

STEVEN J. BOYAJIAN

One Financial Plaza, 14th Floor
Providence, RI 02903-2485
Main (401) 709-3300
Fax (401) 709-3399
sboyajian@rc.com
Direct (401) 709-3359

Also admitted in Massachusetts

October 24, 2019

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


Re: **Docket 4963 - 2019 Gas Cost Recovery Filing
Response to PUC Data Request 1-1**

Dear Ms. Massaro:

Enclosed please National Grid's¹ response to the Public Utilities Commission's (Commission) Data Request 1-1 issued on October 23, 2019. This response is being electronically filed, and ten (10) copies of this response will be hand delivered to the Commission tomorrow.

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

Very truly yours,



Steven J. Boyajian
Enclosure

Cc: Docket 4963 Service List

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

**Docket No. 4963 – National Grid – 2019 Annual Gas Cost Recovery Filing
(GCR) - Service List as of 10/11/2019**

Name/Address	E-mail	Phone
Raquel J. Webster, Esq. Jennifer Hutchinson, Esq. National Grid 40 Sylvan Road Waltham, MA 02451	raquel.webster@nationalgrid.com;	781-907-2121
	Celia.obrien@nationalgrid.com;	
	Joanne.scanlon@nationalgrid.com;	
	Theresa.Burns@nationalgrid.com;	
	Jennifer.hutchinson@nationalgrid.com;	
Leticia C. Pimentel, Esq. Steven Boyajian, Esq. Robinson & Cole LLP One Financial Plaza, 14 th Floor Providence, RI 02903	lpimentel@rc.com;	401-709-3337
	SBoyajian@rc.com;	
Ann Leary Marybeth Carroll Ryan Scheib John Protano Theodore Poe National Grid 40 Sylvan Road Waltham, MA 02541	Ann.Leary@nationalgrid.com;	
	MaryBeth.Carroll@nationalgrid.com;	
	Elizabeth.Arangio@nationalgrid.com;	
	ryan.scheib@nationalgrid.com;	
	John.protano@nationalgrid.com;	
	Theodore.poe@nationalgrid.com;	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Leo.wold@dpuc.ri.gov;	401-780-2177
	John.bell@dpuc.ri.gov;	
	Al.mancini@dpuc.ri.gov;	
	Jonathan.schrag@dpuc.ri.gov;	
	Ronald.Gerwatowski@dpuc.ri.gov;	
	dmacrae@riag.ri.gov;	
	MFolcarelli@riag.ri.gov ;	
Greg Lander, President Skipping Stone, LLC 83 Pine St., Suite 101 West Peabody, MA 01960	GLander@skippingstone.com;	978-717-6140
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Margaret Hogan, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov;	401-780-2107
	Margaret.hogan@puc.ri.gov;	
	Alan.nault@puc.ri.gov;	
	Sharon.ColbyCamara@puc.ri.gov;	
	Todd.bianco@puc.ri.gov;	
Office of Energy Resources Christopher Kearns Nicholas Ucci	Christopher.Kearns@energy.ri.gov;	
	Nicholas.ucci@energy.ri.gov;	

PUC 1-1

Request:

At the hearing in this matter held on October 22, 2019, Ms. Leary testified that since the Company filed its GCR Plan, the Company was notified by Enbridge that the Algonquin pipeline will have to undergo unexpected maintenance affecting the "G system." As a result, the Company has determined that it must order additional LNG supplies to protect system reliability. Ms. Leary testified that the Company estimated that the cost of incremental LNG supplies will be approximately \$3.0 million, not including the costs for trucking the supplies. None of these costs are presented in this GCR filing and will be dealt with on a reconciliation basis. In light of these issues, please address the following questions:

- 1) Attachment JMP-3 page 3 of 5 (Bates page 64 of Mr. Protano's testimony) states that, "[t]he Company will notify the Division of the least cost dispatch order prior to the start of the year and inform it of any changes during the year."
 - a) Has the Company notified the Division of the least cost dispatch order for the 2019 Gas Cost Recovery year?
 - b) Will the Company update the least cost dispatch order to reflect the cost of trucking and LNG supply required to address the pressure reduction expected to occur as a result of planned maintenance by Enbridge on the Algonquin Transmission Pipeline?
- 2) Ms. Jaffe indicated that National Grid is reviewing the contracts with Enbridge and Enbridge's operating conditions under its tariff. Does the current NGPMP incentivize National Grid to seek maximum recourse for incremental costs on behalf of Rhode Island ratepayers?
- 3) How will the plan to purchase and truck LNG to Aquidneck Island impact the Company's ability to optimize the gas portfolio?

Response:

For clarification, the testimony referenced in the preface to the questions presented in this request was provided by Elizabeth D. Arangio, not Ann E. Leary.

(1)(a) The Division has been notified of the results of the SEDNOUT®¹ model in Attachment EDA/SAJ-1 (confidential) as the 2019 Gas Cost Recovery year calculations incorporate the least-cost-dispatch order as produced by the SENDOUT® model.

(b) In accordance with the Natural Gas Portfolio Management Plan (NGPMP), the least-cost-dispatch is updated monthly and included in the quarterly filings. The cost of trucking and LNG supply required to address the pressure reduction expected to occur as a result of planned maintenance by Enbridge on the Algonquin Transmission Pipeline will not change the least-cost-dispatch order. The least-cost-dispatch in the 2019 GCR is based on weather-normal forecasts, while these incremental LNG purchases are anticipated to be dispatched during colder-weather scenarios.

(2) As Ms. Jaffe indicated, the Company is reviewing the contracts with Enbridge and Enbridge's operating conditions under its tariff to determine whether, and to what extent, the Company is entitled to any recourse or rate relief. The objective of the NGPMP is to encourage the Company to obtain maximum value of unused transportation, storage assets, and supply contracts. The additional incremental transactions are required for the Company to address winter reliability concerns, and the NGPMP incentivizes the Company to extract maximum value from any unused gas supply portfolio reserves, subject to prevailing market conditions, and seek maximum value for Rhode Island ratepayers. The NGPMP does not, itself, incentivize the Company's efforts to seek recourse under its contracts with Enbridge or Enbridge's operating conditions under its tariff.

(3) The purchases and trucking of LNG to Aquidneck Island will not impact the ability to optimize the gas portfolio. If additional unused supply is available, the Company will attempt to extract maximum value at prevailing market conditions when possible; the Company's decision to optimize these LNG supplies for purposes other than meeting the requirements of its firm gas customers must be balanced with safety and operational considerations associated with the transportation of LNG via truck to its facilities.

¹ Please see Long-Range Plan for additional detail regarding the Sendout model and least-cost-dispatch approach.