

June 26, 2008

VIA HAND DELIVERY & ELECTRONIC MAIL

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

> RE: Docket 3943 – National Grid Request for Change of Gas Distribution Rates Responses to Division Data Requests – Sets 6, 7 and 8

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's¹ responses to the sixth, seventh and eighth sets of data requests issued by the Rhode Island Division of Public Utilities and Carriers ("Division") in the above-captioned proceeding on June 5, 2008.

Please note that the Company's filing omits a few responses from the sixth and seventh sets. Attached is a listing of the outstanding data requests for which the Company has not yet provided a response. The Company is working to resolve these outstanding requests and plans to make a supplemental filing no later than July 3, 2008.

In addition, please be advised that the Company is seeking protective treatment of a confidential spreadsheet model provided in response to Data Request DIV-8-27, as permitted by Commission Rule 1.2(g) and by R.I.G.L. § 38-2-2(4)(i)(B). The Company has submitted a Motion for Protective Treatment under separate cover along with a copy of the confidential spreadsheet model to the Commission pending a determination on the Company's Motion. The Company has submitted a redacted version of the response in this filing for the public record. In addition, the Company plans to provide a copy of the confidential attachment to the Division in accordance with a non-disclosure agreement.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,

Thomas R. Teehan

Enclosures

cc: Docket 3943 Service List

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

Outstanding Responses to Information Requests as of June 26, 2008

- Data Request DIV 3-6
- Data Request DIV 5-2
- Data Request DIV 5-8
- Data Request DIV 5-13
- Data Request DIV 5-15
- Data Request DIV 5-16
- Data Request DIV 5-35
- Data Request DIV 5-36
- Data Request DIV 5-41
- Data Request DIV 5-42
- Data Request DIV 5-43
- Data Request DIV 6-9
- Data Request DIV 6-14
- Data Request DIV 6-19
- Data Request DIV 6-22
- Data Request DIV 6-24
- Data Request DIV 6-25
- Data Request DIV 7-3
- Data Request DIV 7-5
- Data Request DIV 7-6
- Data Request DIV 7-14
- Data Request DIV 7-21

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically submitted, hand delivered and mailed to the individuals listed below.

/S/	<u>June 26, 2008</u>
Linda Samuelian	Date

National Grid (NGrid) – Request for Change in Gas Distribution Rates Docket No. 3943 - Service List as of 5/28/08

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June 26, 2008

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3943 – National Grid Request for Change of Gas Distribution Rates

Motion for Protective Treatment

Dear Ms. Massaro:

Enclosed please find one original and nine (9) copies of National Grid's¹ Motion for Protective Treatment concerning the Company's responses to the Division's eighth set of data requests being filed under separate cover in the above-captioned proceeding.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,

Thomas R. Teehan

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Enclosures

cc: Docket 3943 Service List

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

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS RHODE ISLAND PUBLIC UTILITIES COMMISSION

)	
National Grid)	
Application to Change Rate Schedules)	Docket 3943
)	
)	

MOTION OF NATIONAL GRID FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION

Now comes The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company") and hereby requests that the Rhode Island Public Utilities Commission (the "Commission") grant protection from public disclosure of certain confidential and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.2(g) and by R.I.G.L. § 38-2-2(4)(i)(B).

I. BACKGROUND

On June 26, 2008, the Company filed responses to data requests issued by the Rhode Island Division of Public Utilities and Carriers (the "Division") in the above-referenced proceeding concerning the Company's application for a change in base rates. In those data requests, the Division requested the formulas and data inputs that the witness used to prepare certain exhibits submitted in this proceeding. In response to Data Request DIV 8-27(b), the Company is submitting the proprietary electronic model and financial data developed by the Company to make certain calculations relating to the internal rate of return on customer-addition projects. For the reasons stated below, the Company requests that this information be protected from public disclosure. Please note

that the Company has previously submitted the rate of return results calculated using the model for the public record for this proceeding.

II. LEGAL STANDARD

The Commission's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1, et seq. Under 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.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, the Commission has the authority under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure.

In that regard, R.I.G.L. §38-2-2(4)(i)(B) provides that the following 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 the determination as to whether this exemption applies requires the application of a two-pronged test set forth in Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I.2001). The first prong of the test assesses whether the information was provided voluntarily to the governmental agency. Providence Journal, 774 A.2d at 47. If the answer to the first question is affirmative, then the question becomes whether the information is "of a kind"

that would customarily not be released to the public by the person from whom it was obtained." Id.

In addition, the Court has held that the agencies making determinations as to the disclosure of information under APRA may apply the balancing test established by the Court in <u>Providence Journal v. Kane</u>, 577 A.2d 661 (R.I.1990). Under this balancing test, the Commission may protect information from public disclosure if the benefit of such protection outweighs the public interest inherent in disclosure of information pending before regulatory agencies.

III. BASIS FOR CONFIDENTIALITY

National Grid seeks protection from public disclosure for the confidential financial data and spreadsheet formulas used to establish the internal rate of return for certain customer-addition projects. The Company developed the financial model for its own proprietary use in its gas marketing programs and it reveals confidential pricing data used by the Company in these programs. If this information was disclosed on the public record, the Company's competitive position in a marketplace where customers are able to choose heating fuels other than natural gas would be compromised. Public disclosure of the spreadsheet model would be commercially harmful to National Grid and its customers because potential heating-fuel competitors would have access to the Company's proprietary marketing and sales information. As a result, disclosure of the spreadsheet model would undermine the Company's efforts to attract new load for the benefit of all firm customers.

Consistent with the standard for confidentiality established under Rhode Island law, the proprietary spreadsheet model is information "of a kind that would customarily

not be released to the public by the person from whom it was obtained." The Company is under no obligation in any other forum to disclose the pricing information and formulas, and as is customary in relation to any type of proprietary work product, the Company would not ordinarily release the information in a public forum because of the detrimental impact that such a release would have on the operation of the gas marketing program. In addition, the Company has already released the information derived from the model for the public record in order to assist in the Commission's evaluation of the Company's proposals in this case. Accordingly, in this case, the need to ensure that the electronic model is protected outweighs the general public interest inherent in disclosure of information pending before regulatory agencies.

V. CONCLUSION

The spreadsheet model is confidential, commercially sensitive and proprietary. Disclosure of the spreadsheet model on the public record would be detrimental to the public interest in that it would negatively affect the Company's efforts to attract new customer load in a marketplace where customers have competitive options. Accordingly, the Company requests that the Commission protect the spreadsheet model submitted in response to Data Request DIV 8-27.

WHEREFORE, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

NATIONAL GRID

By its attorneys,

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Dated: June 26, 2008