

May 30, 2013

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4397 - Review of Energy Efficiency and Advanced Gas Technology  
Incentives For 12.5 MW Combined Heat and Power System  
Supplemental Response to Division Data Request 2-7**

Dear Ms. Massaro:

On behalf of National Grid<sup>1</sup> attached is the Company's supplemental response to Division Data Request 2-7 in the above-captioned proceeding.

Please be advised that the Company is seeking protective treatment of the confidential attachment to this supplemental response, identified as Attachment DIV 2-7-Supplemental, as permitted by Commission Rule 1.2(g) and by R.I.G.L. § 38-2-2(4)(i)(B). The Company has submitted a Motion for Protective Treatment under separate cover along with a copy of the confidential attachment to the Commission pending a determination on the Company's Motion. The Company has submitted a redacted version of this attachment for the public record. In addition, the Company plans to provide a copy of the confidential attachment to the Division upon the execution of a non-disclosure agreement.

Thank you for your attention to this filing. If you have any questions concerning this transmittal, please feel free to contact me at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4397 Service List  
Leo Wold, Esq.  
Steve Scialabba, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (hereinafter referred to as "National Grid" or the "Company").

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Paper copies of this filing were hand delivered to the Rhode Island Public Utilities Commission.

May ' 5, 2013

Joanne M. Scanlon

Date

**Docket No. 4397 - National Grid - Energy Efficiency and Advanced Gas Technology Incentives for 12.5 MW CHP System Package to Toray Service list updated 3/11/13**

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|   | <a href="mailto:Anault@puc.state.ri.us">Anault@puc.state.ri.us</a>                             |              |
|   | <a href="mailto:Adalessandro@puc.state.ri.us">Adalessandro@puc.state.ri.us</a>                 |              |
|   | <a href="mailto:Nucci@puc.state.ri.us">Nucci@puc.state.ri.us</a>                               |              |
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**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

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**National Grid  
Review of Energy Efficiency and Advanced  
Gas Technology Incentives for Toray Plastics'  
12.5 MW Combined Heat and Power System**

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Docket No. 4397

**MOTION OF THE NARRAGANSETT ELECTRIC COMPANY,  
D/B/A NATIONAL GRID  
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

Now comes The Narragansett Electric Company, d/b/a National Grid (“Company”) and hereby requests that the Rhode Island Public Utilities Commission (“Commission”) grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(i)(B).

**I. BACKGROUND**

On May 30, 2013, the Company is filing with the Commission its supplemental response to the Rhode Island Division of Public Utilities and Carriers’ (“Division”) Data Request 2-7. In the Division’s May 17, 2013 memorandum regarding the Advanced Gas Technology incentive, the Division referred to the Company’s response to Division Data Request 2-7, and requested that the Company provide a copy of the draft gas service agreement between the Company and Toray Plastics (America), Inc. (“Toray”) for the provision of firm gas service in connection with the combined heat and power (“CHP)

system, which is the subject of this docket. In support of its supplemental response to Division Data Request 2-7, National Grid is providing redacted and un-redacted versions of the draft gas service agreement, identified as Attachment DIV 2-7-Supplemental. The un-redacted version of Attachment DIV 2-7-Supplemental is in draft form and contains the terms of the Company's proposal to one of its customers for gas service, including price and other business terms that have not yet been finalized and accepted by Toray. In addition, the draft agreement contains customer account and other identifying information, which the Company has historically considered as confidential and proprietary to the customer. Therefore, National Grid requests that the Commission give the un-redacted version of Attachment DIV 2-7-Supplemental confidential treatment.

## **II. LEGAL STANDARD**

Rule 1.2(g) of the Commission's Rules of Practice and Procedure provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1, *et seq.* Under 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.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, 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.G.L. §38-2-2(4)(i)(B) provides that the following 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 the determination as to whether this exemption applies requires the application of a two-pronged test set forth in Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I.2001). The first prong of the test assesses whether the information was provided voluntarily to the governmental agency. Providence Journal, 774 A.2d at 47. If the answer to the first question is affirmative, then the question becomes whether the information is “of a kind that would customarily not be released to the public by the person from whom it was obtained.” Id.

In addition, the Court has held that the agencies making determinations as to the disclosure of information under APRA may apply the balancing test established by the Court in Providence Journal v. Kane, 577 A.2d 661 (R.I.1990). Under this balancing test, 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.

### **III. BASIS FOR CONFIDENTIALITY**

Customer identifying information has historically been deemed proprietary to each customer, and customers have come to expect that National Grid will maintain this information on a confidential basis. In addition, the material contract terms that are the subject of the Company’s proposal to provide firm gas service to Toray’s CHP system

have not yet been accepted by Toray and remain subject to change. Public disclosure of this information would substantially harm National Grid's customer who has not otherwise consented to the public disclosure of its information, and would adversely affect National Grid's competitive position in the marketplace. Moreover, such disclosure would undermine National Grid's integrity with its customers.

**V. CONCLUSION**

In light of the foregoing, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

**THE NARRAGANSETT ELECTRIC  
COMPANY**

By its attorney,



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Jennifer Brooks Hutchinson (RI #6176)  
280 Melrose Street  
Providence, RI 02907  
(401) 784-7288

Dated: May 30, 2013

The Narragansett Electric Company  
d/b/a National Grid  
Docket No. 4397  
In Re: Review of Energy Efficiency and  
Advanced Gas Technology Incentives for  
Toray Plastics' 12.5 MW CHP Project  
Responses to the Division's Second Set of Data Requests  
Issued April 4, 2013

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Division 2-7- Supplemental

Request:

Is there any form of guarantee or assurance from Toray regarding the estimated incremental margin revenue? Is there a gas service agreement between National Grid and Toray that addresses the incremental gas service requirements and/ or revenue margin guarantees over any time period? If there is a gas service contract between Toray and National Grid for the supply of increased gas service volumes, please provide a copy to the Division, as well as a copy of any existing gas service contracts between National Grid and Toray for the affected service.

Response:

The Company does not have a form of guarantee or assurance from Toray regarding the estimated incremental margin revenue. The Company has prepared a draft gas service agreement for Toray pursuant to its standard gas tariff (Extra Large, High Load Factor Rate (Rate #24)(FT #1 Service)) for the provision of firm gas service to Toray's new 12.5 MW Combined Heat and Power System. This draft agreement provides that the new cogeneration system and Toray's existing cogeneration system will consume approximately 1,432,000 decatherms of natural gas per year on a firm, non-interruptible basis, and that, over a five-year period, these two gas fired cogeneration systems will consume approximately 7,160,000 decatherms of natural gas on a firm, non-interruptible basis. The agreement will be finalized and executed pending the Commission's approval of the incentive package for the CHP project.

Please see Attachment DIV 2-7-Supplemental for a copy of the draft gas service agreement. Because the agreement is still in draft form, and contains account and other confidential customer information, the Company is submitting a redacted copy of the agreement, subject to a motion for confidential treatment.

Prepared by or under the supervision of: Mark DiPetrillo





## Terms and Conditions of Commercial Gas Service Agreement

1. Applicant agrees to pay National Grid to aid in the construction of the natural gas service line and associated main work required to provide service to the Premises. In the event that the actual service line length exceeds the estimated footage, National Grid may bill the property owner at a rate of (Excess Footage Fee) over the estimated service line length.
2. Once the meter is set, the Applicant becomes the customer of record and National Grid will commence billing the Applicant. The Applicant agrees to pay for gas service pursuant to the applicable rate classification and in accordance with National Grid's Terms and Conditions, as filed from time to time with the Rhode Island Public Utilities Commission.
3. National Grid will take reasonable measures to minimize damage to Applicant's property. National Grid will not be responsible for private property restoration.
4. National Grid will install the necessary natural gas distribution system to the site, subject to weather conditions and all federal, state and local codes and permit requirements.
5. Notwithstanding the foregoing, National Grid may, at any time, terminate this Agreement without any further obligations, in the event of one of the following "Triggering Conditions": (a) it discovers that there is no active natural gas main in close proximity to Applicant's property for which a service connection can be made in a reasonably cost effective manner (b) it discovers conditions (including, without limitation, ledge, steep grades, and retaining walls), that would, in National Grid's judgment, materially increase the cost of installation, or (c) the fees for the required permits are significantly in excess of what is typical for such work (d) National Grid is unable to obtain the necessary permits to install the gas service line. In the event of a Triggering Condition, National Grid shall consider any Applicant proposals for an adjustment of price.
6. National Grid will not be responsible for delays or damages associated with the installation of a gas service line due to weather or the issuance of permits, nor will it be responsible for damages attributable to unforeseen conditions beyond its control.
7. (New Construction Only) Applicant shall construct, or cause the construction of all necessary water lines, sewer lines, roads and electrical lines, and will perform other necessary work required to prepare the site for the installation.
8. Applicant shall provide all easements and rights-of-way necessary for National Grid to install natural gas distribution lines required to provide service to the Premises.
9. National Grid will accept or modify the meter location shown on the front of this form based upon its installation requirements.
10. Applicant assumes full and complete responsibility for any and all costs associated with any environmental contamination encountered by National Grid during the installation, including but not limited to the costs to clean up or remediate such contamination.
11. In the event that environmental contamination is encountered during the installation, all work shall cease and National Grid shall provide oral and written notice to the Applicant within a reasonable time. Thereafter, National Grid shall have no further obligations under this agreement.
12. Applicant shall, to the fullest extent permitted by law, indemnify, hold harmless and release National Grid, its parent company, affiliates and subsidiaries and their respective directors, officers, employees, agents, servants, representatives, successors and assigns from and against all claims, demands, liabilities or expenses related to environmental contamination at or in the vicinity of the Premises. This indemnity and release provision survives the expiration or termination of the Agreement and extends to the respective successors and assigns of National Grid and Applicant.
13. National Grid shall own the natural gas distribution system up to the outlet side of each individual customer meter.
14. All installations where excavating and back filling are to be performed by Applicant or his/her designee will be performed in compliance with National Grid's specifications, and the installation shall not commence until said trench is inspected and accepted by a representative of National Grid.
15. In the event that the gas equipment identified on the front of this agreement is not installed and in use within six months of the date of installation of the service line, the Applicant agrees to pay National Grid for the cost of installing all gas lines necessary to serve Premises, minus any prior contribution in aid of construction made to National Grid.
16. Prior to the start of the work described on the front of this agreement, Applicant is responsible for marking out any underground facilities on their property that are not marked out as a result of National Grid's notification of the Dig Safe system.
17. This Agreement may be modified only by a writing signed by National Grid and Applicant; any verbal representations or modifications by National Grid employees or others shall be null and void.
18. The laws of the State of Rhode Island shall govern this Agreement.
19. If Applicant changes the primary fuel from natural gas to an alternate fuel source during the first five (5) years after billing commences, National Grid reserves the right to reevaluate the financial impact of this change and bill Applicant for a portion of its original investment.
20. If any terms of this agreement or portions thereof are declared or become invalid or unenforceable, the remainder of this Agreement shall continue in full force effect.



**Transmittal Coversheet**  
**Natural Gas Load Approval Memorandum**

**Toray Plastics, America**  
**TPA Cogen Project #2**  
**50 Belver Avenue**  
**(Quonset Point Industrial Park)**  
**North Kingstown, RI 02852**

**Date:** April 17, 2013

**To:** Mr. Shigeru Osada  
Vice President of Engineering, Maintenance & EHS  
Toray Plastics (America), Inc  
50 Belver Avenue  
North Kingstown, RI 02852

**Fax:** [REDACTED]

**From:** Joseph McLoughlin  
Account Manager  
Sales & Sales Operations  
National Grid  
280 Melrose Street  
Providence, RI 02907

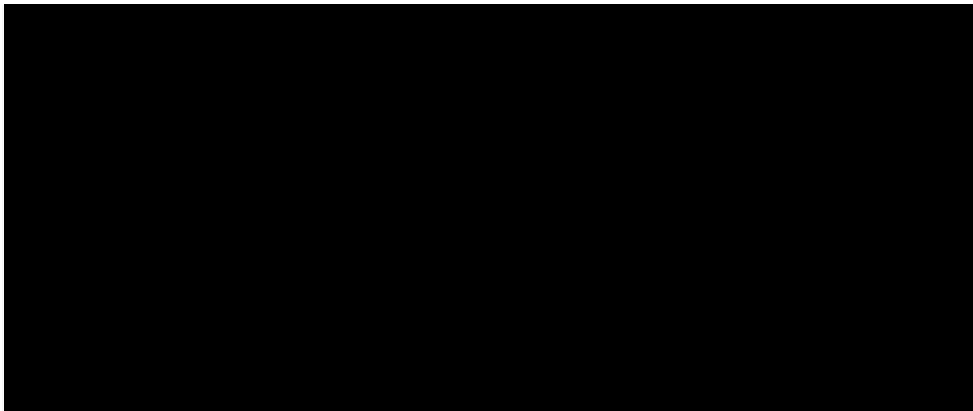
**Office Phone:** [REDACTED]  
**Cell Phone:** [REDACTED]

**Fax:** [REDACTED]  
**Email:** [REDACTED]

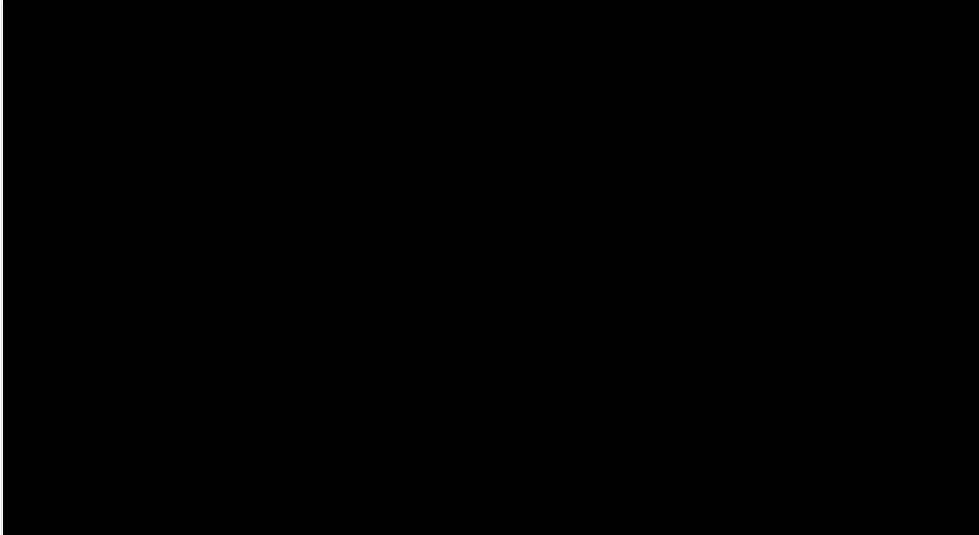
**Re:** Gas Load Approval Letter for New Gas Cogeneration Project (TPA Cogen Project #2)

**Cc:** John Isberg/National Grid  
Mark Dipetrillo/National Grid  
Jed Ferris/National Grid  
Gerry Mirabile/National Grid  
Paul Stasiuk/National Grid  
Jennifer Brooks Hutchinson/National Grid

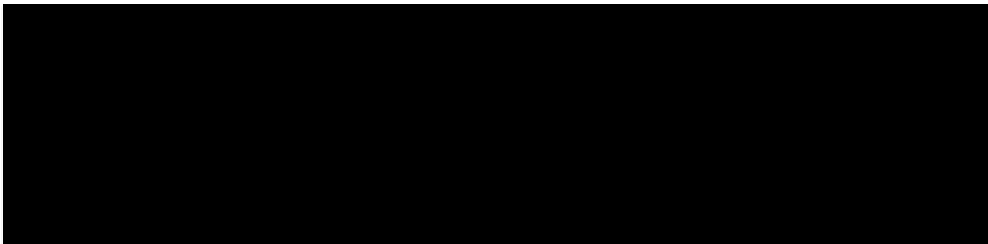
Dear Mr. Osada:



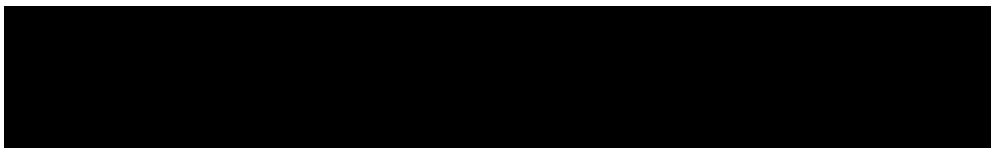
A complete listing of the gas equipment that NGrid shall provide gas service to, along with the maximum hourly gas flows, is shown below in that table entitled "**Table #1, Provision of Firm, Non-Interruptible Gas Service to TP(A)'s existing LBP, TC #1, the LHMP and TC #2 at 50 Belver Avenue in North Kingstown, Rhode Island.**"



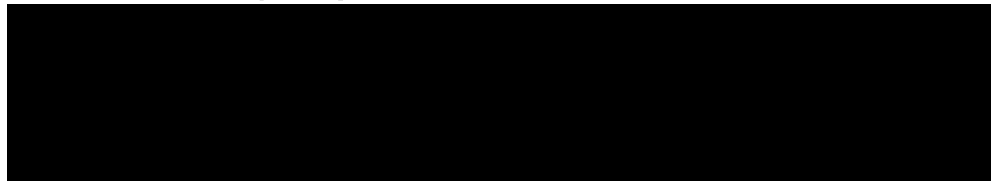
**Contribution in aid of construction ("ciac")**



**Use of the existing NGrid gas meter station which provides firm gas service to TC #1 for additional firm gas service to TC #2**



**Modification of the existing NGrid gas account for TC #1 & TC #2**



**Timetable for construction of new gas main**



**Regulatory & Safety Approval**

The installation of the TC #2 and all associated natural gas piping must be completed in accordance with the Rhode Island State Building Code, the National Fuel Gas Code (NFPA-54-ANSI Z-223 1) and any Town of North Kingstown municipal pipefitting, plumbing and fire safety codes that are applicable to this installation. NGrid cannot provide natural gas service to this account until TP(A) has complied with all proper state and municipal pipefitting, building and fire safety codes and properly executed all associated administrative forms and licenses with the appropriate regulatory authorities

**Agreement for Installation of Natural Gas Service**

Attached to this letter is the Contract, which sets forth the terms and conditions of National Grid's agreement to supply firm gas service to the TC #2. The terms and conditions contained in this letter are expressly conditioned upon the full execution of the Contract, and shall be incorporated by reference in the Contract and made a part thereof. Should this offer be acceptable to TP(A), please execute the Contract and return two (2) originals to me. In turn, I will counter-execute the Contract and return a fully-executed original to you for your records.

**Credit Deposit**



Mr. Osada, thank you for considering firm, non-interruptible natural gas service from NGrid for this exciting new project. Please call me if you have any questions related to this contract.

Cordially,

*Joe McLoughlin*

Joseph McLoughlin  
Account Manager  
National Grid  
Sales & Sales Operations  
Providence, RI

**AGREED TO AND ACCEPTED THIS \_\_\_ DAY OF APRIL, 2013**

**TORAY PLASTICS (AMERICA), INC.**

By: \_\_\_\_\_

Name: Shigeru Osada

Title: Vice President of Engineering, Maintenance & EHS