

November 9, 2016

VIA OVERNIGHT COURIER AND ELECTRONIC MAIL

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

**RE: Docket 4610 – Electric Environmental Response Cost Report
Fiscal Year 2016**

Dear Ms. Massaro:

In accordance with National Grid's¹ Environmental Response Fund Tariff, RIPUC No. 2164, Sheet 2, subparagraph (C), enclosed are ten (10) copies of the Company's Environmental Response Cost Report for its electric operations for the period April 1, 2015 through March 31, 2016 (Fiscal Year 2016) in the above-captioned proceeding.

Today, under separate cover in this docket, the Company is filing a request for PUC approval to add one additional environmental site to the list of environmental sites included in RIPUC No. 2164 at Sheet 2, subparagraph (D). RIPUC No. 2164 at Sheet 1, subparagraph (A) provides the Company the right to propose additions to the list of sites at the time the Company files its annual Environmental Response Cost Report.

Thank you for your attention to this filing. Please contact me directly at 781-907-2153 if you have any questions concerning this matter.

Very truly yours,



Celia B. O'Brien

Enclosures

cc: Docket 4610 Service List
Leo Wold, Esq.
Steve Scialabba, Division

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

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers by overnight courier.



Celia B. O'Brien

November 9, 2016

Date

**Docket No. 4610 – National Grid – Electric Environmental Response Fund
Service List as of 5/11/16**

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**THE NARRAGANSETT
ELECTRIC COMPANY**
d/b/a National Grid

**ENVIRONMENTAL RESPONSE
COST REPORT
FOR THE PERIOD
APRIL 1, 2015 THROUGH
MARCH 31, 2016**

Docket No. 4610

Submitted to:

**Rhode Island Public Utilities
Commission**

Submitted by:

nationalgrid

EXECUTIVE SUMMARY

This document contains the Environmental Response Fund (Fund) Report for The Narragansett Electric Company d/b/a National Grid (Company) for the period April 1, 2015 through March 31, 2016 (fiscal year 2016). This report is filed in accordance with RIPUC No. 2164, Sheet 2, subparagraph (C).

Section I contains a monthly summary of contributions to the Fund and payments from the Fund to calculate the Fund balance for fiscal year 2016, including interest at the customer deposit rate.

Section II contains a summary of payments by expense type, as well as a breakdown of expenses for each environmental site listed in RIPUC No. 2164, Sheets 2-3, subparagraph (D).

Section III includes Attachments 1 and 2 to this document. Attachment 1 contains additional detail regarding contractor costs associated with the various environmental sites during fiscal year 2016. Attachment 2 contains additional detail regarding consultant costs associated with the various environmental sites during fiscal year 2016.

Backup data for each environmental site such as invoices, purchase orders, and requests for checks are available for review upon request.

RHODE ISLAND PUBLIC UTILITIES COMMISSION
ENVIRONMENTAL RESPONSE COST REPORT
APRIL 1, 2015 THROUGH MARCH 31, 2016

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SECTION I

THE NARRAGANSETT ELECTRIC COMPANY

ENVIRONMENTAL RESPONSE COSTS

APRIL 1, 2015 THROUGH MARCH 31, 2016

ENVIRONMENTAL RESPONSE FUND AND RELATED INTEREST CALCULATION

The Narragansett Electric Company (co49) 5360
Environmental Response Fund and Related Interest Calculation

04/01/2015 to 03/31/2016

<u>Period</u>	<u>Beginning Balance</u>	<u>Contributions (1)</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Interest Base (2)</u>	<u>Interest Rate (3)</u>	<u>Interest</u>	<u>Fund Balance (4)</u>	<u>Cumulative Fund Balance</u>
April-15	\$3,890,160	\$256,500	37,689	\$4,108,971	\$3,999,566	2.54%	\$8,466	\$4,108,971	\$4,117,437
May-15	\$4,108,971	256,500	68,866	\$4,296,605	\$4,202,788	2.54%	\$8,896	\$4,296,605	\$4,313,967
June-15	\$4,296,605	256,500	90,019	\$4,463,086	\$4,379,846	2.54%	\$9,271	\$4,463,086	\$4,489,719
July-15	\$4,463,086	256,500	259,034	\$4,460,552	\$4,461,819	2.54%	\$9,444	\$4,460,552	\$4,496,629
August-15	\$4,460,552	256,500	212,426	\$4,504,626	\$4,482,589	2.54%	\$9,488	\$4,504,626	\$4,550,191
September-15	\$4,504,626	256,500	325,676	\$4,435,450	\$4,470,038	2.54%	\$9,462	\$4,435,450	\$4,490,477
October-15	\$4,435,450	256,500	32,184	\$4,659,766	\$4,547,608	2.54%	\$9,626	\$4,659,766	\$4,724,419
November-15	\$4,659,766	256,500	68,593	\$4,847,673	\$4,753,720	2.54%	\$10,062	\$4,847,673	\$4,922,388
December-15	\$4,847,673	256,500	208,052	\$4,896,121	\$4,871,897	2.54%	\$10,312	\$4,896,121	\$4,981,148
January-16	\$4,896,121	256,500	200,330	\$4,952,291	\$4,924,206	2.54%	\$10,423	\$4,952,291	\$5,047,741
February-16	\$4,952,291	256,500	144,239	\$5,064,553	\$5,008,422	2.54%	\$10,601	\$5,064,553	\$5,170,604
March-16	\$5,064,553	266,500	90,281	\$5,240,772	\$5,152,662	2.14%	\$9,189	\$5,240,772	\$5,356,012
		\$3,088,000	1,737,388		Fund balance plus current year interest		\$115,240	\$5,356,012	

(1) Reflects the annual contributions of \$3.078 million pursuant to Commission Order 17354, issued January 29, 2003 in Docket 2930. An additional \$10,000 in insurance recovery from English & American Insurance Company, Ltd. was credited in March 2016.

(2) Interest base reflects a simple average of the beginning and ending balances.

(3) The interest rate and associated interest calculation are based upon the methodology for calculating interest on customer deposits. Interest is compounded annually and is credited only in months with a positive fund balance. The interest rate changed from 2.54% to 2.14% effective March 1, 2016.

(4) Positive fund balance indicates overfunded situation; negative fund balance indicates underfunded situation.

Narragansett Electric Company - co49 / 5360
 Environmental Response Fund Receipts
 Fiscal Year 2016

	<u>Monthly Contribution (1)</u>	<u>Insurance Settlement (2)</u>	<u>Minster Insurance Co.</u>	<u>Insolvent Mentor Insurance</u>	<u>Mendes and Mount LLP (a)</u>	<u>Mendes and Mount LLP</u>	<u>Orion</u>	<u>London & Overseas</u>	<u>Totals</u>
April 2015	256,500								256,500
May	256,500								256,500
June	256,500								256,500
July	256,500								256,500
August	256,500								256,500
September	256,500								256,500
October	256,500								256,500
November	256,500								256,500
December	256,500								256,500
January 2016	256,500								256,500
Feb-2016	256,500								256,500
March-2016	256,500	10,000							266,500
	<u>3,078,000</u>	<u>10,000</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,088,000</u>

(1) Reflects the annual contributions of \$3.078 million pursuant to Commission Order 17354, issued January 29,2003 in Docket 2930.

(2) Reflects insurance recovery check received from English & American Insurance Company, Ltd.

SECTION II

THE NARRAGANSETT ELECTRIC COMPANY

ENVIRONMENTAL RESPONSE COSTS

APRIL 1, 2015 THROUGH MARCH 31, 2016

MGP AND OTHER ENVIRONMENTAL SITES COST SUMMARY

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

A. Washington Street, Bristol

This is the site of a former manufactured gas plant site located at the corner of Hope and Washington Street in Bristol, RI. The plant was constructed in 1855 and operated until approximately 1903 before moving operations to a plant on Thames Street in Bristol. The site is approximately 4 acres and is now the front lawn of the Guiteras Middle School. A portion of the site has been capped and is monitored annually. Activities performed in fiscal year 2016 included annual groundwater sampling; cap inspection, minor cap repair and reporting; and preparation of regulatory submittals.

		Payments During this Period	Payments to date
1	Consulting Costs	\$11,442	\$387,598
2	Construction/Disposal/Removal Costs	\$905	\$278,139
3	DEM/EPA Oversight Costs	\$0	\$375
4	Property Purchases/Settlements/Legal	\$0	\$0
5	Other Costs		
	Project Management	\$3,058	\$53,246
	Water Bill Payment for 15 Bay St.	\$0	\$3,270
	Permit Application Fees	\$0	\$1,750
	Miscellaneous	\$0	\$486
	RI General Treasurer Reimbursement	\$0	\$604
	Total	\$15,405	\$725,468

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

B. Thames Street, Bristol

This is the site of a former manufactured gas plant located on Thames Street in Bristol, RI. The former gas plant is now a part of the parking lot and pool area of a residential condominium development (completed by others). During development, the condominium developer remediated the upland portion of the former gas plant via the construction of a containment wall and cap. The Company negotiated a settlement with the developer in which the Company reimbursed the developer for costs associated with the RI Department of Environmental Management (RIDEM)-required upland environmental remediation and secured an Environmental Land Usage Restriction (ELUR) and Easement on the property. The settlement did not address impacted sediments off-shore of the condominium development. In fiscal year 2016, the Company performed the RIDEM-required annual inspection of the engineered cap for the ELUR.

	Payments During this Period	Payments to date
1 Consulting Costs	\$1,072	\$1,144,412
2 Construction/Disposal/Removal Costs	\$0	\$36,877
3 DEM/EPA Oversight Costs	\$0	\$12,226
4 Property Purchases/Settlements/Legal	\$1,917	\$3,020,345
5 Other Costs		
Shellfish Transplant	\$0	\$858
Project Management	\$2,156	\$65,668
Miscellaneous	\$0	\$513
RI General Treasurer reimbursement	\$0	\$5,962
Total	\$5,145	\$4,286,861

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

C. Main Street, Warren

This is the site of a former manufactured gas plant which began operation in the early 1930s. The property consists of approximately 1.38 acres which was most recently used as a Company service center. Site investigation activities have been completed at this site and a Remedial Action Work Plan (RAWP) has been approved by the Rhode Island Department of Environmental Management (RIDEM). The planned remedy consists of installing a cap at the site. In fiscal year 2016, work at the site was limited to project management and providing updated costs for capping the site.

	Payments During this Period	Payments to date
1 Consulting Costs	\$155	\$80,226
2 Construction/Disposal/Removal Costs	\$0	\$28,330
3 DEM/EPA Oversight Costs	\$0	\$0
4 Property Purchases/Settlements/Legal	\$2,592	\$16,767
5 Other Costs		
Fence Installation	\$0	\$21,387
Project Management	\$4,073	\$13,056
RI General Treasurer Reimbursement	\$0	\$1,276
Total	\$6,820	\$161,043

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

D. Canal Street, Westerly

This site is the location of a former manufactured gas plant which ceased operation in the 1950s or early 1960s. The property is currently vacant since all structures were razed in advance of remedial activities. In fiscal year 2008, the Company and the Town of Westerly entered into an Environmental Land Usage Restriction (ELUR) and Grant of Easement Agreement regarding the Noyes Avenue Wellhead located in Stonington, Connecticut. This agreement provides that no groundwater shall be pumped from the Noyes Avenue Wellhead for use as potable water without the Company's approval. In fiscal year 2016, activities performed included non-aqueous phase liquid (NAPL) and groundwater gauging events, maintenance of a boom within the river, environmental support and health and safety monitoring for gas line cut and cap activities, preparation of regulatory submittals and legal support for proposed remedy implementation.

	Payments During this Period	Payments to date
1 Consulting Costs	\$17,648	\$751,531
2 Construction/Disposal/Removal Costs	\$2,649	\$110,787
3 DEM/EPA Oversight Costs	\$0	\$675
4 Property Purchases/Settlements/Legal	\$5,361	\$1,318,282
5 Other Costs		
Project Management	\$8,535	\$70,295
Lab Analysis Fees	\$0	\$150
PGC Reimbursement	\$0	-\$53,239
RI General Treasurer Reimbursement	\$0	\$950
Total	\$34,193	\$2,199,431

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

E. Industrial Drive, Westerly

This property was previously utilized as the location of an above-ground gas storage holder for gas produced at the Canal Street manufactured gas plant. During fiscal year 2016, the Company issued the Closure Report for the RI Department of Environmental Management (RI DEM)-approved remedy for the Site and completed final Site inspections to inspect the cap post-construction.

		Payments During this Period	Payments to date
1	Consulting Costs	\$5,203	\$251,773
2	Construction/Disposal/Removal Costs	\$338	\$361,154
3	DEM/EPA Oversight Costs	\$0	\$225
4	Property Purchases/Settlements/Legal	\$2,233	\$38,066
5	Other Costs	\$5,706	\$77,510
	Total	\$13,480	\$728,727

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

F. Tidewater, Pawtucket

This site is the location of a former manufactured gas plant situated along the western banks of the Seekonk River in Pawtucket, RI. The site is approximately 23 acres and includes a former electrical generating station, former manufactured gas plant and two on-site fill areas. One of the larger MGPs in Rhode Island, the plant operated from approximately 1881 to 1954. After 1954, the plant produced oil gas for peak shaving purposes until 1968 when it was decommissioned. The site is currently used for electric and gas operations by the Company. Costs incurred during fiscal year 2016 are related to environmental support associated with the City of Pawtucket Master Plan redevelopment project, which includes the northern portion of the Site; clean-out of the three remaining former gas manufacturing buildings; preparation for and demolition of the three former gas manufacturing buildings; maintenance of publicly available sources of information regarding the Tidewater Environmental Project (including the National Grid Tidewater website and two bulletin boards near the site) per the RI Department of Environmental Management (RI DEM)-approved Public Involvement Plan (PIP); continuation of a RIDEM-required limited soil gas sampling program, including the submittal of a summary letter to RIDEM; annual groundwater monitoring and quarterly non-aqueous phase liquid (NAPL) gauging and preparation of a report to document sampling; bi-weekly site inspections and preparation of bi-weekly and monthly status reports for submittal to RIDEM; and preparation and submittal of a Short-Term Response Action Plan (STRAP) for the South Washout Area.

	Payments During this Period	Payments to date
Balance Prior to NGRID/EUA Merger		\$147,637
1 Consulting Costs	\$190,043	\$2,607,007
2 Construction/Disposal/Removal Costs	\$414,556	\$2,045,836
3 DEM/EPA Oversight Costs	\$0	\$11,500
4 Property Purchases/Settlements/Legal	\$11,332	\$88,301
5 Other Costs		
RI General Treasurer Reimbursement	\$0	\$6,538
Project Management/Other	\$33,328	\$187,904
Preliminary Cost Estimate	\$0	\$2,641
Total	\$649,258	\$5,097,363

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

G. Exchange Street, Pawtucket

This approximately 2.5 acre site was used for remote gas storage sometime before 1902 until sometime between 1923 and 1949. The property is currently paved and used as a parking lot. Site investigations have not been conducted at this time. No activities were performed in fiscal year 2016.

	Payments During this Period	Payments to date
Balance Prior to NGRID/EUA Merger		\$0
1 Consulting Costs	\$0	\$0
2 Construction/Disposal/Removal Costs	\$0	\$0
3 DEM/EPA Oversight Costs	\$0	\$0
4 Property Purchases/Settlements/Legal	\$0	\$0
5 Other Costs (Preliminary Cost Estimate)	\$0	\$2,641
Total	\$0	\$2,641

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

H. High Street, Central Falls

This is the site of a former manufactured gas plant that operated from 1850 until 1887. Site investigations have not been conducted at this site. The property is currently utilized as a beverage distribution center. Minor consultant project management costs and legal costs were incurred in fiscal year 2016.

		Payments During this Period	Payments to date
Balance Prior to NGRID/EUA Merger			\$0
1	Consulting Costs	\$113	\$6,981
2	Construction/Disposal/Removal Costs	\$0	\$0
3	DEM/EPA Oversight Costs	\$0	\$0
4	Property Purchases/Settlements/Legal	\$497	\$3,780
5	Other Costs (Preliminary Cost Est./Sanborn Maps)	\$0	\$2,766
Total		\$610	\$13,527

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

I. Hamlet Ave MGP Site, Woonsocket

The site is the location of a former manufactured gas plant and former power plant in Woonsocket, RI. The site consists of five areas based on historical and current site usage, including the former power plant and manufactured gas plant areas. Portions of the former gas plant area are currently used for Company gas and electric operations. The former power plant area was separated from the other areas in 2001 to facilitate a Brownfield Redevelopment being performed by others. The Company was required to remediate and dispose of impacted soils during the redevelopment activities in this area. Remediation activities on the power plant area began in late 2008 and were completed in fiscal year 2010. A report documenting the implemented remedial activities was submitted to RI Department of Environmental Management (RIDEM) in July 2010. Activities performed in fiscal year 2016 included site inspections and investigations, coordination with the new property owner, completion of site restoration work for a portion of the site, environmental support for gas line work, preparation and submittal to RIDEM of an Addendum to Remedial Action Completion Report, and preparation and submittal to RIDEM of a Supplemental Site Investigation Work Plan to conduct additional investigations. In February 2016, based on the results of site investigations, RIDEM assigned a new case number for the substation/access road area of the site.

	Payments During this Period	Payments to date
Balance Prior to NGRID/EUA Merger		\$52,372
1 Consulting Costs	\$103,192	\$739,875
2 Construction/Disposal/Removal Costs	\$28,448	\$732,693
3 DEM/EPA Oversight Costs	\$0	\$2,871
4 Property Purchases/Settlements/Legal	\$1,598	\$20,191
5 Other Costs (Preliminary Cost Est.)		
Preliminary cost estimate	\$0	\$2,641
Project Management/Other	\$0	\$54,987
RI General Treasurer Reimbursement	\$0	\$13,935
Total	\$133,238	\$1,619,564

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

J. Pond Street, Woonsocket

This site was used for remote gas storage from 1865 until sometime between 1911 and 1950. Site investigations have not been conducted at this time. The property is currently in use as a housing authority office. No activities were performed in fiscal year 2016.

		Payments During this Period	Payments to date
Balance Prior to NGRID/EUA Merger			\$0
1	Consulting Costs	\$0	-\$7,837
2	Construction/Disposal/Removal Costs	\$0	\$0
3	DEM/EPA Oversight Costs	\$0	\$0
4	Property Purchases/Settlements/Legal	\$0	\$0
5	Other Costs		
	Preliminary Cost Estimate	\$0	\$2,641
	Project Management	\$0	\$117
	Total	\$0	-\$5,079

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

K. PWSB Site, Cumberland (remote disposal location)

This property is currently owned by the Pawtucket Water Supply Board. During the 1930s and 1940s, the Blackstone Valley Gas Company transported oxide box waste from the Tidewater manufactured gas plant site to an area located within this property. Rhode Island Department of Environmental Management (RIDEM) excavated and disposed of the box wastes from this site in the late 1980s. Site investigation and remediation work was completed in 2005. In April 2011, RIDEM issued a No Further Action Letter for the work performed at the site. No future activities are anticipated.

	Payments During this Period	Payments to date ¹
Balance Prior to NGRID/EUA Merger		\$0
1 Consulting Costs	\$0	\$61,675
2 Construction/Disposal/Removal Cost	\$0	\$4,136
3 DEM/EPA Oversight Costs	\$0	\$296,382
4 Property Purchases/Settlements/Legal	\$0	\$0
5 Other Costs		\$0
Other - Payment from Escrow Account Agreement	\$0	-\$46,562
Preliminary Cost Estimate	\$0	\$2,641
Project Management	\$0	\$1,695
RI General Treasurer Reimbursement	\$0	\$3,923
Total ¹	\$0	\$323,889

1. The "Payments to date" for the PWSB Site, Cumberland (remote disposal location) costs and the "Total" project cost include an additional \$296,382 in charges that relate to the Escrow Agreement with the Pawtucket Water Supply Board.

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

L. Lawn Street, Attleboro, MA (remote disposal location)

This site has been identified as a remote disposal site for purifier box waste. The box waste has been removed and a Response Action Outcome Statement has been filed. This site is closed and no further work is anticipated.

	Payments During this Period	Payments to date
Balance Prior to NGRID/EUA Merger		\$1,619,940
1 Consulting Costs	\$0	\$0
2 Construction/Disposal/Removal Costs	\$0	\$22,936
3 DEM/EPA Oversight Costs	\$0	\$0
4 Property Purchases/Settlements/Legal	\$0	\$0
5 Other Costs	\$0	\$34
Total	\$0	\$1,642,909

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

M. Mendon Road, Attleboro, MA (remote disposal location)

This site is approximately 5 acres in size and is comprised of two parcels of land located on Mendon Road in Attleboro, MA. This site was formerly used as a sand and gravel excavation and processing area from 1932 until the early 1960s. During that time, purifier box waste from the Blackstone Valley Gas and Electric Company's Tidewater manufactured gas plant in Pawtucket, RI was disposed of on the property. The waste was excavated and disposed of by the Massachusetts Department of Environmental Quality Engineering in the mid-1980s. This site is closed and no further work is anticipated.

	Payments During this Period	Payments to date
Balance Prior to NGRID/EUA Merger		\$670,893
1 Consulting Costs	\$0	\$0
2 Construction/Disposal/Removal Costs	\$0	\$0
3 DEM/EPA Oversight Costs	\$0	\$0
4 Property Purchases/Settlements/Legal	\$0	\$3,477,465
5 Other Costs	\$0	\$0
Total	\$0	\$4,148,358

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

N. Melrose Street

The property at 280 Melrose Street, in Providence, RI, operated as a service center by The Narragansett Electric Company since 1923, is currently under investigation and remediation for the presence of contaminants associated with its historical usage. Among other contaminants, polychlorinated biphenyls (PCBs) have been detected in various media at the property, including in soil, concrete, asphalt, and building materials (floors, walls, etc.). The PCBs are present due to historical releases and spills of PCB-contaminated mineral oil dielectric fluid (MODF), a substance used in many types of electrical equipment. During fiscal year 2016, activities performed included supplemental sampling activities and planning for PCB abatement of building materials in areas of the building to be renovated; oversight and documentation of PCB abatement during renovation activities; and annual Environmental Land Usage Restriction (ELUR) inspection.

	Payments During this Period	Payments to date
1 Consulting Costs	\$65,142	\$1,137,107
2 Construction/Disposal/Removal Costs ¹	\$137,068	\$805,063
3 DEM/EPA Oversight Costs	\$0	\$150
4 Property Purchases/Settlements/Legal	\$0	\$0
5 Other Costs		
Project Management	\$11,462	\$125,692
Laboratory Analysis Fees	\$0	\$12,653
RI General Treasurer Reimbursement	\$0	\$953
Total	\$213,672	\$2,081,618

1. A \$2,605.78 contractor mischarge to this category in fiscal year 2014 was corrected in fiscal year 2016.

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

O. Quonset Point

The Quonset Point Naval Air Station and the electrical system were built by the U.S. Navy before and during World War II. Being a military facility, large amounts of the electrical system contained polychlorinated biphenyls (PCBs) as a fire resistant additive. The U.S. Government declared the facility surplus to its needs in the early 1970s at which time the State of Rhode Island stepped in to acquire and manage the property as an economic development opportunity, under the Rhode Island Port Authority (RIPA). On November 4, 1986, the Company purchased and took title to the Quonset Point electrical system from RIPA. Through the purchase agreement, RIPA took responsibility for known releases and the Company took responsibility for potential future releases from electrical equipment. The Company expects to continue to incur future environmental costs as a result of PCB contamination discovered in the vicinity of oil-filled electrical distribution assets. No activities were performed in fiscal year 2016.

	Payments During this Period	Payments to date
1 Consulting Costs	\$0	\$5,295
2 Construction/Disposal/Removal Costs	\$0	\$255,862
3 DEM/EPA Oversight Costs	\$0	\$0
4 Property Purchases/Settlements/Legal	\$0	\$0
5 Other Costs		\$0
Project Management	\$0	-\$55,685
RI General Treasurer Reimbursement	\$0	\$750
Total	\$0	\$206,222

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

P. J.M. Mills

The J.M. Mills Landfill Site is part of the Peterson/Puritan, Inc. Superfund Site located along the Blackstone River between the towns of Cumberland and Lincoln in Providence County, Rhode Island. The site is over 500 acres and is split into two Operable Units (OUs). The now inactive J.M. Mills Landfill is part of OU2 and from 1954 until 1983 was used for the disposal of wastes, including industrial, municipal and hazardous wastes. Cleanup activities for OU2 by a group of Potentially Responsible Parties (PRPs) for the site began in the early 1990s under an agreement with the U.S. Environmental Protection Agency (EPA). In 2003, the Company was identified as a PRP for OU2. In fiscal year 2016, the Company continued to be involved with the PRP Group for this site.

	Payments During this Period	Payments to date
1 Consulting Costs	\$0	\$0
2 Construction/Disposal/Removal Costs	\$0	\$0
3 DEM/EPA Oversight Costs	\$0	\$0
4 Property Purchases/Settlements/Legal	\$14,645	\$248,321
5 Other Costs		
Project Management	\$486	\$486
Laboratory Analysis Fees	\$0	\$0
RI General Treasurer Reimbursement	\$0	\$0
Total	\$15,131	\$248,807

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

Q. Miscellaneous

Costs for this project are associated with general environmental consulting costs and Company project management costs for the electric operations program.

	Payments During this Period	Payments to date
1 Consulting Costs	\$10,759	\$110,022
2 Construction/Disposal/Removal Costs	\$0	\$5,273
3 DEM/EPA Oversight Costs	\$0	\$0
4 Property Purchases/Settlements/Legal	\$0	\$2,045
5 Other Costs/Project Management	\$32,790	\$471,897
6 KeySpan Insurance Recovery Payment	\$0	\$555,057
Total	\$43,549	\$1,144,294

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

R. Litigation/Legal

This project is for activities associated with the environmental insurance recovery. In fiscal year 2016, costs were incurred for legal fees and expenses related to OneBeacon America Insurance Company v. The Narragansett Electric Company, Commonwealth of Massachusetts, County of Suffolk, Superior Court, Civil Docket No. SUCV2005-03086, and Narragansett Elec. Co. v. American Home Assurance, et al., Case No. 11 CIV 8299 (SDNY) 2011, in which the Company is pursuing insurance coverage for liabilities or potential liabilities associated with the environmental remediation of numerous sites.

	Payments Made this Period	Payments made to date
Litigation Costs Prior to May 2000		
EUA Companies		\$326,832
NEES Companies		\$123,607
Litigation/Legal Costs	\$514,650	\$32,061,310
Total	\$514,650	\$32,511,749

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

S. Great Lakes Container

Between 1961 and 1980, a series of owners operated the site as a drum reconditioning business, and accepted drums from various customers, including the Company. EPA notified the Company in 2009 that it was designated as a Potentially Responsible Party (PRP), among several other parties. Since that time, the Company, along with numerous other PRPs, entered into a PRP Group Agreement to complete remediation work and share the costs associated with that work. The Company has an approximate 1% allocation share of the costs. Costs incurred in fiscal year 2016 are associated with payments to the PRP group and legal fees.

	Payments During this Period	Payments to date
1 Consulting Costs	\$0	\$0
2 Construction/Disposal/Removal Costs	\$0	\$0
3 DEM/EPA Oversight Costs	\$0	\$0
4 Property Purchases/Settlements/Legal	\$0	\$0
5 Other Costs		\$0
Project Management	\$0	\$0
RI General Treasurer Reimbursement	\$0	\$0
PRP Payments/Legal Fees	\$1,605	\$55,159
Total	\$1,605	\$55,159

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

T. Chandonnet Site

In or around 1962 until 1984, retired electrical equipment from Company operations was transported to the Chandonnet scrap metal reclamation business in Lowell, Massachusetts. The equipment often contained polychlorinated biphenyls (PCBs), which resulted in PCB contamination of the Chandonnet property and numerous adjacent properties, including the Pawtucket Canal. In 1986, the Company, together with additional utility companies, was identified by the Massachusetts Department of Environmental Protection (MassDEP) as a Potentially Responsible Party (PRP) at the site. The Company subsequently entered into a PRP cost-sharing agreement, with the Company responsible for 11.57% of the total response costs. Investigation activities were completed in FY16 on Company-owned and non-owned adjoining properties, including the Pawtucket Canal. In January 2016, a Revised Phase II Comprehensive Site Assessment/Phase III Remedial Action Plan Report was submitted to MassDEP. The Company has started meeting with property owners regarding the proposed remediation strategy. On March 31, 2016, the Company filed a request with the RIPUC to add the site to the Environmental Response Fund tariff. RIPUC approved the request on September 19, 2016 to recover eligible site response action costs beginning with costs incurred during FY2016.

	Payments During this Period	Payments to date
1 Consulting Costs	\$104,996	\$104,996
2 Construction/Disposal/Removal Costs	\$1,141	\$1,141
3 DEM/EPA Oversight Costs	\$0	\$0
4 Property Purchases/Settlements/Legal	\$2,329	\$2,329
5 Other Costs		\$0
Project Management	\$0	\$0
Third Party Reimbursements ¹	-\$17,832	-\$17,832
Total ²	\$90,633	\$90,633

1. Credit for contributions from other PRPs per cost sharing agreement.

2. In its response to Data Request Division 1-2 in Docket No. 4610, the Company reported \$90,484 in total FY2016 response costs for the Chandonnet site. That amount differs from the amount stated above, which is stated on a cash basis. The amount set forth in the Company's response to Division 1-2 stated the costs on an accrual basis.

Section II.
Site Specific Expenses
April 1, 2015 through March 31, 2016
(Fiscal Year 2016)

U. Summary of Costs for All Sites

		Payments During this Period	Payments to date
1	Consulting Costs	\$509,764	\$7,380,661
2	Construction/Disposal/Removal Costs	\$585,105	\$4,688,226
3	DEM/EPA Oversight Costs	\$0	\$324,403
4	Property Purchases/Settlements	\$42,502	\$8,235,891
5	Other Costs	\$85,368	\$1,651,412
6	Litigation/Legal Costs	\$514,650	\$32,184,917
7	EUA Balance Prior to NGRID/EUA Merger		\$2,817,674
	Total	\$1,737,388	\$57,283,186
		Payments During this period	Payments to date
A.	Washington Street, Bristol	\$15,405	\$725,468
B.	Thames Street, Bristol	\$5,145	\$4,286,861
C.	Main Street, Warren	\$6,820	\$161,043
D.	Canal Street, Westerly	\$34,193	\$2,199,431
E.	Industrial Drive, Westerly	\$13,480	\$728,727
F.	Tidewater Street, Pawtucket	\$649,258	\$5,097,363
G.	Exchange Street, Pawtucket	\$0	\$2,641
H.	High Street, Central Falls	\$610	\$13,527
I.	Hamlet Ave., Woonsocket	\$133,238	\$1,619,564
J.	Pond Street, Woonsocket	\$0	-\$5,079
K.	Cumberland	\$0	\$323,889
L.	Lawn Street, Attleboro, MA	\$0	\$1,642,909
M.	Mendon Road, Attleboro, MA	\$0	\$4,148,358
N.	Melrose Street	\$213,672	\$2,081,618
O.	Quonset Point	\$0	\$206,222
P.	J.M. Mills	\$15,131	\$248,807
Q.	Miscellaneous	\$43,549	\$1,144,294
R.	Litigation/Legal Costs	\$514,650	\$32,511,749
S.	Great Lakes Container	\$1,605	\$55,159
T.	Chandonnet Site	\$90,633	\$90,633
	Total	\$1,737,388	\$57,283,186

SECTION III

THE NARRAGANSETT ELECTRIC COMPANY

ENVIRONMENTAL RESPONSE COSTS

APRIL 1, 2015 THROUGH MARCH 31, 2016

ATTACHMENTS

**Attachment 1 to Environmental Response Cost Report
Contractor/Disposal Costs
For the Period
April 1, 2015 through March 31, 2016**

Site	Contractor Name	Physical activities taken to clean-up or remediate contaminated soil or contaminated debris	Costs
Washington St., Bristol	Clean Harbors Environmental Services, Inc.	Transportation & disposal of remediation waste	\$905.04
Thames St., Bristol	N/A	N/A	N/A
Chandonnet Site	Clean Harbors Environmental Services, Inc.	Transportation & disposal of remediation waste	\$505.58
	TFord	Site clearing activities	\$634.96
Main St., Warren	N/A	N/A	N/A
Canal St., Westerly	Clean Harbors Environmental Services, Inc.	Transportation & disposal of remediation waste; boom maintenance and disposal	\$2,649.31
Industrial Dr., Westerly	Clean Harbors Environmental Services, Inc.	Transportation & disposal of remediation waste	\$338.25
Tidewater St., Pawtucket	Clean Harbors Environmental Services, Inc.	Transportation & disposal of remediation waste	\$2,347.85
	TFord	Building demolition	\$412,207.74
Exchange St., Pawtucket	N/A	N/A	N/A
High St., Central Falls	N/A	N/A	N/A
Hamlet Ave, Woonsocket	Clean Harbors Environmental Services, Inc.	Transportation & disposal of remediation waste	\$3,428.50
	TFord	Cap repairs and site restoration activities	\$25,019.72
Pond St., Woonsocket	N/A	N/A	N/A
Cumberland	N/A	N/A	N/A
Lawn St., Attleboro, MA	N/A	N/A	N/A
Mendon Rd., Attleboro, MA	N/A	N/A	N/A
Melrose St., Providence	Clean Harbors Environmental Services	Removal, transportation & disposal of waste	\$60,286.21
	TFord	Cap repairs and site restoration activities	\$1,400.07
	Yankee Fiber Control	Abatement of PCB-impacted building material	\$54,565.34
	Moran Environmental Recovery, LLC	Abatement of PCB-impacted building material	\$20,816.00
Quonset Point	N/A	N/A	N/A
JM Mills	N/A	N/A	N/A
Miscellaneous MGP	N/A	N/A	N/A
Great Lakes Container	N/A	N/A	N/A

Attachment 2 to Environmental Response Cost Report

**Consulting Costs
For the Period
April 1, 2015 through March 31, 2016**

Site	Consultant Name	Purpose of Consultant Costs	Costs
Washington St., Bristol	GZA GeoEnvironmental, Inc.	Site annual monitoring activities; cap inspection and reporting; minor cap repair; and preparation of regulatory submittals.	\$11,441.56
Thames St., Bristol	GZA GeoEnvironmental, Inc.	Annual inspection of the engineered cap and reporting for the ELUR	\$1,071.79
Chandonnet Site	Anchor QEA LLC	Site Investigations; preparation of regulatory submittals	\$30,890.86
	Innovative Engineering Solutions, Inc.	Site Investigations; preparation of regulatory submittals; treatability testing	\$68,200.15
	EECS Inc.	Project management	\$5,904.71
Main St., Warren	GZA GeoEnvironmental, Inc.	Updated capping cost estimate	\$155.49
Canal St., Westerly	GZA GeoEnvironmental, Inc.	Site annual monitoring activities; boom maintenance; environmental support for gas line cut and cap activities and preparation of regulatory submittals.	\$16,621.89
	Coneco	Health and safety monitoring	\$1,026.50
Industrial Dr., Westerly	GZA GeoEnvironmental, Inc.	Preparation of regulatory submittals and site inspections	\$5,202.75
Tidewater St., Pawtucket	GZA GeoEnvironmental, Inc.	Groundwater/NAPL gauging; site inspections; South Washout STRAP preparation; limited soil gas sampling/letter report; Master Plan support; PIP support; building demolition environmental support	\$183,680.73
	Potomac	Consulting for legal support	\$6,362.00
Exchange St., Pawtucket	N/A	N/A	N/A
High St., Central Falls	EECS, Inc.	Project management	\$113.00
Hamlet Ave, Woonsocket	Coneco	Health and safety monitoring	\$8,247.20
	GZA GeoEnvironmental, Inc.	Site inspections; site investigations; support for discussions with the new property owner; preparation and submittal of reports to regulatory agency; oversight of soil management for gas line work; oversight of site restoration activities	\$80,941.67
	EECS, Inc.	Project management	\$14,003.46
Pond St., Woonsocket	N/A	N/A	N/A
Cumberland	N/A	N/A	N/A
Lawn St., Attleboro, MA	N/A	N/A	N/A
Mendon Rd., Attleboro, MA	N/A	N/A	N/A
Melrose St., Providence	Coneco	Annual Site Inspections	\$2,455.25
	GZA GeoEnvironmental, Inc.	Environmental consulting and construction oversight services	\$62,686.49
Quonset Pt.	N/A	N/A	N/A
JM Mills	N/A	N/A	N/A
Miscellaneous	EECS, Inc.	General project management activities and contract administrative support	\$10,758.75
Great Lakes Container	N/A	N/A	N/A