

January 5, 2022

BY ELECTRONIC MAIL

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

**RE: Docket 5180 – 2021 Gas Cost Recovery Filing
Responses to PUC Data Requests – Set 5**

Dear Ms. Massaro:

I have enclosed an electronic version of National Grid's¹ responses to the Rhode Island Public Utilities Commission's ("Commission") Fifth Set of Data Requests in the above-referenced matter.²

Please be advised that the Company is requesting confidential treatment of Attachment PUC 5-5. The gas cost information in Attachment PUC 5-5 is confidential and commercially sensitive information of the type that National Grid would not ordinarily make public. Therefore, the Company has provided a redacted and confidential version of Attachment PUC 5-5 and has requested confidential treatment pursuant to R.I. Gen. Laws § 38-2-2(4)(B) and Rule 810-RICR-00-00-1.3(H) of the PUC's Rules of Practice and Procedure.

The Company has also provided the confidential version of Attachment PUC 5-5 to the Division pursuant to a non-disclosure agreement.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-472-0531.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 5180 Service List
Al Mancini, Division (w/confidential versions)
Jerome D. Mierzwa, Division Consultant (w/confidential versions)

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

² Per a communication from Commission counsel on October 4, 2021, the Company is submitting an electronic version of this filing followed by six (6) hard copies filed with the Clerk within 24 hours of the electronic filing.

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.

Joanne M. Scanlon

January 5, 2022
Date

Docket No. 5180 – National Grid – 2021 Annual Gas Cost Recovery Filing (GCR) - Service List as of 9/13/2021

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**STATE OF RHODE ISLAND
RHODE ISLAND PUBLIC UTILITIES COMMISSION**

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2021 Gas Cost Recovery Filing)	Docket 5180
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**NATIONAL GRID’S MOTON FOR PROTECTIVE
TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid¹ respectfully requests that the Rhode Island Public Utilities Commission (PUC) grant protection from public disclosure certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Rule 810-RICR-00-00-1.3(H) of the PUC’s Rules of Practice and procedure (Rule 1.3(H)) and R.I. Gen. Laws § 38-22(4)(B). The Company also requests that, pending entry of that finding, the PUC preliminarily grant the Company’s request for confidential treatment pursuant to Rule 1.3(H)(2).

I. BACKGROUND

On December 20, 2021, the Rhode Island Public Utilities Commission (PUC) issued its fifth set of data requests to the Company in this matter. In data request 5-5, the PUC requests information regarding confidential gas costs. In responding to this data request, the Company has included confidential Attachment PUC 5-5, which includes confidential information regarding fixed gas costs. Therefore, in accordance with Rule 1.3(H)(3), National Grid has provided a redacted public version and confidential unredacted version of Attachment PUC 5-5.

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

II. LEGAL STANDARD

Rule 1.3(H) provides that access to public records shall be granted in accordance with the Access to Public Records Act (APRA), R.I. Gen. Laws § 38-2-1, *et seq.* Under the APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a “public record,” unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I. Gen. Laws § 38-2-2(4). To the extent that information provided to the PUC falls within one of the designated exceptions to the public records law, the PUC has the authority under the terms of APRA to deem such information as confidential and to protect that information from public disclosure.

In that regard, R.I. Gen. Laws § 38-2-2(4)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where the disclosure of information would be likely either (1) to impair the government’s ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. *Providence Journal*, 774 A.2d 40 (R.I. 2001).

The first prong of the test is satisfied when information is provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. *Providence Journal*, 774 A.2d at 47.

III. BASIS FOR CONFIDENTIALITY

The gas cost information in Attachment PUC 5-5 is confidential and commercially sensitive information of the type that National Grid would not ordinarily make public. In addition, the PUC has historically afforded confidential treatment to such gas cost information. As such, the information should be protected from public disclosure. Public disclosure of such information could impair National Grid's ability to obtain advantageous pricing or other terms from gas suppliers in the future, thereby causing substantial competitive harm to the Company. Further, any decision by suppliers to offer less favorable pricing to the Company in the future could ultimately have a negative impact on the Company's customers. Accordingly, National Grid requests that the PUC grant protective treatment of the Confidential Data Requests and that the PUC preliminarily grant the Company's request for confidential treatment pursuant to Rule 1.3(H)(2) pending the PUC's final decision on this motion.

IV. CONCLUSION

For the foregoing reasons, National Grid respectfully requests that the PUC grant its Motion for Protective Treatment of Confidential Information.

Respectfully submitted,
**THE NARRAGANSETT ELECTRIC
COMPANY d/b/a NATIONAL GRID**
By its attorney,



Raquel J. Webster, Esq. (Bar #9064)
40 Sylvan Road
Waltham, MA 02451
Tel. 781-472-0531
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Dated: January 5, 2022

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5180
In Re: 2021 Annual Gas Cost Recovery Filing
Responses to the Commission's Fifth Set of Data Requests
Issued on December 21, 2021

PUC 5-1

Request:

Referring to the response to PUC 4-10 and the last table on page 3 regarding estimated monthly revenue, please restate the table, providing an extension of rows that completes the GCR rate year cycle through October 2022 and calculates the annual totals.

Response:

Please see the table below for the estimated incremental revenue that would have been billed by the Company for the months of November 2021 through October 2022 had the hypothetical rates calculated in the Company's response to PUC 4-10(b), which were based in part on the October 1, 2021 NYMEX futures curves, compared to the estimated revenue from the approved GCR factors implemented on November 1, 2021.

Estimated Monthly Revenue					
	Sept. 10 Filing (a)	Including FERC Rate Cases (b)	Excluding FERC Rate Cases (c)	Incremental Revenue – Including FERC Rate Cases (d) = (b) - (a)	Incremental Revenue – Excluding FERC Rate Cases (e) = (c) - (a)
Nov 2021	\$13,042,059	\$13,900,838	\$13,704,571	\$858,779	\$662,512
Dec 2021	\$21,540,755	\$22,964,605	\$22,641,530	\$1,423,850	\$1,100,775
Jan 2022	\$28,178,186	\$30,043,361	\$29,621,253	\$1,865,175	\$1,443,067
Feb 2022	\$30,568,049	\$35,592,051	\$32,134,248	\$2,024,002	\$1,566,199
Mar 2022	\$23,579,471	\$25,138,834	\$24,785,321	\$1,559,363	\$1,205,850
Apr 2022	\$19,086,314	\$20,346,913	\$20,060,433	\$1,260,599	\$974,119
May 2022	\$8,467,946	\$9,022,498	\$8,894,435	\$554,552	\$426,489
June 2022	\$5,335,852	\$5,682,168	\$5,600,845	\$346,316	\$264,993
July 2022	\$4,301,510	\$4,578,987	\$4,513,064	\$277,477	\$211,554
Aug 2022	\$4,089,266	\$4,352,617	\$4,289,853	\$263,351	\$200,587
Sept 2022	\$4,318,814	\$4,597,432	\$4,531,248	\$278,618	\$212,434
Oct 2022	\$5,812,529	\$6,190,535	\$6,102,098	\$378,006	\$289,569
Total	\$168,320,753	\$179,410,837	\$176,878,900	\$11,090,084	\$8,558,146

PUC 5-2

Request:

Referring to the response to PUC 4-10, page 2, please explain why the analyses set the "Ending Deferral Balance" as \$0, instead of:

- (a) using an estimate by calculating the difference between (i) the estimated deferral balance of \$15,561,686 which was included in the September 10 GCR filing and (ii) the updated deferred balance that was filed with the Commission on September 20, 2021 which estimated the deferral balance at \$16,689,242 (i.e., a difference of \$1,127,556); and/or
- (b) using an estimate by calculating the difference between (i) the filed estimated deferral balance of \$15,561,686 and (ii) the updated deferral balance that was filed with the Commission on October 19, 2021 which estimated a balance of \$18,454,772 (i.e., a difference of \$2,893,086)?

Response:

In its initial GCR Filings submitted annually with the Rhode Island Public Utilities Commission around September 1, the Company calculates an estimate of the ending deferral balance for the current GCR year, which is then incorporated into the calculation of the GCR Factors the Company proposes for the upcoming GCR year. If the Company submits subsequent filings (revised, supplemental, or rebuttal filings), the longstanding practice is not to update this estimate.

Therefore, the Company completed its response to PUC 4-10 as if it was preparing the analysis in early October 2021 and did not update the estimate of the ending deferral balance, resulting in a deferral balance change of \$0.

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d/b/a National Grid
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PUC 5-3

Request:

When was the estimate of the deferred gas balance included in the Monthly Report of GCR Deferred Balances filed on October 19, 2021 actually completed and known to the Company? On what date was the report transmitted to Robinson & Cole for filing?

Response:

The estimate of the deferred gas balance included in the Monthly Report of GCR Deferred Balances filed on October 19, 2021 was completed and known on October 18, 2021. The monthly report was transmitted to Robinson & Cole for filing on October 18, 2021 and filed on October 19, 2021.

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PUC 5-4

Request:

Please perform the same analyses that were provided in the response to PUC 4-10 in three additional ways:

- a. one that uses the deferred balance estimate that was included in the Company's September 20, 2021 Monthly Report of GCR Deferred Balances,
- b. one that uses the deferred balance estimate that was included in the Company's October 19, 2021 Monthly Report of GCR Deferred Balances;
- c. repeating (a) and (b), but extending the tables regarding estimated monthly revenue, completing the GCR rate year through October 2022 and calculates the annual totals.

Response:

- a. Please see the table below for a summary of the updated analysis provided by the Company in its response to PUC 4-10(a), including the deferred balance estimated that was reflected in the Company's September 20, 2021 Monthly Report of GCR Deferred Balances:

GCR Component	Increase (Decrease) from September 10 GCR Filing	
	Includes Impact of FERC Rate Cases	Excludes Impact of FERC Rate Cases
Fixed Gas Costs	\$2.5M	\$0.0M
Variable Gas Costs	\$32.6M	\$32.5M
Hedging Impact	(\$24.0M)	(\$24.0M)
Ending Deferral Balance as of October 31, 2021	\$1.1M	\$1.1M
Interest on Deferred Balance	\$0.1M	\$0.1M
Projected Gas Cost Deferral at October 31, 2022	\$12.3M	\$9.7M
Projected Deferral as a Percent of 2022 GCR Revenue	7.3%	5.8%

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PUC 5-4, page 2

Please see below for the calculation of hypothetical GCR factors calculated in the Company's response to PUC 4-10(b) updated to include the deferred balance estimate that was included in the Company's September 20, 2021 Monthly Report of GCR Deferred Balances:

GCR Rates	September 10 Filing	Including FERC Rate Cases	Excluding FERC Rate Cases
GCR Factor – High Load (per therm)	\$0.5413	\$0.5844	\$0.5775
GCR Factor – Low Load (per therm)	\$0.6137	\$0.6587	\$0.6495
FT-2 Demand Rate (Dth/Mth)	\$11.8772	\$12.1954	\$11.9117
FT-1 Storage & Peaking Rate (per Dth)	\$0.9323	\$0.9572	\$0.9350

Please see the table below for the estimated incremental revenue that would have been billed by the Company for the months of November 2021, December 2021, and January 2022, had the hypothetical rates calculated above had been put into effect for usage on and after November 1, 2021, as compared to the GCR factor implemented on November 1, 2021.

Estimated Monthly Revenue					
	Sept. 10 Filing (a)	Including FERC Rate Cases (b)	Excluding FERC Rate Cases (c)	Incremental Revenue – Including FERC Rate Cases (d) = (b) - (a)	Incremental Revenue – Excluding FERC Rate Cases (e) = (c) - (a)
Nov 2021	\$13,042,059	\$13,988,097	\$13,792,038	\$946,038	\$749,979
Dec 2021	\$21,540,755	\$23,109,546	\$22,786,819	\$1,568,791	\$1,246,064
Jan 2022	\$28,178,186	\$30,233,355	\$29,811,704	\$2,055,169	\$1,633,518
Total	\$62,761,001	\$67,330,998	\$66,390,561	\$4,569,997	\$3,629,561

- b. Please see the table below for a summary of the updated analysis provided by the Company in its response to PUC 4-10(a), including the deferred balance estimated that was reflected in the Company's October 19, 2021 Monthly Report of GCR Deferred Balances:

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PUC 5-4, page 3

GCR Component	Increase (Decrease) from September 10 GCR Filing	
	Includes Impact of FERC Rate Cases	Excludes Impact of FERC Rate Cases
Fixed Gas Costs	\$2.5M	\$0.0M
Variable Gas Costs	\$32.6M	\$32.5M
Hedging Impact	(\$24.0M)	(\$24.0M)
Ending Deferral Balance as of October 31, 2021	\$2.9M	\$2.9M
Interest on Deferred Balance	\$0.1M	\$0.1M
Projected Gas Cost Deferral at October 31, 2022	\$14.1M	\$11.5M
Projected Deferral as a Percent of 2022 GCR Revenue	8.4%	6.9%

Please see below for the calculation of hypothetical GCR factors calculated in the Company's response to PUC 4-10(b) updated to include the deferred balance estimate that was included in the Company's October 19, 2021 Monthly Report of GCR Deferred Balances:

GCR Rates	September 10 Filing	Including FERC Rate Cases	Excluding FERC Rate Cases
GCR Factor – High Load (per therm)	\$0.5413	\$0.5910	\$0.5841
GCR Factor – Low Load (per therm)	\$0.6137	\$0.6653	\$0.6562
FT-2 Demand Rate (Dth/Mth)	\$11.8772	\$12.1954	\$11.9117
FT-1 Storage & Peaking Rate (per Dth)	\$0.9323	\$0.9572	\$0.9350

Please see the table below for the estimated incremental revenue that would have been billed by the Company for the months of November 2021, December 2021, and January 2022, had the hypothetical rates calculated above had been put into effect for usage on and after November 1, 2021, as compared to the GCR factor implemented on November 1, 2021.

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Estimated Monthly Revenue					
	Sept. 10 Filing (a)	Including FERC Rate Cases (b)	Excluding FERC Rate Cases (c)	Incremental Revenue – Including FERC Rate Cases (d) = (b) - (a)	Incremental Revenue – Excluding FERC Rate Cases (e) = (c) - (a)
Nov 2021	\$13,042,059	\$14,126,535	\$13,930,476	\$1,084,476	\$888,417
Dec 2021	\$21,540,755	\$23,339,651	\$23,016,924	\$1,798,896	\$1,476,169
Jan 2022	\$28,178,186	\$30,535,054	\$30,113,402	\$2,356,868	\$1,935,216
Total	\$62,761,001	\$68,001,240	\$67,060,802	\$5,240,239	\$4,299,802

- c. Please see the table below for the estimated incremental revenue calculated in part (a) for the months of November 2021 through October 2022, had the hypothetical rates calculated in part (a) had been put into effect for usage on and after November 1, 2021, as compared to the GCR factor implemented on November 1, 2021.

Estimated Monthly Revenue					
	Sept. 10 Filing (a)	Including FERC Rate Cases (b)	Excluding FERC Rate Cases (c)	Incremental Revenue – Including FERC Rate Cases (d) = (b) - (a)	Incremental Revenue – Excluding FERC Rate Cases (e) = (c) - (a)
Nov 2021	\$13,042,059	\$13,988,097	\$13,792,038	\$946,038	\$749,979
Dec 2021	\$21,540,755	\$23,109,546	\$22,786,819	\$1,568,791	\$1,246,064
Jan 2022	\$28,178,186	\$30,233,355	\$29,811,704	\$2,055,169	\$1,633,518
Feb 2022	\$30,568,049	\$32,798,238	\$32,340,933	\$2,230,189	\$1,772,884
Mar 2022	\$23,579,471	\$25,297,599	\$24,944,466	\$1,718,128	\$1,364,995
Apr 2022	\$19,086,314	\$20,475,175	\$20,189,003	\$1,388,861	\$1,102,689
May 2022	\$8,467,946	\$9,078,676	\$8,950,745	\$610,730	\$482,799
June 2022	\$5,335,852	\$5,717,093	\$5,635,851	\$381,241	\$299,999
July 2022	\$4,301,510	\$4,606,865	\$4,541,008	\$305,355	\$239,498
Aug 2022	\$4,089,266	\$4,379,050	\$4,316,347	\$289,784	\$227,081
Sept 2022	\$4,318,814	\$4,625,427	\$4,559,308	\$306,613	\$240,494
Oct 2022	\$5,812,529	\$6,228,693	\$6,140,345	\$416,164	\$327,816
Total	\$168,320,753	\$180,537,812	\$178,008,568	\$12,217,059	\$9,687,814

Please see the table below for the estimated incremental revenue calculated in part (b) for the months of November 2021 through October 2022, had the hypothetical rates calculated in part (b) had been put into effect for usage on and after November 1, 2021, as compared to the GCR factor implemented on November 1, 2021.

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Estimated Monthly Revenue					
	Sept. 10 Filing (a)	Including FERC Rate Cases (b)	Excluding FERC Rate Cases (c)	Incremental Revenue – Including FERC Rate Cases (d) = (b) - (a)	Incremental Revenue – Excluding FERC Rate Cases (e) = (c) - (a)
Nov 2021	\$13,042,059	\$14,126,535	\$13,930,476	\$1,084,476	\$888,417
Dec 2021	\$21,540,755	\$23,339,651	\$23,016,924	\$1,798,896	\$1,476,169
Jan 2022	\$28,178,186	\$30,535,054	\$30,113,402	\$2,356,868	\$1,935,216
Feb 2022	\$30,568,049	\$33,125,691	\$32,668,386	\$2,557,642	\$2,100,337
Mar 2022	\$23,579,471	\$25,549,681	\$25,196,548	\$1,970,210	\$1,617,077
Apr 2022	\$19,086,314	\$20,678,788	\$20,392,616	\$1,592,474	\$1,306,302
May 2022	\$8,467,946	\$9,167,747	\$9,039,816	\$699,801	\$571,870
June 2022	\$5,335,852	\$5,772,386	\$5,691,144	\$436,534	\$355,292
July 2022	\$4,301,510	\$4,650,980	\$4,585,122	\$349,470	\$283,612
Aug 2022	\$4,089,266	\$4,420,870	\$4,358,169	\$331,604	\$268,903
Sept 2022	\$4,318,814	\$4,669,726	\$4,603,606	\$350,912	\$284,792
Oct 2022	\$5,812,529	\$6,289,126	\$6,200,778	\$476,597	\$388,249
Total	\$168,320,753	\$182,326,233	\$179,796,988	\$14,005,480	\$11,476,234

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d/b/a National Grid
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PUC 5-5

Request:

Referring to the response to PUC 4-10, and the first table on page 2, please reconcile the difference between (i) the estimate of \$2.5 million of fixed gas costs shown on that table with (ii) the estimate of fixed gas costs shown on the table on page 4 of 9 of the interim filing testimony of Mr. Scheib. Please provide an explanation for each component of the difference, in addition to showing the dollar differences.

Response:

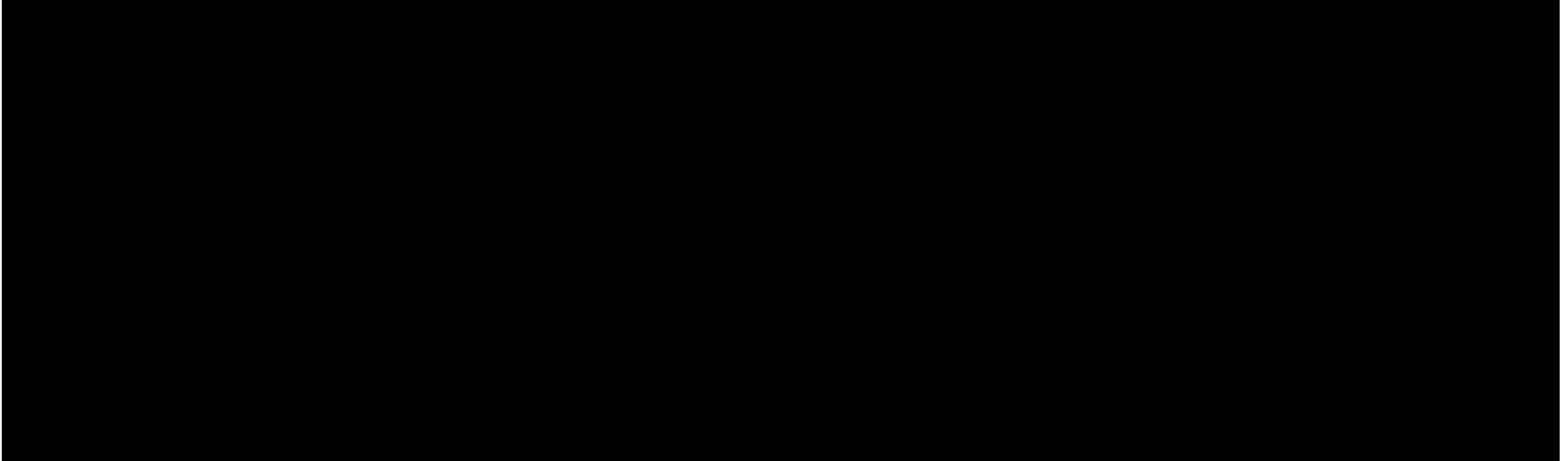
The \$2.5 million reflected in the table in the Company's response to PUC 4-10 represents the fixed cost difference between the Company's approved filing submitted on September 10, 2021 and a hypothetical gas cost forecast requested in PUC 4-10 based on what was known as of October 1, 2021, including the October 1, 2021 NYMEX strip and the estimated impact of any proposed gas pipeline transmission rates that were known by the Company as of October 1, 2021, regardless of whether the pipeline rate case filings had been accepted by FERC. The impact of these proposed pipeline rate changes makes up the majority of the \$2.5 million estimated difference in fixed costs.

However, the estimated difference in fixed gas costs shown on the table on page 4 of 9 of Mr. Scheib's interim filing testimony represents the net difference of all fixed costs between the Company's approved September 10, 2021 filing and the interim filing submitted on November 19, 2021. As the Company explains in its Interim 2021 Gas Cost Recovery Filing beginning at Line 12, page 11 of 12, in the Company's GCR filing on September 10, 2021, the Company estimated pricing for a winter LNG refill deal based on services provided to the Company for the 2020-2021 heating season as the Company had not yet finalized its winter liquid needs for the upcoming winter. The actual cost of the arrangement for this season, which are not included in the Company's response to PUC 4-10 as a result of this timing, is higher than last year, which can be attributed to both the increased requirements for trucked LNG supply to the Company's LNG facilities as well as increased pricing for LNG compared to the previous heating season. A portion of these cost increases are hourly peaking fixed costs and will be reallocated to the Distribution Adjustment Charge (DAC) reconciliation to be filed around August 1, 2022. The remainder of these cost increases are reflected in the Company's interim GCR and make up the difference between the \$2.5 million reflected in PUC 4-10 and the dollar amount reflected in the Company's interim filing testimony.

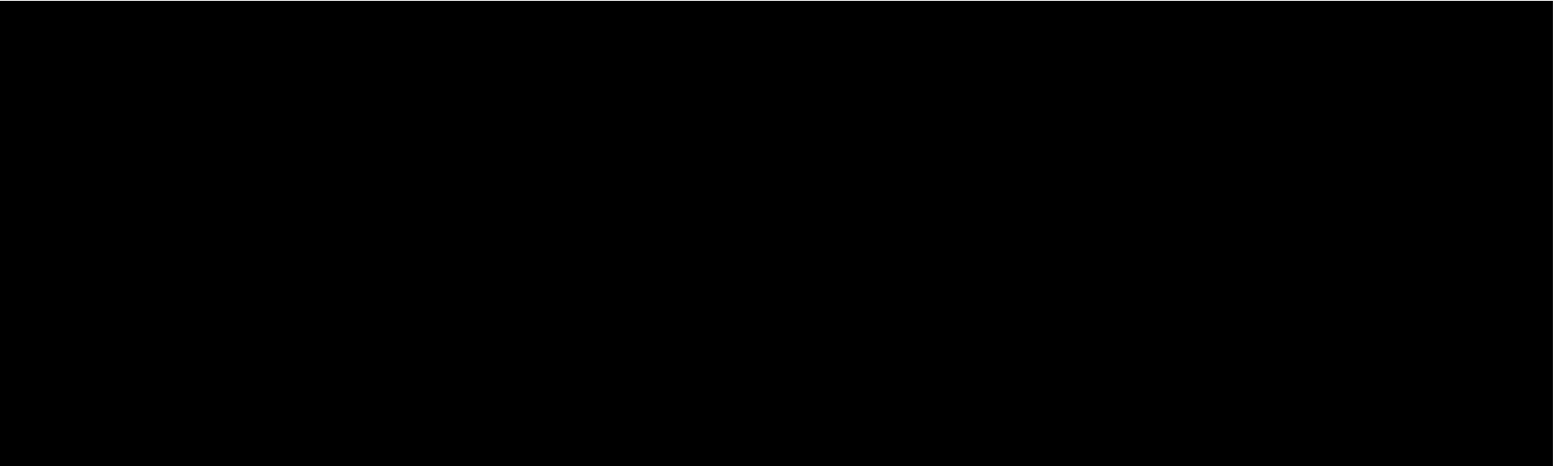
Please see the confidential Attachment PUC 5-5, which shows the differences in the fixed costs from the two tables referenced in the request.

REDACTED

Comparison Between 9/10 Submittal and PUC 4-10 Data Request



Comparison Between 9/10 Submittal and 11/19 Interim Submittal



The Narragansett Electric Company
d/b/a National Grid
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PUC 5-6

Request:

Referring to the response to PUC 4-10, and the tables on page 2, please explain why the estimate of variable gas costs is \$600,000 lower than what was estimated in the table on page 4 of 9 of the interim filing testimony of Mr. Scheib.

Response:

The estimate of variable costs is lower because in the Company's interim filing, the November 2, 2021 NYMEX was used; in the Company's response to data request PUC 4-10, the October 1, 2021 NYMEX was used.

The NYMEX Strip from October 1st compared to November 2nd was 1.58% lower during the months of November 2021 through October 2022. The SENDOUT model optimizes based on the cost of gas now and into the future.