

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 Data Requests – Set 5**

Dear Ms. Massaro:

On behalf of National Grid<sup>1</sup>, I have enclosed the Company's responses to the fifth set of data requests issued by the Division of Public Utilities and Carriers on September 18, 2015 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.

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

---

<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**

<b>Name/Address</b>	<b>E-mail</b>	<b>Phone</b>
Jennifer Brooks Hutchinson, Esq. National Grid 280 Melrose St. Providence, RI 02907	<a href="mailto:Jennifer.hutchinson@nationalgrid.com">Jennifer.hutchinson@nationalgrid.com</a> ;	401-784-7288
	<a href="mailto:Celia.obrien@nationalgrid.com">Celia.obrien@nationalgrid.com</a> ;	
	<a href="mailto:Joanne.scanlon@nationalgrid.com">Joanne.scanlon@nationalgrid.com</a> ;	
Ann E. Leary Elizabeth D. Arangio Stephen A. McCauley National Grid 40 Sylvan Road Waltham, MA 02541	<a href="mailto:Ann.Leary@nationalgrid.com">Ann.Leary@nationalgrid.com</a> ;	
	<a href="mailto:Elizabeth.Arangio@nationalgrid.com">Elizabeth.Arangio@nationalgrid.com</a> ;	
	<a href="mailto:Stephen.Mccauley@nationalgrid.com">Stephen.Mccauley@nationalgrid.com</a> ;	
	<a href="mailto:Theodore.poe@nationalgrid.com">Theodore.poe@nationalgrid.com</a>	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	<a href="mailto:Lwold@riag.ri.gov">Lwold@riag.ri.gov</a> ;	401-222-2424
	<a href="mailto:Steve.scialabba@dpuc.ri.gov">Steve.scialabba@dpuc.ri.gov</a> ;	
	<a href="mailto:dmacrae@riag.ri.gov">dmacrae@riag.ri.gov</a> ;	
	<a href="mailto:Jmunoz@riag.ri.gov">Jmunoz@riag.ri.gov</a> ;	
Bruce Oliver Revalo Hill Associates 7103 Laketree Drive Fairfax Station, VA 22039	<a href="mailto:Boliver.rha@verizon.net">Boliver.rha@verizon.net</a> ;	703-569-6480
<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
	<a href="mailto:Patricia.lucarelli@puc.ri.gov">Patricia.lucarelli@puc.ri.gov</a> ;	
	<a href="mailto:Sharon.ColbyCamara@puc.ri.gov">Sharon.ColbyCamara@puc.ri.gov</a> ;	
	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
Office of Energy Resources Christopher Kearns Nicholas Ucci	<a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov</a> ;	
	<a href="mailto:Nicholas.ucci@energy.ri.gov">Nicholas.ucci@energy.ri.gov</a> ;	

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

---

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

---

**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 issued by the Division of Public Utilities and Carriers. Division Set 5 refers to the confidential testimony of Elizabeth D. Arangio and seeks pricing information and analyses associated with certain precedent agreements that the Company has entered into for citygate supplies, and other contractual arrangements for its gas portfolio needs. In response to this set of data requests, the Company is providing redacted and un-redacted

versions of the responses to Division Data Requests 5-1, 5-2, 5-3, and 5-4, as well confidential Attachment DIV 5-3(b), which contains supply rates. The responses and Attachment DIV 5-3(b) contain confidential and proprietary pricing information. 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 5-1, 5-2, 5-3, and 5-4, as well as Attachment DIV 5-3(b).

## **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:

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

---

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

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 5-1, 5-2, 5-3, and 5-4 and Attachment DIV 5-3(b) contain confidential and proprietary pricing information related to National Grid's precedent agreements for citygate supplies and other contractual arrangements for the Company's gas portfolio needs. These are negotiated rates, and disclosure of this information would impact the competitive position of the parties. Disclosure of this information would also impede National Grid's future ability to obtain competitive pricing. Therefore, National Grid is providing the un-redacted versions of Division Data Requests 5-1, 5-2, 5-3, and 5-4, and Attachment DIV 5-3(b) 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 requests and Attachment 5-3(b).

## **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 5-1, 5-2, 5-3, and 5-4, as well as Attachment DIV 5-3(b).

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

Respectfully submitted,

**NATIONAL GRID**

By its attorney,

A handwritten signature in blue ink, appearing to read "Raquel Webster", is written over a light blue horizontal line.

---

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

Dated: October 9, 2015

**Redacted**  
Division 5-1

Instruction: Each request for workpapers should be understood to include a request for all electronic spreadsheet files with all cell formulas and cell references intact.

Re: The CONFIDENTIAL portions of the Direct Testimony and Schedules of witness Arangio file on September 1, 2015.

Request:

Re: witness Arangio's CONFIDENTIAL testimony at page 17, lines 2-4, please:

- a. Provide the workpapers, data, analyses and assumptions relied upon to assess the reasonableness of the pricing referenced under the Company's executed agreement with GDF Suez, including assessments of both the fixed and variable cost components of that pricing;
- b. Provide National Grid's estimates of the costs of obtaining delivery of product purchased from GDF Suez to facilities in the Company's Rhode Island service territory including:
  - i. Estimated costs of such transportation by cost component; and
  - ii. The average cost to the Company per Dth delivered to National Grid's RI service territory;
- c. Provide the Company's estimates of its fixed and variable costs to liquefy LNG through a Company-owned facility;
- d. Provide the workpapers, data, analyses and assumptions upon which the Company relies to support the length of its contractual commitment to GDF Suez for LNG supply.

Response:

- a. The table below provides a summary of the pricing from the Company's off-peak liquid refill transactions with GDF Suez for the summers of 2012, 2013 and 2014.

**Redacted**  
Division 5-1, page 2

Summer Refill Season	Demand Price (per dt)	Commodity Price Index
2012		
2013		
2014		

When considering the reasonableness of the pricing referenced under the Company's executed agreement with GDF Suez, it must be considered in the broader aspect of the entire resource portfolio. The Company must have access to adequate gas supplies, which includes liquefied natural gas as a critical part of the resource portfolio. The two liquefaction projects that would come under contract, if approved by the PUC, are not expected to be available until the 2019 refill season at the earliest. In order to reliably serve firm customers until those facilities are placed into service, the Company must purchase LNG from sources that are currently available.

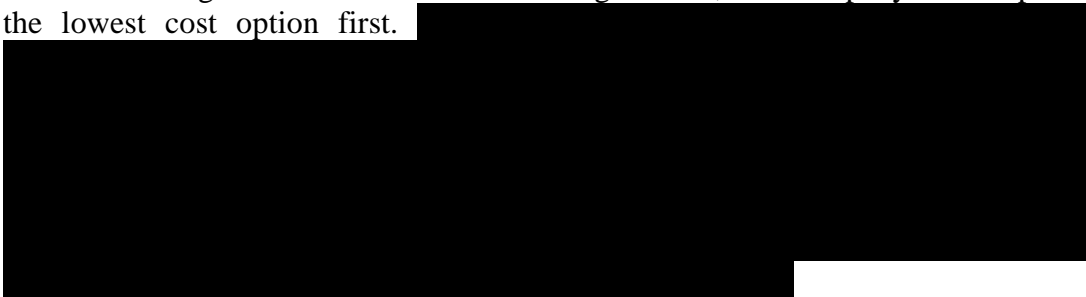
As it stands, GDF Suez is the only seller of LNG in the Northeast with the capability of satisfying all of the Company's requirements for LNG until such time that liquefaction services become available. Although there are several other parties that have sold LNG to the Company in the past, those other parties do not have sufficient quantities to satisfy the Company's LNG requirements in the aggregate. Therefore, until the Company gains access to liquefaction capacity, it must continue to rely on purchases of LNG from GDF Suez in order to reliably serve firm gas customers on days of high gas demand.








Prior to the issuance of FERC's decision in Docket No. CP08-49 approving abandonment and authorizing cancellation of rate schedules, Distrigas of Massachusetts (predecessor to GDF Suez) had an obligation to sell LNG, and the rates that it charged for LNG were regulated by FERC. Due to the FERC regulatory changes, GDF Suez no longer has an obligation to sell LNG to the Company, and if it does sell LNG supply to the Company, there is no cap on the rates it may charge. The Company needs this LNG supply to meet the needs of customers, but has no control over this regulatory construct; therefore, the price and terms of service that the Company must accept to gain access to supply available from GDF Suez are set by GDF Suez.



**Redacted**  
Division 5-1, page 3

Although the Company would have preferred to enter into an agreement with GDF Suez that more closely aligned with the expected in-service dates of the liquefaction projects, GDF Suez would not agree to a term shorter than nine years after the current refill season. In fact, GDF Suez indicated that it would not execute a one-year agreement for the current refill season until the Company agreed to execute the nine-year agreement. One of the primary goals of the Company's LNG Strategy is to achieve greater diversification of supply through the addition of liquefaction services that will help to ensure access to reliable and competitively priced LNG supplies well into the future. In the event that both of the liquefaction projects are available during the term of the GDF Suez agreement, the Company will dispatch the lowest cost option first.



- b. Below are the estimates of the costs for obtaining delivery of product purchased from GDF Suez to facilities in the Company's Rhode Island service territory:
  - i. Estimated costs of trucking from GDF's Everett facility are   
  
  

  - ii. The average cost to the Company per Dth delivered to National Grid's RI service territory is approximately 
- c. The Company's estimates of its fixed costs to liquefy LNG from the NGLNG facility are expected to be   

- d. Please see response to (a.) above.

**Redacted**  
Division 5-2

Request:

Re: witness Arangio's CONFIDENTIAL testimony at page 17, lines 10-18, please:

- a. Identify and explain in greater detail the "capacity" that the Company has agreed to purchase from Gas Metro clarifying the type of capacity to which the witness refers (e.g., pipeline, storage, liquefaction, etc.) and the maximum daily and/or monthly amounts available to National Grid RI through that "capacity;"
- b. Explain why the "capacity" contracted for 2017 and 2018 differs slightly from the Dth of refill contracted for those years.
- c. Identify the location of the Gas Metro existing facilities;
- d. Indicate the manner in which product purchased from Gas Metro will be transported to the Company's service territory and document:
  - i. The Company's estimated costs of such transportation by cost component; and
  - ii. The average cost to the Company per Dth delivered to National Grid's facilities in its Rhode Island service territory.

Response:

- a. The Company has agreed to purchase LNG liquid supplies from the Gaz Metro facilities to be delivered to the Company's Rhode Island LNG facilities. [REDACTED]
- b. The Dths of refill contracted for 2017 and 2018 should be the same as the "capacity" contracted for 2017 and 2018. The second reference to the 2017 and 2018 volume should have been [REDACTED]
- c. The Gaz Metro facilities are located in Montreal, Quebec.

**Redacted**

Division 5-2, page 2

- d. The LNG purchased from Gaz Metro will be transported to the Company's LNG facilities by truck.
- i. The Company estimates the cost of transportation by truck to be [REDACTED]
- ii. The Company has not had any previous contracts with Gaz Metro for LNG deliveries by truck so there is no average cost to the Company for deliveries by truck from the Gaz Metro facility.



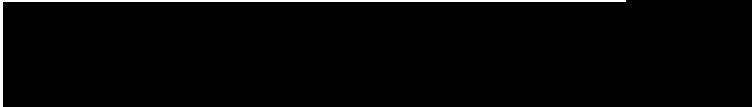
**Redacted**  
Division 5-3

Request:

Re: witness Arangio's CONFIDENTIAL testimony at page 17, line 20, though page 18, line 6, please:

- a. Provide the workpapers, data, analyses and assumptions relied upon to assess the reasonableness of the pricing referenced under the Company's executed agreement with Gas Metro, including assessments of both the fixed and variable cost components of that pricing;
- b. Provide a copy of the referenced Gas Metro tariff and highlight the specific rates that will be applicable to National Grid's purchases (understanding that charges may be modified monthly).

Response:

- a.  The Company entered into a multi-year agreement to ensure that it will have access to a diversified source of LNG on a firm basis for the near-term until the proposed liquefaction facilities are placed into service.
- b. Please see Attachment DIV 5-3(b) which shows   Because Attachment DIV 5-3(b) contains confidential information, the Company is providing a redacted version of Attachment DIV 5-3(b) for the public filing.

**REDACTED**

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4576  
Confidential Attachment DIV 5-3(b)

Pursuant to Commission Rule 1.2(g), the Company is seeking confidential treatment of Confidential Attachment DIV 5-3(b) in its entirety.

**Redacted**  
Division 5-4

Request:

Re: Witness Arangio's CONFIDENTIAL testimony at page 20, line 14-17, please:

- a. Provide the workpapers, data, analyses and assumptions relied upon to assess the reasonableness of the pricing obtained by the Company under the referenced "Negotiated Rate Agreement."

Response:

The Company assessed the reasonableness of the pricing obtained by the Company under the referenced "Negotiated Rate Agreement," its Precedent Agreement with Tennessee Gas Pipeline for the Northeast Energy Direct Project ("NED"), by comparing the negotiated rate to indicative rates for other interstate pipeline projects proposed to serve the New England region. Please see the table below for a summary of the rate comparison.

	NED Project Costs	AIM Project (1)	Atlantic Bridge Project Costs (2)	Access Northeast (2)
Volume (Dth/day):	35,000	35,000	35,000	35,000
Fixed Cost per Dth:	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Annual Fixed Cost:	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]