

GEORGE W. WATSON III

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Also admitted in Massachusetts, Connecticut and Vermont

January 24, 2023

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket No. 22-42-NG – Issuance of Advisory Opinion to EFSB re RIE Application to Construct an LNG Vaporization Facility on Old Mill Lane, Portsmouth, RI Responses to DIV Data Requests – Set 1

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company (the "Company"), I have enclosed the Company's responses to the Division of Public Utilities and Carriers' First Set of Data Requests in the above-referenced docket. Please note that Attachments DIV 1-8, DIV 1-13-1, DIV 1-13-2, DIV 1-13-3 and DIV 1-13-4 are excel files that are being provided electronically.

Attachments DIV 1-1-1, DIV 1-1-2 and DIV 1-1-3 to the Company's response to Division Data Request 1-1 contain confidential information; and therefore, the Company has provided redacted public versions of the attachments and unredacted confidential versions subject to a motion for protective treatment.

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 22-42-NG 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

January 24, 2023

Date

Docket No. 22-42-NG – Needs Advisory Opinion to EFSB regarding Narragansett Electric LNG Vaporization Facility at Old Mill, Portsmouth, RI Service List update 12/20/22

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| George Watson, Esq. | | |
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| Luly E. Massaro, Commission Clerk Public Utilities Commission | Luly.massaro@puc.ri.gov; | 401-780-2107 |
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| Interested Parties: | | |
| Gabrielle Stebbins | gstebbins@energyfuturesgroup.com; | |
| Matt Sullivan (Green Dev) | ms@green-ri.com; | |

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

| IN RE: THE ISSUANCE OF ADVISORY OPINION |) | |
|---|---|---------------------|
| TO THE ENERGY FACILITY SITING BOARD |) | |
| REGARDING THE NARRAGANSETT ELECTRIC |) | |
| COMPANY APPLICATION TO CONSTRUCT |) | DOCKET NO. 22-42-NG |
| AN LNG VAPORIZATION FACILITY ON |) | |
| 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 Public Utilities Commission ("Commission") grant protection from public disclosure of certain confidential information submitted by the Company in response to Division Data Request 1-1. The reasons for the protective treatment are set forth herein. The Company also requests that, pending entry of that finding, the Commission preliminarily grant the Company's request for confidential treatment pursuant to 810-RICR-00-00-1.3(H)(2).

The documents that are the subject of this Motion and require protective treatment are three confidential presentation slide decks provided by Enbridge to the Company in April 2019 and October and December 2022. These presentation slide decks are provided as Attachments 1-1-1, 1-1-2 and 1-1-3 (the "Confidential Attachments") to Company's Response to Division Data Request 1-1 from the Division's First Set of Data Requests, issued on December 20, 2022 (the "Confidential Response").

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 Commission falls within one of the designated exceptions to APRA, the Commission 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 Commission 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*, 557 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 Attachments contain information obtained by the Company from Enbridge in the course of presentations on April 9, 2019, October 9, 2022 and December 7, 2022. Enbridge has always requested that the Company maintain these presentations as confidential, and, in order to obtain information critical to the Company's operation of its gas distribution system, the Company has acceded to Enbridge's requests to maintain confidentiality in their meetings. Public disclosure of information that the Company agreed to maintain as confidential would hinder the Company's ability to obtain important information from its natural gas supplier in the future. This would not only impair the Company's ability to make well informed infrastructure planning decisions, but could also prevent the Company from obtaining information from Enbridge that might assist the Commission in its review of the Company's proposals in this and other dockets where information regarding the gas transmission system is important to informed decision making. Furthermore, while the Company is in possession of the Confidential Attachments, the information contained in them is Enbridge's confidential commercial information and not the Company's. The information contained in the Confidential Attachments is not of a kind that would customarily be released to the public by the Company or by Enbridge, and, therefore, 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 Commission grant this motion for protective treatment of the confidential information contained in Attachments Division 1-1-1, 1-1-2 and 1-1-3.

Respectfully submitted,

THE NARRAGANSETT ELECTRIC COMPANY d/b/a RHODE ISLAND ENERGY

By its attorneys,

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sboyajian@rc.com

Dated: January 24, 2023

CERTIFICATE OF SERVICE

I hereby certify that on January 24, 2023, I delivered a true copy of the foregoing Motion via electronic mail to the parties on the Service List for Docket No. 22-42-NG.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 22-42-NG
In Re: The Issuance of Advisory Opinion to the
Energy Facility Siting Board Regarding
The Narragansett Electric Company d/b/a Rhode Island Energy
Application to Construct and LNG Vaporization Facility on
Old Mill Lane, Portsmouth, Rhode Island
Responses to the Division's First Set of Data Requests
Issued on December 20 2022

Division 1-1

Request:

Please provide copies of all communications between RIE (or its predecessor National Grid) and Enbridge (or Algonquin Gas Transmission) over the last five years regarding plans for replacing the lateral gas transmission pipeline serving Aquidneck Island and/or RIE's need for additional capacity to serve Aquidneck Island. The response to this request should include, but should not be limited to, communications that specify RIE's anticipated gas capacity requirements for Aquidneck Island

Response:

The Company believes that communications with Enbridge concerning the need for additional capacity to serve Aquidneck Island will fall into three general categories: (1) communications following the 2018-19 winter concerning potential pipeline projects to resolve the capacity constraint and vulnerability on Aquidneck Island; (2) recent communications with Enbridge to arrange a meeting to discuss Enbridge's recent proposed pipeline replacement on the G-2 lateral serving Aquidneck Island; and (3) miscellaneous correspondence to arrange for periodic meetings at which the topic of available capacity is discussed generally and might include for discussion of Aquidneck Island capacity issues. The Company is undertaking a reasonable search to identify substantive communications within these categories, but notes that most of its communications with Enbridge on these subjects takes place in calls or virtual meetings.

Please see Confidential Attachment Division 1-1-1 for an April 4, 2019 presentation provided by Enbridge to the Company regarding consideration of pipeline options that were intended to address a multitude of G system issues including potentially resolving Aquidneck Island supply issues. Confidential Attachment Division 1-1-1 contains confidential information and, therefore, the Company has provided a redacted public version and unredacted confidential version subject to a motion for protective treatment. Please see attachment Division 1-1-1(a) for email correspondence between the Company and Enbridge concerning options discussed during the April 4, 2019 presentation. The Company believes there may have been miscellaneous written communications with Enbridge regarding the scheduling of this presentation. The Company is continuing to make a reasonable search for any additional substantive communications regarding its April 4, 2019 discussions with Enbridge.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 22-42-NG
In Re: The Issuance of Advisory Opinion to the
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Issued on December 20 2022

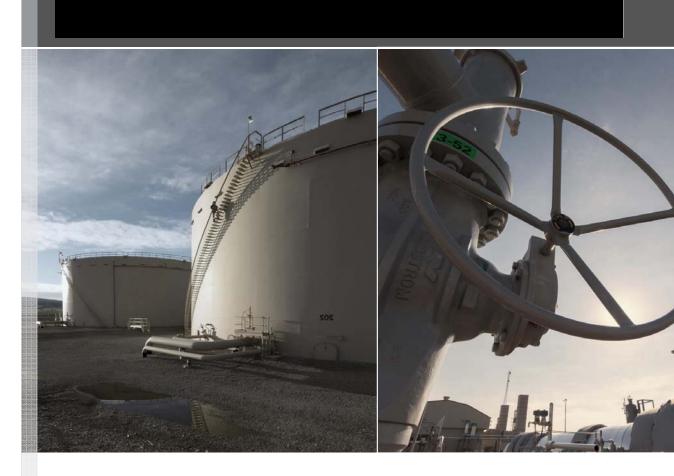
Division 1-1, Page 2

Please see Confidential Attachment Division 1-1-2 for an October 25, 2022 presentation provided by Enbridge to the Company regarding planning for the 2022-23 heating season. Confidential Attachment Division 1-1-2 contains confidential information and, therefore, the Company has provided a redacted public version and unredacted confidential version subject to a motion for protective treatment. The Company believes there may have been written communications with Enbridge regarding the scheduling of this presentation and is continuing to make a reasonable search for any substantive communications in this category.

Please see Confidential Attachment Division 1-1-3 for a December 7, 2022 presentation provided by Enbridge to the Company regarding capacity issues on the Algonquin pipeline including on the G-lateral system. Confidential Attachment Division 1-1-3 contains confidential information and, therefore, the Company has provided a redacted public version and unredacted confidential version subject to a motion for protective treatment. The Company believes there may have been written communications with Enbridge regarding the scheduling of this presentation and is continuing to make a reasonable search for any substantive communications in this category.

Please see Attachment Division 1-1-4 for miscellaneous email communications between the Company and Enbridge, following the sale of the Company to PPL, to arrange for a discussion of available offerings from Enbridge for additional capacity to meet customer demand in the Northeast region including Aquidneck Island.

This response is intended to provide those materials that are readily available to address the substance of this request. A complete search for five years of all communications between the Company and Enbridge regarding needs on Aquidneck Island would be unduly burdensome, and Company reserves and incorporates by reference its objection to this request filed on December 30, 2022. The Company will seek to gather additional responsive documents upon request if necessary to meet the substance of this request as discussed by counsel to the Division and Company on January 13, 2023.







Nikki Bruno April 4, 2019







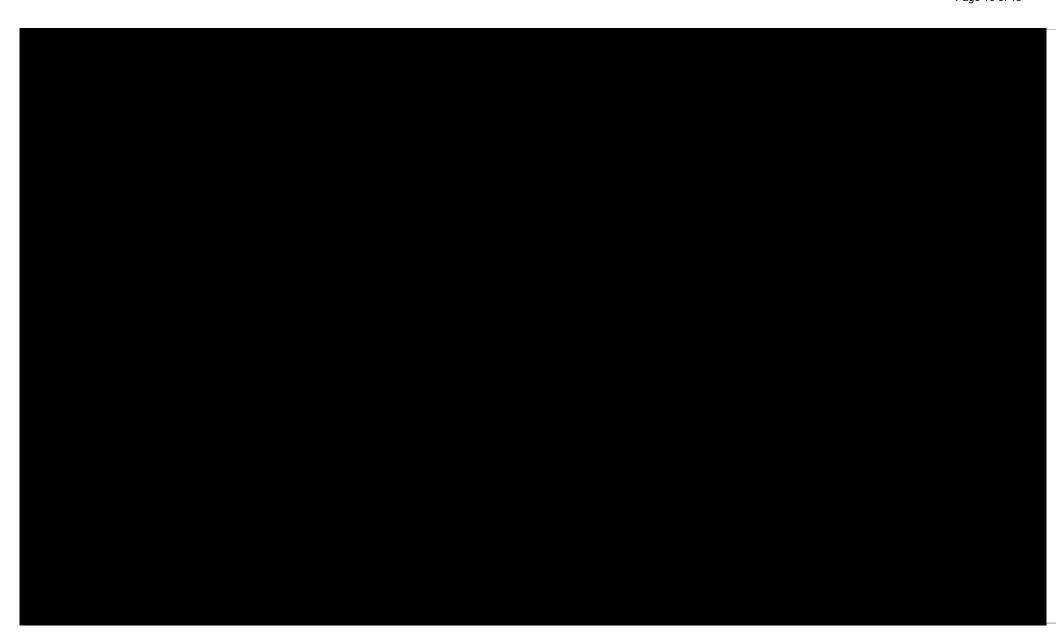




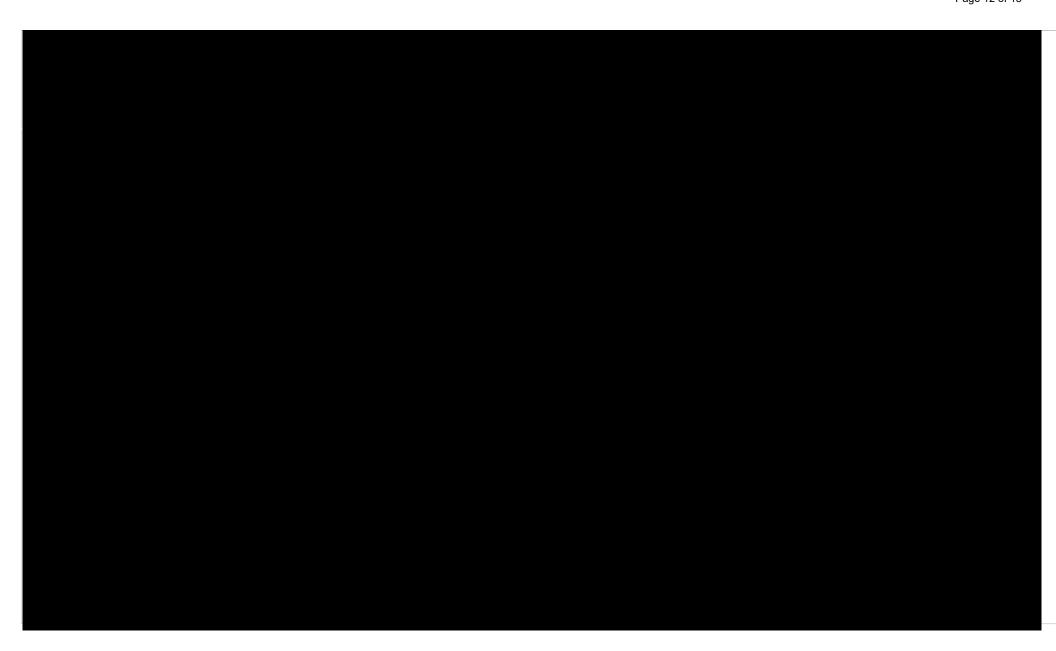




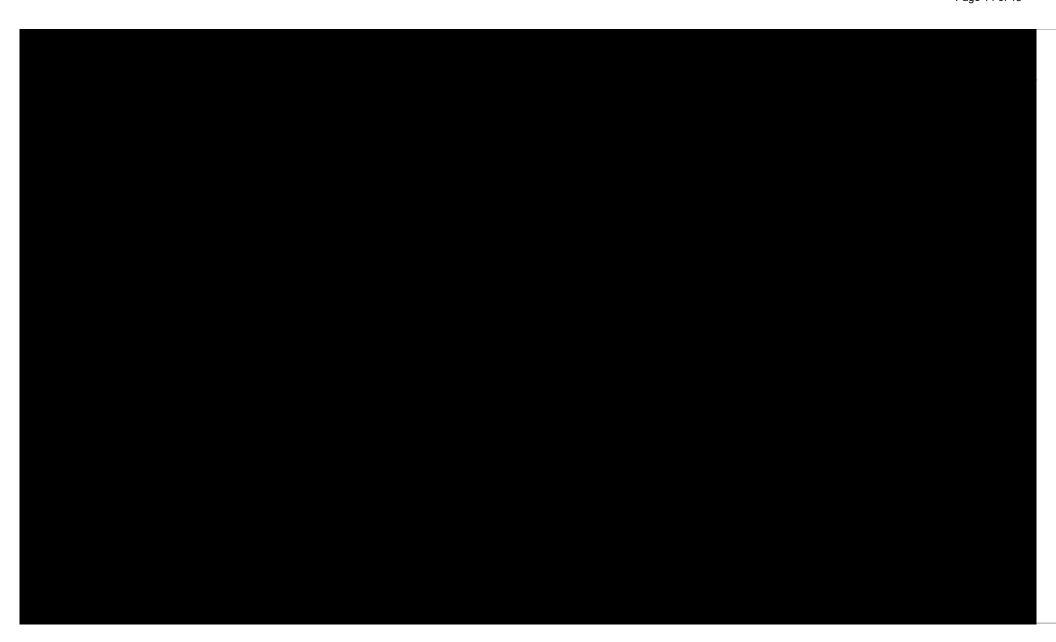














From: Nikki Bruno <Nikki.Bruno@enbridge.com>

Sent: Wednesday, April 10, 2019 4:11 PM

To: Allocca, John E

Cc: Erin Petkovich; Richard Paglia; Vaughn, John V.

Subject: RE: EXT || G System Feedback

Thanks John.

A line smaller than the 12" loop, such as an 8-inch or 6-inch diameter pipe, would not sufficiently

maintain pressure at the Portsmouth meter inlet. Additionally, gas velocities would exceed our design

parameters making the line more vulnerable to develop integrity issues over time.

From: Allocca, John E [mailto:John.Allocca@nationalgrid.com]

Sent: Wednesday, April 10, 2019 1:25 PM

To: Nikki Bruno

Cc: Erin Petkovich; Richard Paglia; Vaughn, John V.
Subject: [External] Re: EXT || G System Feedback

Thanks Nikki. One last question for you. We believe that 12" is the right size but we want to be prepared

to respond to any suggestions that the project is oversized. Would the project cost be much less if we

went with a smaller crossing - 6 or 8" for example.

Thanks,

John

Sent from my iPhone

On Apr 10, 2019, at 1:16 PM, Nikki Bruno <Nikki.Bruno@enbridge.com> wrote: Hi John,

I checked back in with our system planning engineers and wanted to clarify the volumes

created by the four miles of 12" looping. Going forward, for the sake of round numbers,

please assume this project would allow you to shift 24,000 Dth/d of MDDO from Dey Street to Portsmouth, and you could move an incremental amount of 24,000 Dth/d to Portsmouth upon the completion of some upstream project.

Additionally, we're currently estimating the total capex to cover the four miles of 12"

looping and two miles of take up and relay to cost roughly around \$80MM. Please note

this number is based upon desktop analysis only so further work will be needed to refine it.

Lastly, we will require National Grid to release funding to AGT to start work by

June 1,

2019 in order to preserve the best case in-service date of 2021. While we'd prefer

commercial agreement to be in place, we understand it may not be fully executed by that time so we could enter into some separate funding agreement as necessary.

If you have further questions, please let me know.

Thanks,

Nikki

From: Allocca, John E [mailto:John.Allocca@nationalgrid.com]

Sent: Tuesday, April 09, 2019 4:12 PM

To: Nikki Bruno

Cc: Erin Petkovich; Richard Paglia; Vaughn, John V.
Subject: [External] RE: EXT || G System Feedback

Nikki:

Thanks very much for the quick turn-around. Just to be clear, does this mean that this

project would enable us to shift 24,000 dt/day of MDDO from Dey St to Portsmouth and

that it would enable delivery of an incremental 23,000 dt/day (I assume upon completion of some upstream project)?

John

From: Nikki Bruno <Nikki.Bruno@enbridge.com>

Sent: Tuesday, April 09, 2019 4:05 PM

To: Allocca, John E < John. Allocca@nationalgrid.com>

Cc: Erin Petkovich <Erin.Petkovich@enbridge.com>; Richard Paglia

<Richard.Paglia@enbridge.com>

Subject: RE: EXT || G System Feedback

Hi John,

I wanted to follow up on some of the pieces below.

We looked at the MDDOs and believe we could shift around 24,000 Dth/d from Dey Street to Portsmouth as a result of this work. That number includes 1/24th contracts only.

Additionally, we have derived that the four miles of 12" looping would create a volume of around 23,000 Dth/d.

Please let me know if we can follow up on anything further.

Thanks,

Nikki

From: Allocca, John E [mailto:John.Allocca@nationalgrid.com]

Sent: Tuesday, April 09, 2019 7:23 AM

To: Nikki Bruno

Cc: Erin Petkovich; Richard Paglia

Subject: [External] RE: EXT || G System Feedback

Nikki:

Thanks very much. This information will be very useful in shaping our decision. Please

let me know when you have some additional information on the magnitude of MDDO shift from Dey St that may be made available as a result of this work.

Thanks,

John

From: Nikki Bruno <Nikki.Bruno@enbridge.com>

Sent: Monday, April 08, 2019 5:04 PM

To: Allocca, John E < John. Allocca@nationalgrid.com>

Cc: Erin Petkovich <Erin.Petkovich@enbridge.com>; Richard Paglia

<Richard.Paglia@enbridge.com>
Subject: EXT || G System Feedback

John,

Thanks for discussion last week. I wanted to follow up with you on the facilities proposal specific to Portsmouth.

With the installation of the four miles of 12" looping to Portsmouth and the two miles of

take up and relay to Bourne, National Grid will receive the following system benefits:

* Increased Reliability: The 12" loop will provide an additional line across the

Sakonnet River for added reliability in the case of planned or unplanned outages.

- * Increased Pressure: The pressure at the Portsmouth gate station will be increased from today's levels by at least 100 psi while the two miles to Bourne will maintain delivery pressures to the Bourne area.
- * Shifting Entitlements: The additional 12" looping will allow for MDDO entitlements to be shifted from upstream points to Portsmouth. I'm still working on the particulars of the shift but will follow up when I have them.
- * Increased Deliverability: The 12" loop will allow for increased capacity for those

four miles. I'm still working on the actual volumes but will circle back. From an incremental growth standpoint, the entire set of facilities is necessary to allow for additional volumes to be delivered to Portsmouth and Bourne from the

larger volumetric proposals we discussed last Thursday.

* Timing: From a best case scenario, we believe we could place the facilities into

service for 2021. This would be the earliest in-service of all the other proposals we discussed last week.

Please let me know if you have any further questions that we can answer.

Thanks, Nikki

Nikki Bruno Business Development

ENBRIDGE

TEL: 617-560-1419 | CELL: 413-519-6940 890 Winter Street, Suite 300, Waltham, MA 02451

enbridge.com
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https://protect-us.mimecast.com/s/GkJjCkRgxPtrlXRECQ7UoM?domain=nationalgrid.com

Enbridge/AGT Pre-winter meeting

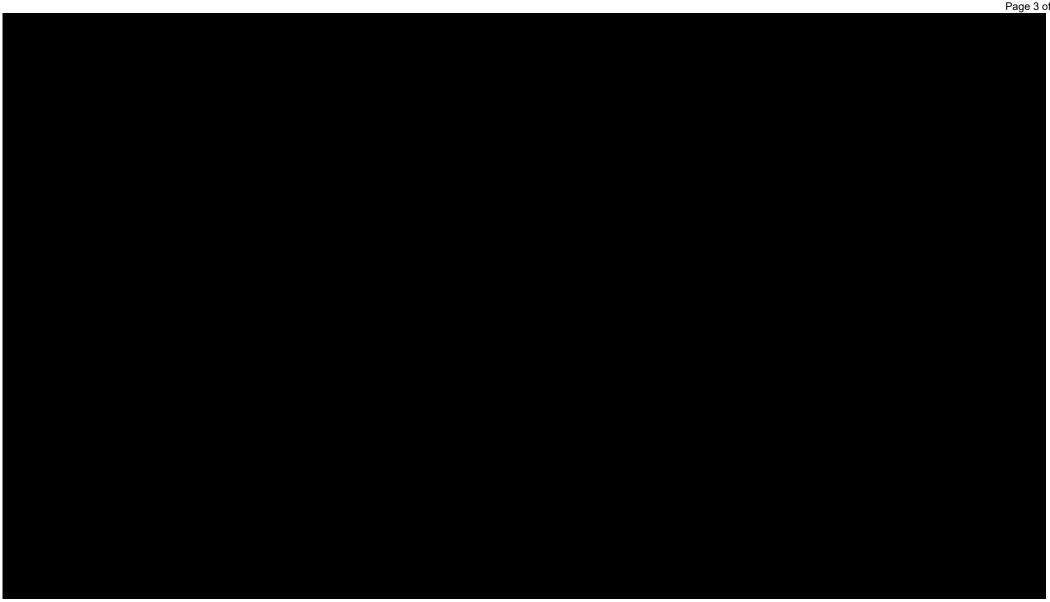




October 25, 2022



The Narragansett Electric Company RIPUC Docket No. 22-42-NG Attachment DIV 1-1-2 (Redacted) Page 3 of 22



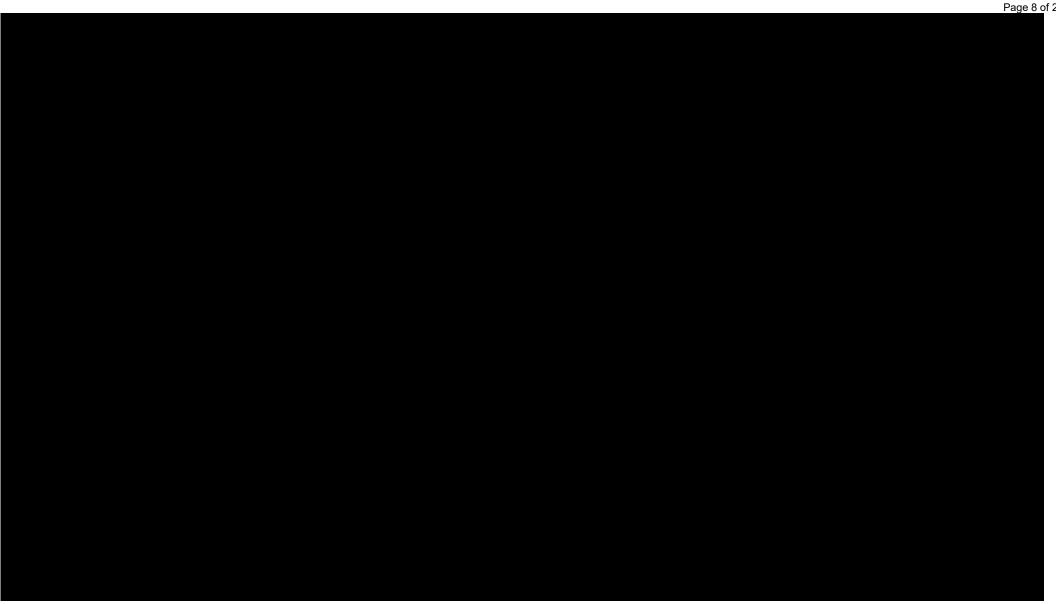








The Narragansett Electric Company RIPUC Docket No. 22-42-NG Attachment DIV 1-1-2 (Redacted) Page 8 of 22



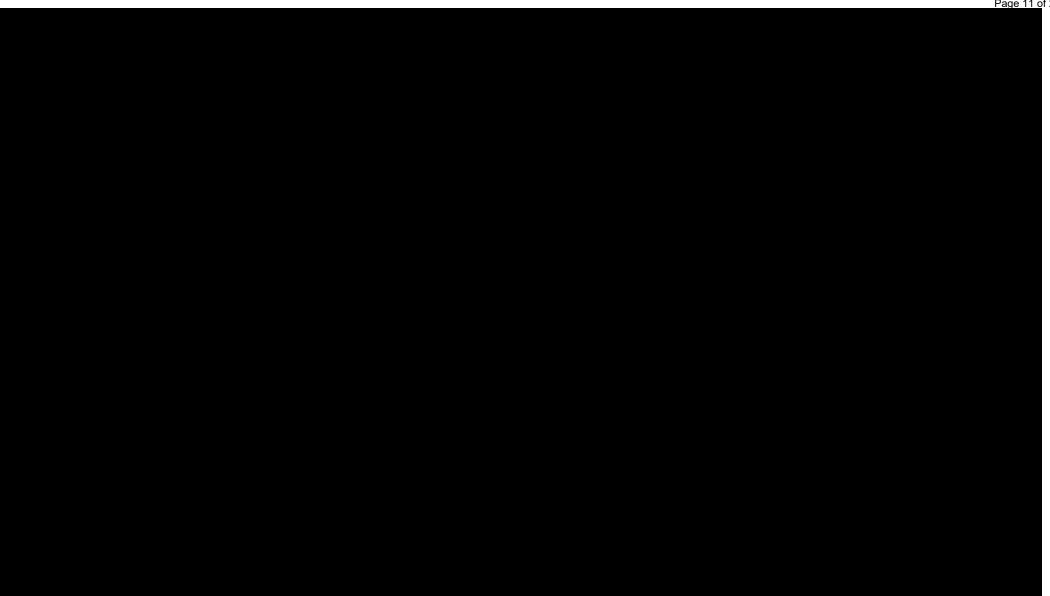
The Narragansett Electric Company RIPUC Docket No. 22-42-NG Attachment DIV 1-1-2 (Redacted) Page 9 of 22



The Narragansett Electric Company RIPUC Docket No. 22-42-NG Attachment DIV 1-1-2 (Redacted) Page 10 of 22



The Narragansett Electric Company RIPUC Docket No. 22-42-NG Attachment DIV 1-1-2 (Redacted) Page 11 of 22



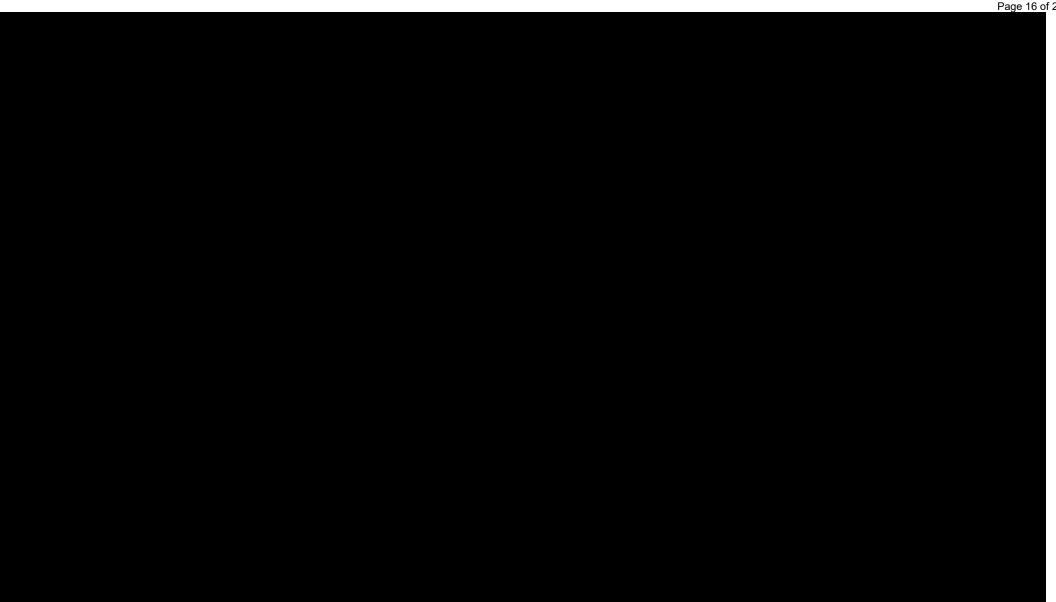




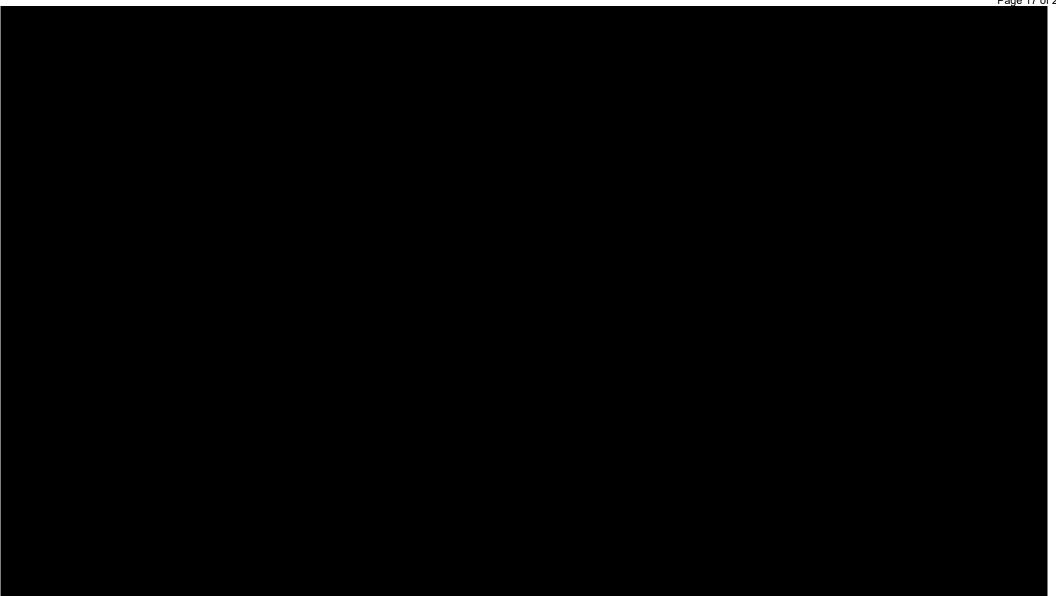




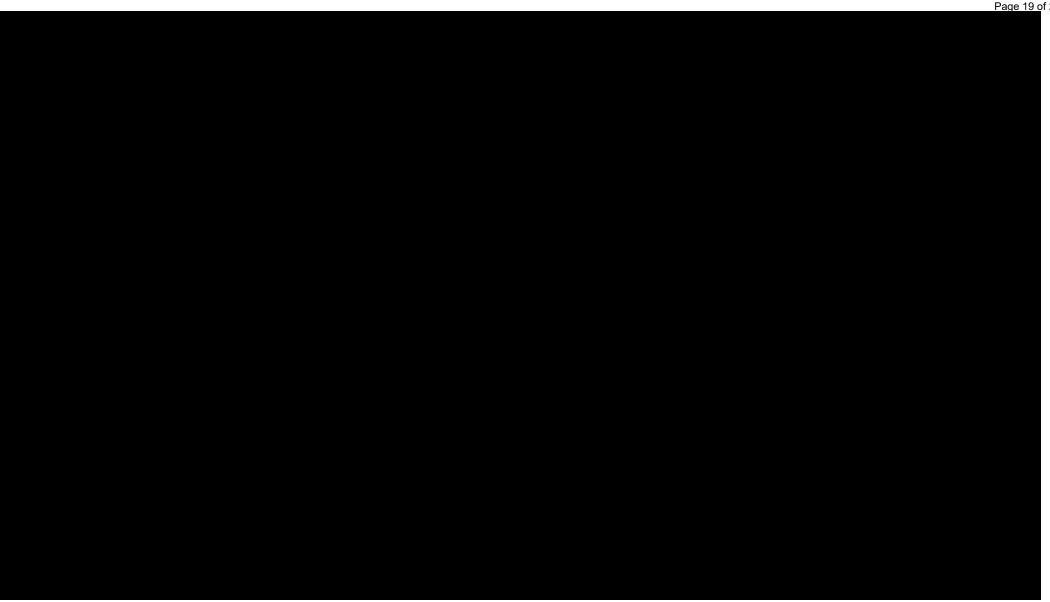
The Narragansett Electric Company RIPUC Docket No. 22-42-NG Attachment DIV 1-1-2 (Redacted) Page 16 of 22



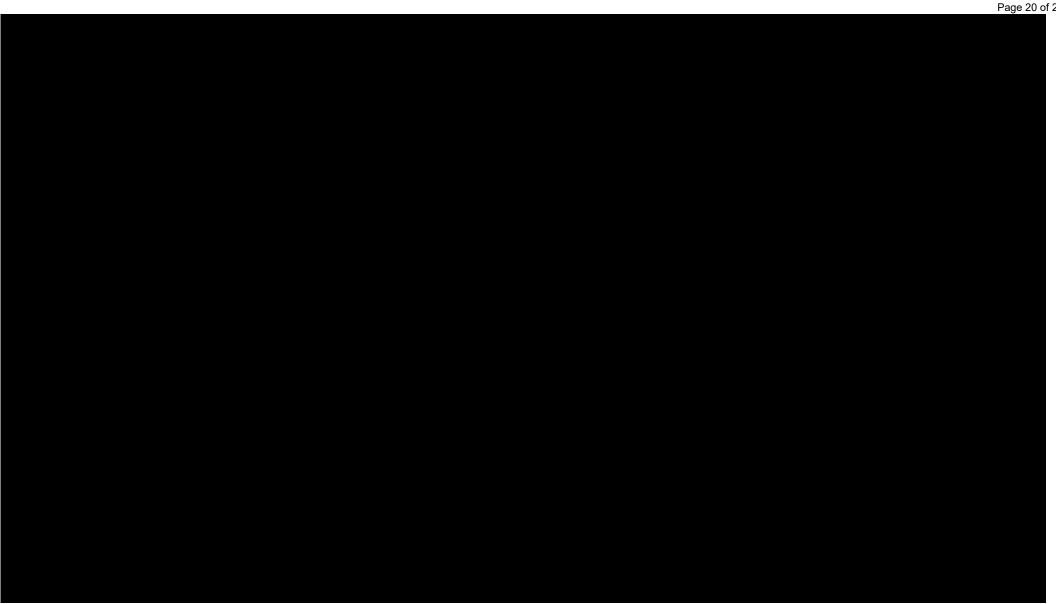
The Narragansett Electric Company RIPUC Docket No. 22-42-NG Attachment DIV 1-1-2 (Redacted) Page 17 of 22

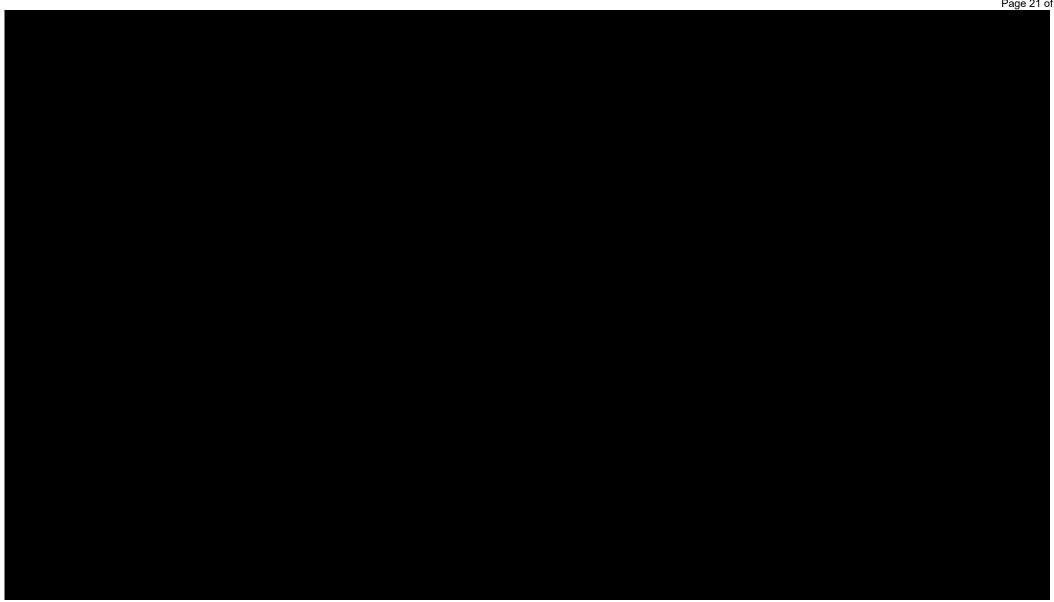






The Narragansett Electric Company RIPUC Docket No. 22-42-NG Attachment DIV 1-1-2 (Redacted) Page 20 of 22







Enbridge Gas Transmission Introduction





Rhode Island Energy

December 7th, 2022













































Division 1-2

Request:

As a result of Algonquin's plans to replace a portion of the lateral gas transmission line serving Aquidneck Island, please provide:

- a. RIE's expectations for disruptions of gas flows to Aquidneck Island during the construction period in terms of the frequency and duration of service curtailments or interruptions and the volumes of gas deliveries lost during each anticipated curtailment or interruption of gas supply from Algonquin
- b. RIE's estimates of the volumes of LNG that will be required to serve Aquidneck Island during each period of anticipated curtailment or interruption of gas supply from Algonquin.

Response:

a. and b. The construction plans and timeframes are not known to the Company at this time; however, the Company has indicated to Enbridge that, if any disruption of service is required in the course of the construction project, they should be performed during summer months when gas demand is lower. Enbridge provided a preliminary indication there could be one or two outages of approximately three days in duration, for a total of six days. Historical usage on Aquidneck Island during summer months is approximately 2,000 dth/day, which would total approximately 6,000 dth per outage and 12,000 dth overall for the construction project.

Division 1-3

Request:

Provide the actual Peak Hour flows of gas supplies through the Portsmouth Take Station for Aquidneck Island peak hour requirements for each of the last five winters, as well as the associated actual temperature and HDD measure for the peak hour of each year.

Response:

The table below summarizes the actual Peak Hour flows of gas supplies through the Portsmouth Take Station for Aquidneck Island, as well as the hourly temperatures reported at the T.F. Green Airport and equivalent HDD during the associated Peak Hour, for each of the last five heating seasons.

| | | Actual Peak | T.F. Green – | T.F. Green - |
|-----------------------|----------------|-------------------|--------------|--------------|
| | Date and | Hour Flows | Peak Hour | Peak Hour |
| Heating Season | Peak Hour | (Dth) | Temp (°F) | HDD |
| 2017-2018 | 01/07/18 07:00 | 1,076 | -1 | 66 |
| 2018-2019 | 01/31/19 07:00 | 981 | 3 | 62 |
| 2019-2020 | 12/19/19 07:00 | 893 | 13 | 52 |
| 2020-2021 | 01/29/21 07:00 | 951 | 9 | 56 |
| 2021-2022 | 01/15/22 07:00 | 892 | 7 | 58 |

Division 1-4

Request:

Please provide the Company's estimates of forecasted number of meters by rate classification for Aquidneck Island for each year through PY2032, as well as the data, assumptions, and forecasting models relied upon to generate the requested estimates.

Response:

As documented in its June 30, 2022, "Gas Long-Range Resource and Requirements Plan for the Forecasted Period 2022/23 to 2026/27" (Docket 22-06-NG), the Company uses econometric regression analysis to forecast its retail meter count and use-per-customer by rate group. The product of these two forecasts provides its forecast of future volumes. The most recent retail volumes are aligned to its most recent wholesale volumes (springboard volumes) by accounting for unaccounted-for gas (UFG) and billing lag. The growth forecasted in its retail volume forecast is used to determine the future growth of its wholesale springboard volumes. Both its retail and wholesale forecasts are performed at the Company level.

In its modeling of natural gas demand for Aquidneck Island, the Company did not perform econometric forecasting of retail meter count (or use-per-customer) for Aquidneck Island since there is no Island-specific econometric data with which to perform the retail econometric regression analysis. The Company does perform forecasting of Aquidneck Island wholesale volumes based on its analysis of its most-recent Island-specific springboard historical wholesale volumes and applying the Company-wide retail growth rate to the wholesale.

Division 1-5

Request:

The Company's June 30, 2022, "Gas Long-Range Resource and Requirements Plan for the Forecasted Period 2022/23 to 2026/27" appears to show Peak Hour Flow requirements for Aquidneck Island growing faster than overall system throughput for the years PY2023 - PY2032. Please document and explain all factors contributing to growth in Peak Hour gas flow requirements for Aquidneck Island over that period.

Response:

In the Company's 2022 Long-Range Plan submission (Docket 22-06-NG), the Aquidneck Island Peak Hour Flow requirements are not growing at a faster rate than the overall system growth. Their growth rates are the same. As stated in the Company's response to DIV-1-4, the Company did not perform econometric forecasting of retail meter count (or use-per-customer) for Aquidneck Island itself since there is no Island-specific econometric data with which to perform the retail econometric regression analysis. The Company does perform forecasting of Aquidneck Island wholesale volumes based on its analysis of its most-recent Island-specific springboard historical wholesale volumes and applying the Company-wide retail growth rate to the wholesale springboard.

In Exhibit 2 of the 2022 Long-Range Plan submission (Docket 22-06-NG), the Company presents its forecasted flows and supplies by take station. For the five-year forecast period, the total firm peak hour model flow for Aquidneck Island (AGT Portsmouth take station) plus LNG are:

| | Total Firm Peak Hour Model Flow (DTH/hr) | Portable LNG (DTH/hr) | Total (DTH/hr) |
|---------|--|--------------------------|----------------|
| 2022/23 | 1,032 | 158 | 1,190 |
| 2023/24 | 1,035 | 175 | 1,210 |
| 2024/25 | 1,035 | 189 | 1,224 |
| 2025/26 | 1,035 | 198 | 1,233 |

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| 2026/27 | 1,034 | 207 | 1,241 |
|---------|-------|-----|-------|
| | | | |

Over the five-year period, this corresponds to an average 1.1 percent growth per-annum in the forecasted Aquidneck Island peak hour flow.

In Exhibit 15 (Page 1 of 7) of the 2022 Long-Range Plan submission (Docket 22-06-NG), the Company presents its forecasted design day firm sendout requirements for the Company's four legacy LDCs. For the five-year forecast period, the total design day sendout requirements are:

| Design Day Sendout Requirements (BBtu) | Valley | Providence | Warren | Westerly | Total |
|---|--------|------------|--------|----------|-------|
| 2022/23 | 64 | 311 | 11 | 7 | 393 |
| 2023/24 | 65 | 316 | 12 | 7 | 400 |
| 2024/25 | 66 | 320 | 12 | 7 | 405 |
| 2025/26 | 66 | 322 | 12 | 7 | 407 |
| 2026/27 | 67 | 325 | 12 | 7 | 411 |

Over the five-year period, this corresponds to an average 1.1 percent growth per-annum in the forecasted total Company design day sendout requirements.

Since the Company's peak hour flow is defined as a fixed (five percent) portion of the design day sendout requirements, the two percentage growth rates can be compared. The per-annum growth in Aquidneck Island peak hour demand is equal to the per-annum growth in peak day demand for the entire Company service territory.

Division 1-6

Request:

Please document and explain RIE's understanding of the energy conservation and energy efficiency goals for the U.S. Navy's facilities on Aquidneck Island over the forecast period from PY2023 - PY2032.

Response:

Aside from participation in the Company's demand response program, through which customers are provided interruptible natural gas service, the Company is not aware of the United States Navy's energy efficiency or energy conservation goals for Navy facilities on Aquidneck Island.

Division 1-7

Request:

Please document the Company's assessment of the relationship between the timing of peak hour requirements for Aquidneck Island and Peak Hour temperatures as measured at T.F. Green Airport.

Response:

Please see the Company's response to Division 1-3.

Division 1-8

Request:

Chart III-B-3, page 1 of 3, in RIE's June 30, 2022, "Gas Long-Range Resource and Requirements Plan for the Forecasted Period 2022/23 to 2026/27" lists Residential Natural Gas Prices ("NGPRCR") in \$/Dth for the forecasted years 2023 through 2032. The prices listed show a decline in the **Residential Natural Gas Price** from \$16.29 for 2022 to \$14.29 for 2023. Moreover, the Company's forecasted prices stay below the 2022 level throughout the remainder of the forecast period (i.e., through 2023). Please:

- a. Document the data and methods used to calculate the listed **Residential Natural Gas Price** for each historic year specifying all charges and surcharges included in the reported Residential Natural Gas Price for each year.
- b. Document the data and methods used by the Company to estimate the **Residential Natural Gas Price** for each projected year listed.
- c. Document and explain the specific factors that contribute to the decline in the expected Residential Natural Gas Price from 2022 to 2023.
- d. Document and explain any and all changes in the Company's Residential Natural Gas Price expectations since RIE's June 30, 2022 "Gas Long-Range Resource and Requirements Plan for the Forecasted Period 2022/23 to 2026/27" was prepared.

Response:

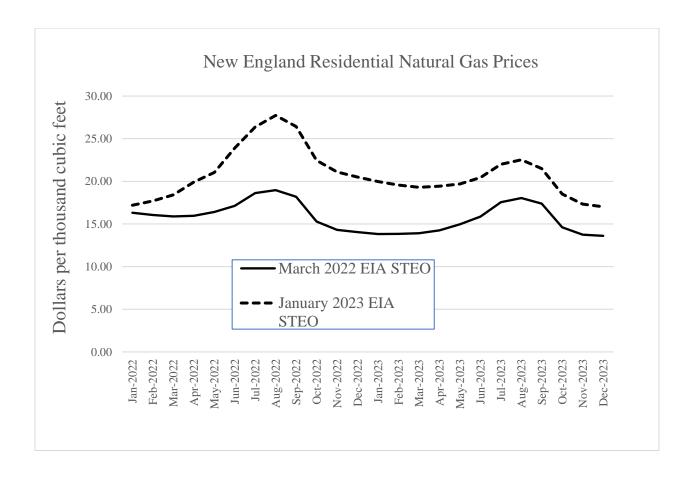
Please refer to Attachment Division 1-8 herein for the Excel spreadsheet that is referenced in the Company's responses below.

- a. The annual or yearly historical residential natural gas prices are developed by following the steps.
 - Monthly typical bills for a residential heat customer are calculated as a product of typical monthly use and the variable charges plus the customer charge for the month from the tariff sheets. The monthly typical bills are then adjusted for the gross receipts tax. Please refer to column K:L in the "RI_Gas_CO" tab in Attachment Division 1-8.

Division 1-8, Page 2

- The residential natural gas price in nominal dollars per dekatherm is then calculated by dividing the monthly typical bills with the monthly typical usage which stays constant for each month. The monthly prices are then converted to 2022 real dollars. Please refer to column O:P in the "RI Gas CO" tab in Attachment Division 1-8.
- The annual residential natural gas prices are the weighted sum of monthly prices where the weights are monthly share of annual usage of a typical residential heat customer. Please refer to column Q, U, and V in the "RI_Gas_CO" tab in Attachment Division 1-8.
- The fixed and variable charges can be found in the "Rates" tab in Attachment Division 1-8. The last historical data point for calculating the prices is April 2022.
- b. The residential natural gas price for the projected years is calculated using the same steps as described in part a except that the monthly typical bills for the projected years are obtained by extrapolating the historical monthly typical bills using the Energy Information Administration's (EIA) short term energy outlook (STEO) natural gas price forecast until 2023 and then using EIA's annual energy outlook (AEO) natural gas price forecast for years 2024 2032.
 - The EIA's STEO and AEO forecast for residential natural gas is for New England Region released in March 2022. The natural gas price forecasts are furnished in the "RI Gas State" tab in Attachment Division 1-8 in columns N:K.
- c. The forecast of a typical monthly bill for residential heat customer for the year 2023 and hence the price of residential natural gas price is developed by applying the monthly growth rates of EIA's STEO to the year 2022 monthly typical bills. Since the EIA's STEO projections for New England region show a decline in residential natural gas prices from 2022 to 2023, the expected Company's residential natural gas price also declines.
- d. The Company's residential natural gas customer prices expectations for the forecast horizon is driven by the EIA's STEO and AEO. The January 2023 EIA STEO New England region residential natural gas prices are higher than the March 2022 release and, accordingly, the Company would expect higher forecasted prices since June 30, 2022 if the Company uses the latest STEO release. A comparison of price projections is shown below.

Division 1-8, Page 3



Attachment Division 1-8

Division 1-9

Request:

Please provide the Company's assessment of the impacts of gas price elasticities on forecasted volumes by rate class.

Response:

In creating its 2022 annual retail forecast, the Company determined econometric models for its meter count and the use-per-customer for four separate rate groups: residential non-heating, residential heating, commercial, and industrial customers. While the Company's meter count models are continuous time-series models, each of its use-per-customer models are divided into two models: heating season and non-heating season. The Company creates these two separate use-per-customer models for each rate group since usage in the heating season is significantly different than in the non-heating season.

For its meter count models, the Company is looking for changes in meter counts attributed to conversions from non-natural gas heating or from new construction. Economic theory leads the Company to test the gas-to-oil price ratio values as potential drivers of changes to meter counts, along with other economic variables.

For its use-per-customer models, the Company is looking for changes in usage of its natural gas customers. Economic theory leads the Company to test the price of natural gas itself as a potential driver of changes to use-per-customer, along with other economic variables.

Among all its models, the Company only found one model, its commercial heating season use-per-customer model, where a gas price variable was statistically significant. With a coefficient of -12.98, an increase in price would lead to a decrease in use-per-customer. As an example, in the forecast month, March 2022, commercial natural gas price was forecasted to be \$13.28/Dth (P) and, based on the Company's regression model, commercial use-per-customer would be 713 therms/month (Q). Increasing the natural gas price by one dollar (dP) to \$14.28 causes the use-per-customer to drop by 13 therms (dQ) to 700 therms/month. The price elasticity of the commercial use-per-customer is then dQ/Q divided by dP/P which is -0.018 divided by 0.075 or negative 0.24.

Division 1-10

Request:

Please document and explain the Company's assessment of gas energy efficiency improvements and conservation initiatives on annual gas supply requirements by rate class for Aquidneck Island for the years PY2023 through PY2032.

Response:

The Company's response to Division 1-9 describes how the Company performs an econometric forecast using its retail billing data to forecast future retail gas demand under normal weather conditions.

The Company's response to Middletown 1-6 explains that, since the Company's forecast is developed using its historical billing data of customer net gas demand, its econometric analysis of its historical net natural gas demand reflects its historical successes in implementing its energy efficiency programs. Thus, in the forecast period, the Company will reduce its econometric forecast by only the amount of its energy efficiency programs' annual targeted reductions which exceeds its historical average. The projected energy efficiency ("EE") savings for 2022 were based on the goals set forth in the Company's 2022 Annual Energy Efficiency Program Plan filed with the Public Utilities Commission in Docket No. 5189. Because there were no filed goals after 2022, the Company made assumptions about how levels of EE continue based on its experience implementing EE programs and the level of EE saturation in market. From 2023 to 2027, EE savings are held flat at 2022 levels. Post 2027, savings decline from the 2027 level at 5% year-over-year because of assumed market saturation and higher baselines reducing claimable savings. These energy efficiency programs are divided into two categories: behavioral and persistent. Behavioral programs (e.g., mailings to inform customers of their energy consumption patterns) require annual contact to maintain the reductions expected through outreach. Persistent programs are ones expected to provide annual reductions once installed throughout the lifetime of the measure.

The growth rate of the resulting forecast that incorporates its incremental EE reductions is then applied to its springboard historical wholesale volumes to determine its econometrically-driven wholesale customer requirements on a daily basis under normal and design weather for the planning years ("PY") 2023 through PY 2032. Additionally, the Company did include the

Division 1-10, Page 2

projected impact of its demand response programs on the design day within the design year, the coldest day within the Company's forecast.

As described in the Company's response to Division 1-4, the Company uses the Company-wide growth rate of its adjusted wholesale customer requirements forecast to create a forecast of wholesale customer requirements specific to Aquidneck Island based on Island-specific analysis of its most-recent springboard historical year and applying the Company-wide growth rate to the springboard. This forecast of annual wholesale customer requirements for Aquidneck Island is provided as Attachment Division 1-13-4 to the Company's response to Division 1-13.

As mentioned in its response to Middletown 1-6, the Company's 2022 Q2 forecast incorporated the effects of known and quantifiable programs addressed at demand reduction. As further programs arising from energy policies to address demand reduction become approved and quantifiable, the Company's forecast can incorporate their effects on net natural gas demand.

Division 1-11

Request:

Please document and explain the Company's assessment of gas energy efficiency improvements and conservation initiatives on Peak Hour gas supply requirements by rate class for Aquidneck Island for the years PY2023 through PY2032.

Response:

As described in the Company's response to Division 1-10, for its 2022 Q2 forecast, the Company performed an econometric forecast using its retail billing data to forecast future retail gas demand. The Company reduced its econometric forecast based on its retail billing data only the amount of its energy efficiency programs' targeted reductions by the amount that exceeds its historical average. The forecasted retail volume growth rate was used to project its wholesale volume forecast and then the wholesale volume forecast of its design day was additionally decremented by the forecasted impact of the Company's demand response programs.

As described in the Company's response to Division 1-4, the Company used the Company-wide growth rate of this adjusted wholesale customer requirements forecast to create a forecast of wholesale customer requirements specific to Aquidneck Island based on Island-specific analysis of its most-recent springboard historical year and applying the Company-wide growth rate to the Island springboard. The Company's forecast of Aquidneck Island wholesale customer requirements under design weather conditions also included its forecast of the Island's design day requirements. Peak hour, defined as five percent of the design day, then reflected the impact of the Company's energy efficiency and demand response programs. This forecast of peak (design) hour wholesale customer requirements for Aquidneck Island is provided in Attachment Division 1-13-4 to the Company's response to Division 1-13.

Division 1-12

Request:

Please identify the dollar amounts for gas energy efficiency programs that RIE has budgeted by year through PY2032 and the portions of those budgeted dollar amounts (if any) that are targeted to reduce gas use on Aquidneck Island

Response:

The Company's 2023 Annual Energy Efficiency Plan, as approved by the Public Utilities Commission in Docket No. 22-33-EE, provides for a gas energy efficiency program budget of \$36,931,500. The energy efficiency measures funded by the budget are intended to be deployed on a statewide basis and are not specifically targeted to Aquidneck Island. The Company has not developed energy efficiency budgets for plan years after 2023.

Division 1-13

Request:

RIE's June 30, 2022, "Gas Long-Range Resource and Requirements Plan for the Forecasted Period 2022/23 to 2026/27," Exhibit 2, includes a note 2) that references "the region focused June 2022 forecast for Aquidneck Island." Please provide the referenced "region focused June 2022 forecast for Aquidneck Island," as well as the workpapers, data, assumptions, models, and analyses relied upon to support the referenced forecast for Aquidneck Island.

Response:

As stated in the Company response to Data Request Division 1-4, in its modeling of natural gas demand for Aquidneck Island, the Company did not perform econometric forecasting of retail meter count (or use-per-customer) for Aquidneck Island since there is no Island-specific econometric data with which to perform the retail econometric regression analysis. The Company does perform forecasting of Aquidneck Island wholesale volumes based on its analysis of its most-recent Island-specific springboard historical wholesale volumes for its Sales and FT-2 (SFT2), FT-1 (FT1), capacity-exempt (Firm_CE), and non-firm groups (there are no non-firm customers included in the Aquidneck Island forecast). The Company then applies the Company-wide wholesale growth rate to the Aquidneck Island wholesale springboard.

Please refer to the Attachments herein:

| Attachment | <u>Description</u> |
|----------------------------|---|
| Attachment Division 1-13-1 | Using the SFT2 springboard equation, the Company determines their springboard normal and design year volumes by day. |
| Attachment Division 1-13-2 | Using the FT1 springboard equation, the Company determines their springboard normal and design year volumes by day. |
| Attachment Division 1-13-3 | Using the Firm_CE springboard equation, the Company determines their springboard normal and design year volumes by day. |

Division 1-13, Page 2

| Attachment Division 1-13-4 | The Company applies the growth rates in its |
|----------------------------|---|
| | Company-wide wholesale volume forecast by |
| | SFT2, FT1, and Firm_CE to the Aquidneck |
| | Island springboards to forecast the Aquidneck |
| | Island wholesale volumes. |
| | |

Attachment Division 1-13-1

Attachment Division 1-13-2

Attachment Division 1-13-3

Attachment Division 1-13-4

Division 1-14

Request:

Please document, explain, and provide workpapers to support RIE's efforts to consider the potential impact of the Act of Climate initiative on forecasted annual and peak hour gas supply requirements for Aquidneck Island.

Response:

As summarized in Rhode Island Energy's Gas Long Range Plan ("LRP") in Docket No. DG 22-06-NG, the Company recognizes the Act on Climate and the future strategies employed to decarbonize the gas and electric sectors present implications for the Company's gas load and supply. As noted in that docket, the current gas LRP has incorporated demand side measures that contribute to decarbonization requirements. The Company is committed to advancing Rhode Island's Act on Climate's net-zero greenhouse gas emissions future by 2050 and supports the various efforts underway to further develop the plans for the implementation of Act on Climate requirements including through the Public Utilities Commission ("PUC") initiated Docket No. 22-01-NG. Rhode Island Energy is an active participant in Docket No. 22-01-NG and submitted comments on October 21, 2022, with respect to the scope of this proceeding. On January 3, 2023, the PUC adopted and communicated the purpose of this docket. Rhode Island Energy will work with the PUC, the Division of Public Utilities and Carriers, customers, and other stakeholders to evaluate recommendations resulting from Docket No. 22-01-NG or other related subsequent proceedings. As future impacts on the natural gas distribution business are known as a result of the Act on Climate or Docket No. 22-01-NG, Rhode Island Energy will evaluate those future impacts as well as the impacts associated with the key policy priorities outlined by the PUC such as reliability, cost, equity, energy burden, and economic sustainability.