

March 11, 2020

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4999 - The Narragansett Electric Company d/b/a National Grid's Request for Interpretation of RIPUC NG-Gas No. 101 Regarding International Packaging Corporation's Request to Convert Capacity Exempt Load to Capacity Assigned Load**  
**Responses to PUC Data Requests – Set 1**

Dear Ms. Massaro:

I have enclosed ten (10) copies of National Grid's<sup>1</sup> responses to the first set of data requests issued by the Public Utilities Commission (PUC) in the above-referenced docket.

Thank you for your attention to this transmittal. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosure

cc: Docket 4999 Service List  
Leo Wold, Esq.  
John Bell, Division  
Al Mancini, Division

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<sup>1</sup> 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 hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



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Joanne M. Scanlon

March 11, 2020

Date

**Docket No. 4999 – Narragansett Electric Co. d/b/a National Grid (Gas)  
Petition for Declaratory Judgment - Service List 1/16/2020**

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<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Margaret Hogan, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
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The Narragansett Electric Company

d/b/a National Grid

RIPUC Docket No. 4999

In Re: Request for Interpretation of RIPUC NG-Gas No. 101  
Regarding International Packaging Corporation's (InterPak) Request to  
Convert Capacity Exempt Load to Capacity Assigned Load  
Responses to the Commission's First Set of Data Requests  
Issued on February 25, 2020

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PUC 1-1

Request:

In National Grid's answer to the Division 1-1, the Company stated that it had advised InterPak as to the need for a "sophisticated and nuanced analysis" to determine if the Company is able to fulfill InterPak's request to terminate the Capacity Exempt Account and increase the load serviced by the Capacity Assigned Account.

- a) Please describe what actions are required for a "sophisticated and nuanced analysis" of InterPak's request, including the estimated timeframe for completion.
- b) Please describe the steps the Company has taken to undertake the "sophisticated and nuanced analysis."

Response:

a) and b)

Please see the Company's response to Division 1-6.

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PUC 1-2

Request:

To the extent that National Grid believes that an expansion of Interpak's capacity service is not within the spirit of regulation or tariff, please explain in detail.

Response:

The Narragansett Electric Company d/b/a National Grid (the Company) believes that it should be able to honor International Packaging Corporation's (Interpak) request under the Gas Tariff, and the Company wants to provide the gas distribution service Interpak seeks. The Company, however, considers all the potential impacts to all customers when faced with such a request. Accordingly, in this docket, the Company seeks clarity from the PUC that its interpretation of the Gas Tariff allowing it to expand Interpak's gas distribution service to its capacity assigned account providing gas distribution service to the premises at 543 Mineral Spring Avenue in Pawtucket, Rhode Island (the Capacity Assigned Account) is correct and consistent with RIPUC NG-Gas No. 101 (the Gas Tariff) in light of the unique circumstances presented by the request. The Company has concerns that fulfilling Interpak's service request could be considered inconsistent with the Gas Tariff because of the unique juxtaposition of Interpak's capacity exempt and capacity assigned accounts and the specific nature of Interpak's request.

Interpak has both a capacity exempt account providing gas distribution service to the premises at 517 Mineral Spring Avenue in Pawtucket, Rhode Island (the Capacity Exempt Account) and the Capacity Assigned Account. Those two premises comprise a single interconnected building. According to the Company's records, these two accounts are the only pair of accounts in Rhode Island owned by a single customer at a single building where: (a) one account is capacity exempt, (b) one account is capacity assigned, and (c) it is technically possible to serve the load currently served by both accounts by increasing the capacity assignment allocated to the Capacity Assigned Account (provided that Interpak makes certain upgrades to its infrastructure). Against this backdrop, Interpak has asked the Company to (a) terminate the Capacity Exempt Account, and (b) increase the capacity assigned to the Capacity Assigned Account to have the Capacity Assigned Account serve the load currently served by the Capacity Exempt Account.

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Issued on January 9, 2020

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PUC 1-2, page 2

This request implicates two paradigms under the Gas Tariff. For customers receiving service at a location with a capacity exemption, the Gas Tariff does not permit conversion of their accounts from capacity exempt to capacity assigned. For customers who receive gas distribution service on a capacity assigned account, the Gas Tariff permits an increase in the capacity assignment, provided that the Company has sufficient capacity available to be assigned to provide the requested increase.<sup>1</sup> Interpak's request presents a potential conflict between these Gas Tariff directives.

Technically, Interpak is making two separate requests: (1) terminating the Capacity Exempt Account; and (2) increasing the load served by the Capacity Assigned Account. The Company's position is that, viewed separately, the Gas Tariff authorizes the Company to fulfill both requests, and the Company has determined that it has the ability to fulfill both requests. The complicating factor arises when assessing the two requests in tandem. The Company has concerns that honoring the requests could give the appearance of allowing a customer with a capacity exempt account to convert that capacity exempt account into a capacity assigned account – an action prohibited by the Gas Tariff. It is the potential for viewing Interpak's request through this lens that led the Company to use the language indicating that expanding Interpak's service to the Capacity Assigned Account might not be in the spirit of the Gas Tariff. Accordingly, the Company is seeking regulatory clarity from the Rhode Island Public Utilities Commission (PUC) that the Company may treat Interpak's requests separately under the Gas Tariff, and that fulfilling Interpak's request would not be considered a conversion of a capacity exempt account into a capacity assigned account, which is prohibited under the Gas Tariff.

It is critical for the Company to obtain this regulatory certainty for at least two reasons.

First, the Company does not want to be subject to a future regulatory enforcement action because it fulfilled Interpak's request. If, in the future, the PUC or the Rhode Island Division of Public Utilities and Carriers was to challenge the Company's action and take the position that the Company violated the Gas Tariff, then the consequences could impact Interpak's continued gas distribution service and potentially result in increased costs for all gas customers.

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<sup>1</sup> At the time the Company filed the Petition for Declaratory Judgment in this docket, the Company had not yet completed its capacity analysis to determine whether it had sufficient capacity available to increase Interpak's capacity assignment to the Capacity Assigned Account to serve the load currently served by the Capacity Exempt Account. As reflected in the Company's response to data request Division 1-6, the Company has now completed that analysis and has determined that it has sufficient capacity to provide the increased capacity assignment to Interpak for the existing Capacity Assigned Account, provided that it is legally permitted to do so under the Gas Tariff.

The Narragansett Electric Company

d/b/a National Grid

RIPUC Docket No. 4999

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PUC 1-2, page 3

Second, the issue of customers with capacity exempt accounts seeking to return to capacity-assigned status has long been a topic of concern and a matter of discussion and negotiation. The Company does not want to take action in response to Interpak's request that could be interpreted as special treatment for Interpak, or that leads other capacity exempt customers to believe that they can convert their capacity exempt account into a capacity assigned account.

Accordingly, the Company seeks an order from the PUC confirming that expanding Interpak's gas distribution service to its Capacity Assigned Account is consistent with the Gas Tariff and is not contrary to the spirit of the Gas Tariff as it relates to the treatment of capacity exempt customers and Interpak's Capacity Exempt Account.

The Narragansett Electric Company

d/b/a National Grid

RIPUC Docket No. 4999

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PUC 1-3

Request:

Please provide copies of all signed contracts or agreement for gas service executed between InterPak and National Grid, and/or the National Grid's predecessor that supports the assignment of customer status to InterPak.

Response:

There are no signed contracts or agreements on file for gas service to International Packaging Corporation (InterPak). The Narragansett Electric Company d/b/a National Grid (the Company) provides Firm Transportation Service to InterPak under the terms of RIPUC NG-Gas No. 101, and the Company confirms Interpak's account for service to 517 Mineral Spring Avenue in Pawtucket, Rhode Island as a capacity exempt account based on its status in the Company's billing system as capacity exempt and the historical treatment of the account as capacity exempt without objection from Interpak. The Rhode Island Division of Public Utilities and Carriers affirmed the Company's treatment of customer accounts like Interpak's capacity exempt account as capacity exempt in the order issued in In re: Textron, Inc. and Textron Realty Corp. Complaint against National Grid, Docket No, D-14-36.

The Narragansett Electric Company

d/b/a National Grid

RIPUC Docket No. 4999

In Re: Request for Interpretation of RIPUC NG-Gas No. 101  
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PUC 1-4

Request:

How does National Grid classify Interpak; Small, Medium, Large or Extra-Large?

Response:

The Narragansett Electric Company d/b/a National Grid classifies both the Capacity Exempt account located at 517 Mineral Spring Avenue and the Capacity Assigned Account located at 543 Mineral Spring Avenue as C&I Large, Low Load Factor Use Rate 33 customers.



The Narragansett Electric Company

d/b/a National Grid

RIPUC Docket No. 4999

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PUC 1-5

Request:

In the event that Interpak were to sell its business to a third-party purchaser, what options would the new purchaser have, in the Company's opinion, for gas service?

Response:

The Narragansett Electric Company d/b/a National Grid (the Company) interprets RIPUC NG-Gas No. 101 (the Gas Tariff) to require that a capacity exemption is tied to the premises (or location) where the Company is providing capacity exempt gas distribution service. Accordingly, if International Packing Corporation (Interpak) were to sell its business, the capacity exemption that applies to the account serving 517 Mineral Spring Avenue in Pawtucket, Rhode Island (as well as any other capacity exempt account locations Interpak owns) would remain capacity exempt and subject to all the provisions that pertain to capacity exempt accounts under the Gas Tariff. Similarly, any purchaser also would be able to take over control of all Interpak's non-capacity exempt accounts (including the capacity assigned account providing gas distribution service at 543 Mineral Spring Avenue in Pawtucket, Rhode Island) and would have all the rights and responsibilities applicable to such accounts under the Gas Tariff. A purchaser's options for gas service, therefore, would be the same as the options that Interpak currently has as the owner of those accounts.

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d/b/a National Grid  
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PUC 1-6

Request:

In National Grid's answer to the Division 1-6, the Company stated: "In this instance, the Company's surplus is sufficient to serve the load of the Capacity Exempt account previously served by a Marketer."

- a) Does this statement mean that the Company is able to accommodate InterPak's request without adverse consequences?
- b) If so, please explain the rationale for not accommodating the request to date.

Response:

- a) Yes.
- b) Please see The Narragansett Electric Company d/b/a National Grid's response to data request PUC 1-2.