

March 31, 2016

VIA HAND DELIVERY & 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 2015**

Dear Ms. Massaro:

In accordance with RIPUC No. 2126, Sheet 2, subparagraph (C), enclosed are ten (10) copies of National Grid's¹ Environmental Response Cost Report for its electric operations for the period April 1, 2014 through March 31, 2015, fiscal year 2015, 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 the Company's Environmental Response Fund tariff at RIPUC No. 2126, Sheet 1, subparagraph (A), which 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.

The Company apologizes for the delay in providing the fiscal year 2015 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: Leo Wold, Esq.
Steve Scialabba, Division

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

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

**ENVIRONMENTAL RESPONSE
COST REPORT
FOR THE PERIOD
APRIL 1, 2014 THROUGH
MARCH 31, 2015**

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, 2014 through March 31, 2015 (fiscal year 2015). This report is filed in accordance with RIPUC No. 2126, 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 2015, 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. 2126, 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 2015. Attachment 2 contains additional detail regarding consultant costs associated with the various environmental sites during fiscal year 2015.

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, 2014 THROUGH MARCH 31, 2015

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SECTION I

THE NARRAGANSETT ELECTRIC COMPANY

ENVIRONMENTAL RESPONSE COSTS

APRIL 1, 2014 THROUGH MARCH 31, 2015

ENVIRONMENTAL RESPONSE FUND AND RELATED INTEREST CALCULATION

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

| <u>Period</u> | 04/01/2014 to 03/31/2015 | | | | | | <u>Interest Rate (3)</u> | <u>Interest</u> | <u>Fund Balance (4)</u> | <u>Cumulative Fund Balance</u> |
|----------------|--------------------------|--------------------------|-----------------|-----------------------|---|-------|--------------------------|-----------------|-------------------------|--------------------------------|
| | <u>Beginning Balance</u> | <u>Contributions (1)</u> | <u>Payments</u> | <u>Ending Balance</u> | <u>Interest Base (2)</u> | | | | | |
| April 2014 | \$2,228,891 | \$256,500 | 326,082 | \$2,159,309 | \$2,194,100 | 2.35% | \$4,297 | \$2,159,309 | \$2,163,606 | |
| May 2014 | \$2,159,309 | 256,500 | 17,363 | \$2,398,446 | \$2,278,878 | 2.35% | \$4,463 | \$2,398,446 | \$2,407,206 | |
| June 2014 | \$2,398,446 | 256,500 | 250,152 | \$2,404,794 | \$2,401,620 | 2.35% | \$4,703 | \$2,404,794 | \$2,418,257 | |
| July 2014 | \$2,404,794 | 256,500 | 48,269 | \$2,613,025 | \$2,508,910 | 2.35% | \$4,913 | \$2,613,025 | \$2,631,401 | |
| August 2014 | \$2,613,025 | 256,500 | 265,784 | \$2,603,741 | \$2,608,383 | 2.35% | \$5,108 | \$2,603,741 | \$2,627,225 | |
| September 2014 | \$2,603,741 | 256,500 | 240,938 | \$2,619,303 | \$2,611,522 | 2.35% | \$5,114 | \$2,619,303 | \$2,647,901 | |
| October 2014 | \$2,619,303 | 256,500 | 15,375 | \$2,860,428 | \$2,739,866 | 2.35% | \$5,366 | \$2,860,428 | \$2,894,392 | |
| November 2014 | \$2,860,428 | 256,500 | 81,339 | \$3,035,589 | \$2,948,009 | 2.35% | \$5,773 | \$3,035,589 | \$3,075,326 | |
| December 2014 | \$3,035,589 | 256,500 | 39,080 | \$3,253,009 | \$3,144,299 | 2.35% | \$6,158 | \$3,253,009 | \$3,298,904 | |
| January 2015 | \$3,253,009 | 256,500 | 75,724 | \$3,433,785 | \$3,343,397 | 2.35% | \$6,547 | \$3,433,785 | \$3,486,227 | |
| February 2015 | \$3,433,785 | 256,500 | 21,144 | \$3,669,141 | \$3,551,463 | 2.35% | \$6,955 | \$3,669,141 | \$3,728,538 | |
| March 2015 | \$3,669,141 | 256,500 | 102,807 | \$3,822,834 | \$3,745,988 | 2.54% | \$7,929 | \$3,822,834 | \$3,890,160 | |
| | | \$3,078,000 | 1,484,057 | | Fund balance plus current year interest | | \$67,326 | \$3,890,160 | | |

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

(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 2.35% to 2.54% effective March 1, 2015.

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

Narragansett Electric Company - co49 / 5360
 Environmental Response Fund Receipts
 Fiscal Year 2015

| | <u>Monthly</u> <u>Contribution (1)</u> | <u>Insurance</u> <u>Settlement</u> | <u>Minster</u> <u>Insurance</u> <u>Co.</u> | <u>Insolvent</u> <u>Mentor</u> <u>Insurance</u> | <u>Mendes and</u> <u>Mount LLP</u> <u>(a)</u> | <u>Mendes and</u> <u>Mount LLP</u> | Orion | <u>London &</u> <u>Overseas</u> | <u>Totals</u> |
|--------------|---|---------------------------------------|--|---|---|---------------------------------------|----------|--|------------------|
| April 2014 | 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 2015 | 256,500 | | | | | | | | 256,500 |
| Feb-2015 | 256,500 | | | | | | | | 256,500 |
| March-2015 | 256,500 | | | | | | | | 256,500 |
| | <u>3,078,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>3,078,000</u> |

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

SECTION II

THE NARRAGANSETT ELECTRIC COMPANY

ENVIRONMENTAL RESPONSE COSTS

APRIL 1, 2014 THROUGH MARCH 31, 2015

MGP AND OTHER ENVIRONMENTAL SITES COST SUMMARY

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015 included annual groundwater sampling; cap inspection, minor cap repair and reporting; supplemental investigation activities along the RIDOT bike path; and preparation of regulatory submittals.

| | Payments During this Period | Payments to date |
|--|--------------------------------|---------------------|
| 1 Consulting Costs | \$38,387 | \$376,157 |
| 2 Construction/Disposal/Removal Costs | \$2,131 | \$277,234 |
| 3 DEM/EPA Oversight Costs | \$0 | \$375 |
| 4 Property Purchases/Settlements/Legal | \$0 | \$0 |
| 5 Other Costs | | |
| Project Management | \$6,697 | \$50,187 |
| 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 | \$47,216 | \$710,063 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015, 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 | \$2,037 | \$1,143,341 |
| 2 Construction/Disposal/Removal Costs | \$0 | \$36,877 |
| 3 DEM/EPA Oversight Costs | \$0 | \$12,226 |
| 4 Property Purchases/Settlements/Legal | \$1,988 | \$3,018,428 |
| 5 Other Costs | | |
| Shellfish Transplant | \$0 | \$858 |
| Project Management | \$1,037 | \$63,512 |
| Miscellaneous | \$0 | \$513 |
| RI General Treasurer reimbursement | \$0 | \$5,962 |
| | | |
| Total | \$5,062 | \$4,281,716 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015, 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 | \$1,406 | \$80,071 |
| 2 Construction/Disposal/Removal Costs | \$0 | \$28,330 |
| 3 DEM/EPA Oversight Costs | \$0 | \$0 |
| 4 Property Purchases/Settlements/Legal | \$14,176 | \$14,176 |
| 5 Other Costs | | |
| Fence Installation | \$0 | \$21,387 |
| Project Management | \$5,207 | \$8,983 |
| RI General Treasurer Reimbursement | \$0 | \$1,276 |
| | | |
| Total | \$20,789 | \$154,223 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015, 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 and management of MGP residuals encountered during building demolition work, and legal support for proposed remedy implementation.

| | Payments During this Period | Payments to date |
|--|--------------------------------|---------------------|
| 1 Consulting Costs | \$20,446 | \$733,883 |
| 2 Construction/Disposal/Removal Costs | \$6,443 | \$108,138 |
| 3 DEM/EPA Oversight Costs | \$0 | \$675 |
| 4 Property Purchases/Settlements/Legal | \$9,911 | \$1,312,921 |
| 5 Other Costs | | |
| Project Management | \$4,480 | \$61,760 |
| Lab Analysis Fees | \$0 | \$150 |
| PGC Reimbursement | \$0 | -\$53,239 |
| RI General Treasurer Reimbursement | \$0 | \$950 |
| | | |
| Total | \$41,281 | \$2,165,238 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015, the Company implemented the RI Department of Environmental Management (RI DEM)-approved remedy for the Site consisting of installation of an engineered cap and recording an Environmental Land Usage Restriction (ELUR).

| | Payments During this Period | Payments to date |
|--|--------------------------------|---------------------|
| 1 Consulting Costs | \$94,960 | \$246,570 |
| 2 Construction/Disposal/Removal Costs | \$355,558 | \$360,816 |
| 3 DEM/EPA Oversight Costs | \$0 | \$225 |
| 4 Property Purchases/Settlements/Legal | \$7,242 | \$35,833 |
| 5 Other Costs | \$42,477 | \$71,804 |
| | | |
| Total | \$500,237 | \$715,247 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 electrical and gas operations by the Company. Costs incurred during fiscal year 2015 are associated with 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 the demolition of 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; completion of a RIDEM-requested limited soil and groundwater investigation in the gas regulator area of the site, including submittal of a Site Investigation Report Addendum and an associated fact sheet; annual groundwater monitoring and quarterly non-aqueous phase liquid (NAPL) gauging and preparation of a report to document past sampling; bi-weekly site inspections; and preparation of bi-weekly and monthly status reports for submittal to RIDEM; bi-weekly site inspections; and preparation of bi-weekly and monthly status reports for submittal to RIDEM.

| | Payments During this Period | Payments to date |
|--|--------------------------------|---------------------|
| Balance Prior to NGRID/EUA Merger | | \$147,637 |
| 1 Consulting Costs | \$119,702 | \$2,416,964 |
| 2 Construction/Disposal/Removal Costs | \$9,167 | \$1,631,280 |
| 3 DEM/EPA Oversight Costs | \$0 | \$11,500 |
| 4 Property Purchases/Settlements/Legal | \$13,405 | \$76,969 |
| 5 Other Costs | | |
| RI General Treasurer Reimbursement | \$0 | \$6,538 |
| Project Management/Other | \$2,446 | \$154,576 |
| Preliminary Cost Estimate | \$0 | \$2,641 |
| | | |
| Total | \$144,720 | \$4,448,106 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015.

| | 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, 2014 through March 31, 2015
(Fiscal Year 2015)

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. No field activities were performed in fiscal year 2015.

| | Payments During this Period | Payments to date |
|--|--------------------------------|---------------------|
| Balance Prior to NGRID/EUA Merger | | \$0 |
| 1 Consulting Costs | \$39 | \$6,868 |
| 2 Construction/Disposal/Removal Costs | \$0 | \$0 |
| 3 DEM/EPA Oversight Costs | \$0 | \$0 |
| 4 Property Purchases/Settlements/Legal | \$0 | \$3,283 |
| 5 Other Costs (Preliminary Cost Est./Sanborn Maps) | \$0 | \$2,766 |
| | | |
| Total | \$39 | \$12,917 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015 included site inspections, coordination with the new property owner, environmental support of gas line work, preparation of a Supplemental Site Investigation Work Plan, and communications with consultants for RIDEM and RIDOT regarding a proposed bike path.

| | Payments During this Period | Payments to date |
|--|--------------------------------|---------------------|
| Balance Prior to NGRID/EUA Merger | | \$52,372 |
| 1 Consulting Costs | \$44,874 | \$636,682 |
| 2 Construction/Disposal/Removal Costs | \$0 | \$704,244 |
| 3 DEM/EPA Oversight Costs | \$0 | \$2,871 |
| 4 Property Purchases/Settlements/Legal | \$4,970 | \$18,594 |
| 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 | \$49,844 | \$1,486,326 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015.

| | 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, 2014 through March 31, 2015
(Fiscal Year 2015)

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, 2014 through March 31, 2015
(Fiscal Year 2015)

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, 2014 through March 31, 2015
(Fiscal Year 2015)

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, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015, activities performed included supplemental sampling activities and planning for PCB abatement of building materials in areas of the building to be renovated, supplemental sampling under the Line House basement, and addressing the excavation of PCB-contaminated soil outside the property fence.

| | Payments During this Period | Payments to date |
|--|--------------------------------|---------------------|
| 1 Consulting Costs | \$47,314 | \$1,071,965 |
| 2 Construction/Disposal/Removal Costs ¹ | \$13,227 | \$667,996 |
| 3 DEM/EPA Oversight Costs | \$0 | \$150 |
| 4 Property Purchases/Settlements/Legal | \$0 | \$0 |
| 5 Other Costs | | |
| Project Management | \$13,154 | \$114,230 |
| Laboratory Analysis Fees | \$0 | \$12,653 |
| RI General Treasurer Reimbursement | \$0 | \$953 |
| | | |
| Total | \$73,695 | \$1,867,946 |

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, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015.

| | 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, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015, 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 | \$5,125 | \$233,677 |
| 5 Other Costs | | |
| Project Management | \$0 | \$0 |
| Laboratory Analysis Fees | \$0 | \$0 |
| RI General Treasurer Reimbursement | \$0 | \$0 |
| | | |
| Total | \$5,125 | \$233,677 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 | \$16,216 | \$99,263 |
| 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 | \$53,616 | \$439,107 |
| 6 KeySpan Insurance Recovery Payment | \$0 | \$555,057 |
| | | |
| Total | \$69,832 | \$1,100,745 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

R. Litigation/Legal

This project is for activities associated with the environmental insurance and third party recovery activities. In fiscal year 2015, 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 | \$507,772 | \$31,546,660 |
| Total | \$507,772 | \$31,997,099 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

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 2015 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 | \$18,443 | \$53,554 |
| | | |
| Total | \$18,443 | \$53,554 |

Section II.
Site Specific Expenses
April 1, 2014 through March 31, 2015
(Fiscal Year 2015)

T. Summary of Costs for All Sites

| | | Payments During this Period | Payments to date |
|----|---------------------------------------|--------------------------------|---------------------|
| 1 | Consulting Costs | \$385,382 | \$6,870,897 |
| 2 | Construction/Disposal/Removal Costs | \$386,526 | \$4,103,122 |
| 3 | DEM/EPA Oversight Costs | \$0 | \$324,403 |
| 4 | Property Purchases/Settlements | \$56,817 | \$8,193,390 |
| 5 | Other Costs | \$147,558 | \$1,566,044 |
| 6 | Litigation/Legal Costs | \$507,772 | \$31,670,267 |
| 7 | EUA Balance Prior to NGRID/EUA Merger | | \$2,817,674 |
| | Total | \$1,484,055 | \$55,545,797 |
| | | Payments During this period | Payments to date |
| A. | Washington Street, Bristol | \$47,216 | \$710,063 |
| B. | Thames Street, Bristol | \$5,062 | \$4,281,716 |
| C. | Main Street, Warren | \$20,789 | \$154,223 |
| D. | Canal Street, Westerly | \$41,281 | \$2,165,238 |
| E. | Industrial Drive, Westerly | \$500,237 | \$715,247 |
| F. | Tidewater Street, Pawtucket | \$144,720 | \$4,448,106 |
| G. | Exchange Street, Pawtucket | \$0 | \$2,641 |
| H. | High Street, Central Falls | \$39 | \$12,917 |
| I. | Hamlet Ave., Woonsocket | \$49,844 | \$1,486,326 |
| 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 | \$73,695 | \$1,867,946 |
| O. | Quonset Point | \$0 | \$206,222 |
| P. | J.M. Mills | \$5,125 | \$233,677 |
| Q. | Miscellaneous | \$69,832 | \$1,100,745 |
| R. | Litigation/Legal Costs | \$507,772 | \$31,997,099 |
| S. | Great Lakes Container | \$18,443 | \$53,554 |
| | Total | \$1,484,055 | \$55,545,797 |

SECTION III

THE NARRAGANSETT ELECTRIC COMPANY

ENVIRONMENTAL RESPONSE COSTS

APRIL 1, 2014 THROUGH MARCH 31, 2015

ATTACHMENTS

**Attachment 1 to Environmental Response Cost Report
Contractor/Disposal Costs
For the Period
April 1, 2014 through March 31, 2015**

| 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 | \$2,131.36 |
| Thames St., Bristol | N/A | N/A | N/A |
| 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 | \$6,443.45 |
| Industrial Dr., Westerly | Clean Harbors Environmental Services, Inc. | Transportation & disposal of remediation waste | \$5,779.29 |
| | TFord | Construction of RIDEM-approved engineered cap | \$349,778.25 |
| Tidewater St., Pawtucket | Clean Harbors Environmental Services, Inc. | Transportation & disposal of remediation waste | \$7,765.70 |
| | Citiworks, Inc. | Fence repairs | \$1,401.46 |
| Exchange St., Pawtucket | N/A | N/A | N/A |
| High St., Central Falls | N/A | N/A | N/A |
| Hamlet Ave, Woonsocket | N/A | N/A | N/A |
| 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 | \$13,226.58 |
| 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, 2014 through March 31, 2015**

| 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; supplemental site investigation activities along the RIDOT bike path; and preparation of regulatory submittals. | \$38,387.38 |
| Thames St., Bristol | GZA GeoEnvironmental, Inc. | Annual inspection of the engineered cap and reporting for the ELUR | \$2,037.11 |
| Main St., Warren | GZA GeoEnvironmental, Inc. | Provided updated capping costs | \$1,406.00 |
| Canal St., Westerly | GZA GeoEnvironmental, Inc. | Site annual monitoring activities; boom maintenance; environmental support for gas line cut and cap activities and management of MGP residuals encountered during building demolition work. | \$10,905.17 |
| | Coneco | Health and safety monitoring | \$9,541.25 |
| Industrial Dr., Westerly | GZA GeoEnvironmental, Inc. | Implemented RIDEM-approved remedy and recorded Environmental Land Use Restriction | \$94,960.38 |
| | | | |
| Tidewater St., Pawtucket | GZA GeoEnvironmental, Inc. | Public involvement plan preparation; participation in RIDEM/public meetings; air monitoring during substation excavation activities; groundwater/NAPL gauging; site inspections | \$105,768.66 |
| | Potomac | Consulting for legal support | \$13,933.29 |
| Exchange St., Pawtucket | N/A | N/A | |
| High St., Central Falls | EECS, Inc. | Project management | \$39.49 |
| Hamlet Ave, Woonsocket | Coneco | Industrial hygiene services for gas line work | \$10,867.00 |
| | GZA GeoEnvironmental, Inc. | Site inspections; support for discussions with the new property owner; preparation of Supplemental Site Investigation Work Plan; oversight of soil management for gas line work; participation in proposed bike path discussions | \$23,057.34 |
| | EECS, Inc. | Project management | \$10,949.39 |
| 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 | EECS, Inc. | Project management | \$172.78 |
| | Ransom Environmental Consultants, Inc. | Environmental consulting services | \$21,978.36 |
| | GZA GeoEnvironmental, Inc. | Environmental consulting services | \$25,162.97 |
| Quonset Pt. | N/A | N/A | N/A |
| JM Mills | N/A | N/A | N/A |
| Miscellaneous | GZA GeoEnvironmental, Inc. | Temporary administrative support | \$1,074.57 |
| | EECS, Inc. | General project management activities and contract administrative support | \$15,140.97 |
| Great Lakes Container | N/A | N/A | N/A |