

STATE OF RHODE ISLAND  
DIVISION OF PUBLIC UTILITIES AND CARRIERS  
MEMORANDUM

TO: LULY MASSARO  
PUC CLERK

DATE: APRIL 20, 2017

FROM: STEPHEN SCIALABBA  
DPUC

SUBJECT: DOCKET 4610, ENVIRONMENTAL RESPONSE FUND PROVISION  
RIPUC No. 2164, NATIONAL GRID REQUESTS TO ADD CERTAIN SITES TO  
THE LIST OF SITES IN THE TARIFF. (REPLACE No. 2164 WITH TARIFF No.  
2173)

National Grid has filed three separate requests to add sites to the List of Eligible Sites in its Environmental Response Fund (ERF) Provision Tariff RIPUC No. 2164. These requests are as follows:

- 1). On November 9, 2016, National Grid proposed to add a site identified as the Admiral Street Site, described as an electric cable termination yard located at 129 Admiral Street in Providence. As responded to in PUC data requests, Narragansett Electric has owned the site since 1929 and is the only entity responsible for remediation of the site. As more fully described in the Company's filing, remediation is necessary due to the discovery of various chemicals associated with electrical equipment in the soil. The Company has estimated a total cost to remediate the site of \$365,000 from FY17 forward. Remediation costs incurred prior to FY 17 will not be recovered through the ERF. The projected timeline to complete remediation activities is approximately March of 2018.
- 2.) On January 5, 2017, National Grid proposed to include a site identified as the Wakefield No. 17 Substation Site to the list of eligible site contained in the Company's ERF tariff. This site is located at 19 Old Tower Hill Road in South Kingstown. The Company had identified some environmentally compromised conditions in 1994, and again in 2003 and the Company and State DEM engaged in monitoring activities. More recently, this substation went through significant modifications and reconfiguration activities associated with the Block Island Cable project (the sea2shore construction project). The sea2shore project required significant excavation work, and associated PCB remediation. While the sea2shore project is now completed, PCB Remediation Waste is still on-site and additional assessment and remediation is required, according to National Grid's filing. Costs incurred in September and October 2016 associated with site assessment were \$15,000. The Company reports all future costs at an estimate of \$272,000.
- 3.) On February 13, 2017, National Grid proposed to include a site identified as the Lakewood No. 57 Substation site in its tariffed list of sites eligible for ERF recovery. This substation is located at 18 Lakewood Avenue in Warwick, and has been owned by Narragansett Electric since

1929. In performing pre-construction activities in late 2016, the Company's testing identified PCBs in concrete and soils in the proposed construction areas. Construction activities at the site concluded at the end of January of 2017. The Company estimates future remediation work to cost \$89,000.

Under prior approved regulatory Agreements and Decisions, the Company has accrued a fixed monthly sum into the Environmental Response Fund. The amount approved in Docket 4323, the most recent rate case, was \$256,000 monthly, or \$3,078,000 annually. The fund balance in the fund at the end of FY15 was \$3.9 million. The fund balance at the end of FY16 was \$5.4 million.

I am of the opinion that the addition of the three proposed sites described above is consistent with the purpose and intent of the ERF Provision and recommend that the sites be included as eligible sites in the proposed tariff modification request.