



State of Rhode Island
Division of Public
Utilities & Carriers

Administration
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March 18, 2019

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

Re: Docket No. 4916

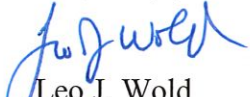
Dear Ms. Massaro,

The Division writes to update the Commission regarding the Division's ongoing review of the cost of the Southern Rhode Island Gas Expansion Project ("Project"). On March 13, 2019, The Narragansett Electric Company, d/b/a National Grid ("National Grid" or "Company") provided the Division of Public Utilities and Carriers ("Division") with confidential and privileged cost estimate and actual bid information in anticipation of a post-hearing meeting that the Division had scheduled to review that information. On March 15, 2019, the Division, along with its consultant (by telephone), met with representatives of National Grid to discuss the materials that were provided to the Division. During these discussions, the Company provided bid results. Based on the bid results and the Company's representations, it appears that the bid process employed by the Company was competitive and reasonable and that the actual bid results are in line with the requested Project cost (\$44.549 Million) contained in the Company's Gas ISR FY 2020 Proposal, as amended ("Filed ISR Plan"). Also, during those discussions, the Company cited other comparable projects from other jurisdictions. Based on those representations, it appears that the Project's vendor main (cost per foot) figure is in line with similar cost figures of Company projects of similar size and scope, performed under similar conditions.

The Division will continue to work with the Company to obtain further back-up information regarding the comparable projects, as well as a more detailed understanding of the individual cost elements that make up each phase of the Project and will monitor Project work and the costs that are incurred as construction proceeds. Since Project costs will be tracked, reviewed and reconciled separately over the Project's three-year construction period, the Division does not believe that

these efforts need delay Commission approval of the Company's Filed ISR Plan and continues to recommend that the Commission approve the Company's Filed ISR Plan.

Very truly yours,



Leo J. Wold

Deputy Chief of Legal Services, DPUC

cc: Service List