated life expectancy of the liquefaction facilities is 30 to 35 years.
- d. Based on information provided by NGLNG, labor and maintenance costs are estimated to be [REDACTED]. We do not have comparable estimates for the Northeast Energy project.

[REDACTED] For NGLNG, variable costs are expected to be [REDACTED]

[REDACTED] For Northeast Energy, variable costs are expected to be [REDACTED]

- f. The Company expects to be able to liquefy summer gas volumes at costs competitive with historic LNG purchases as the commodity price will reflect a Texas Eastern M2 index on Algonquin (to the NGLNG facility) and Tennessee zone 4 index on Tennessee (to the Northeast Energy facility) both physically sourced from the Marcellus shale region. The option to liquefy volumes purchased in the off-peak period, using existing capacity in the portfolio to transport to the respective facility, will provide long-term reliability benefits to the overall portfolio as well.

**REDACTED**

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4576  
Confidential Attachment DIV 1-11

Pursuant to Commission Rule 1.2(g), the Company is seeking confidential treatment of Confidential Attachment DIV 1-11 in its entirety.