

November 16, 2010

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4199 - 2010 Gas Charge Recovery Filing  
Responses to Division Data Requests (Set 5)**

Dear Ms Massaro:

Enclosed please find ten (10) copies of the Company's responses to Set 5 of the Division Data Requests in the above-referenced matter.

This filing also contains a Motion for Protective Treatment in accordance with Rule 1.2(g) of the Commission's Rules of Practice and Procedure and R.I.G.L. § 38-2-2(4)(B). The Company seeks protection from public disclosure of the identity of suppliers whose pricing is contained in Attachments 1 and 3 to the Company's response to DIV 5-1. Because of the voluminous nature of Attachment 1 to DIV 5-1, the Company is providing this attachment to the Commission on three (3) CD-Roms. In addition, the Company is providing one (1) CD-Rom to Bruce Oliver. The Company seeks protection from public disclosure of the identities of certain companies in order to protect their pricing information for volumes that are identified in the those attachments as this information is confidential and proprietary. To that end, the Company has provided the Commission with the confidential materials for its review, and has included redacted copies of Attachment 3 in the filing.

Thank you for your attention to this filing. If you have any questions, please do not hesitate to contact me at (401) 784-7667.

Sincerely,



Thomas R. Teehan

Enclosures

cc: (pursuant to confidentiality agreement)  
Leo Wold, Esq.  
Steve Scialabba  
Bruce Oliver

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

_____	)	
National Grid	)	
Gas Cost Recovery (“GCR”) Plan 2010	)	
	)	Docket No. 4199
	)	
_____	)	

**MOTION OF THE NARRAGANSETT ELECTRIC COMPANY,  
D/B/A NATIONAL GRID  
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

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

**I. BACKGROUND**

On November 16, 2010, the Company filed with the Commission its responses to Set 5 of the Division’s data requests in this proceeding. Those responses included three attachments containing the names suppliers and their pricing on volumes identified in the attachments. The Company seeks protection from public disclosure of the identities of those suppliers in order to protect their pricing information for volumes that are identified in those attachments as this information is confidential and proprietary. For the reasons stated below, the Company requests that this information be protected from public

disclosure. The Company seeks protective treatment for Attachment 1 and has also filed redacted copies of Attachment 3.

## **II. LEGAL STANDARD**

Rule 1.2(g) of the Commission's Rules of Practice and Procedure 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 Providence Journal v. Kane, 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**

The public disclosure of these terms would be commercially harmful to the Company and its customers since potential bidders could use this information in such a way that would impede the Company’s ability to obtain the best possible bid for its customers. Moreover, the pricing information of the suppliers, if made public, could injure the suppliers in future solicitations.

Thus, the Company seeks to protect from public disclosure the identities of the suppliers whose pricing appears in Attachments 1 and 3 to its responses to DIV 5-1.

**V. CONCLUSION**

In light of the foregoing, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

**THE NARRAGANSETT ELECTRIC  
COMPANY**

By its attorney,



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Thomas R. Teehan (RI #4698)  
280 Melrose Street  
Providence, RI 02907  
(401) 784-7667

Dated: November 16, 2010

Division 5-1

Request:

Please provide documentation of all elements of each of the “netting transactions” that are included in the \$6.2 million adjustment to the Company’s gas costs that is referenced National Grid’s response to Division Data Request DIV 3-1, and show the Company’s calculation of the net dollar amount for each combination of transactions that was included in each of the monthly adjustment amounts shown in the table that is included in the Company’s response to Division Data Request DIV 3-1.

Response:

Attachment 1 to this response contains all 52 of the actual invoices that contain gas costs included in the \$6.2 million adjustment. Attachment 2 and Attachment 3 are two tables that tie the purchase gas costs shown on those individual invoices to the Company’s booked gas supply purchase cost.

Attachment 2 shows the detail of the actual journal entries where gas costs from the invoices were booked to the Company’s account as gas supply purchases for system supply for Rhode Island.

Attachment 3 shows the same dollar amount of gas purchases shown in the “posted Jrnl \$” entries in the total lines of the column headed “Purchases”. Each total line is the sum of the detailed amounts for that individual month for all vendors whose invoices involved netting transactions. Each detail line represents one invoice and, for each invoice, it shows the vendor, the date of the invoice (MONTH), the amount purchased (MMBTU), the dollar amount purchased (PURCHASES), the dollar amount sold (SALES) and the net receivable, the difference between the purchases and the sales. All transactions involved the purchase or sale of commodity, as shown in the column describing the “TYPE” of the transaction.

Each invoice contained in Attachment 1 shows the complete detail for every purchase and sale transaction covered by the “netting” invoice including the deal #, the date, the trader, the pipeline and pipeline meter where the gas was delivered or sourced, whether it was a remittance (R = sale) or a purchase (P), the price and the amount payable or due.

**Attachment 1**  
**(REDACTED)**

Business Unit	Regulatory Acct	Regulatory Acct Descr	Activity	Activity Descr	Jrnl Id	Jrnl Line Descr	Jrnl Dt	Period	Fiscal Yr	Posted Jrnl \$
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00228762	BI Billing	5/18/2009	2	2010	\$212,443
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00231996	BI Billing	6/12/2009	3	2010	\$1,136,450
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00235408	BI Billing	7/13/2009	4	2010	\$275,329
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00236403	BI Billing	7/22/2009	4	2010	(\$3,103)
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00239431	BI Billing	8/25/2009	5	2010	\$176,860
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00242620	BI Billing	9/14/2009	6	2010	\$687,822
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00242887	BI Billing	9/16/2009	6	2010	(\$3)
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00246411	BI Billing	10/15/2009	7	2010	\$957,361
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00249902	BI Billing	11/16/2009	8	2010	\$601,588
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00252812	BI Billing	12/10/2009	9	2010	\$404,629
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00257213	BI Billing	1/18/2010	10	2010	\$24,146
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00260744	BI Billing	2/17/2010	11	2010	\$635,043
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00263974	BI Billing	3/15/2010	12	2010	\$286,308
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00264778	BI Billing	3/22/2010	12	2010	\$5,835
00048	804000	Natural Gas City Gate Purch	804000	Gen Purch Gas Natural Gas	BI00268790	BI Billing	4/20/2010	1	2011	\$772,829

Notes:

\$6,173,538

1. Business unit 00048 is Narragansett Electric Company, d/b/a National Grid Gas Division
2. Regulatory Account 804000 and Activity 804000 refer to natural gas purchases for sytem supply
3. BI Billing refers to the source of the transaction, that the accounting entry originated as an item on an invoice issued by National Grid
4. Period refers to the month in the Company's accounting cycle, 1=April
5. The Posted Journal \$ is the amount of the gas purchase included in the "netting" transactions



	VENDOR	MONTH	MMBTU	TYPE	PURCHASES 804000	SALES 483000	NET RECEIVABLE 143000
1		05/18/09	41,215	Commodity	156,691.45	252,722.24	96,030.79
2		05/18/09	5,000	Commodity	17,550.00	53,099.00	35,549.00
3		05/18/09	7,800	Commodity	31,208.00	68,587.50	37,379.50
4		05/18/09	1,617	Commodity	6,993.53	53,090.00	46,096.47
	<b>TOTAL</b>		<b>55,632</b>		<b>212,442.98</b>	<b>427,498.74</b>	<b>215,055.76</b>
5		06/12/09	32,424	Commodity	348,561.32	4,120,003.53	3,771,442.21
6		06/12/09	24,515	Commodity	94,960.15	122,670.00	27,709.85
7		06/12/09	1,400	Commodity	5,740.00	23,539.04	17,799.04
8		06/12/09	83,456	Commodity	312,258.51	669,046.61	356,788.10
9		06/12/09	3,000	Commodity	11,085.00	148,192.00	137,107.00
10		06/12/09	97,600	Commodity	363,845.23	506,055.38	142,210.15
	<b>TOTAL</b>		<b>242,395</b>		<b>1,136,450.21</b>	<b>5,589,506.56</b>	<b>4,453,056.35</b>
11		07/13/09	8,200	Commodity	31,737.00	413,796.50	382,059.50
12		07/13/09	31,149	Commodity	126,465.45	241,483.18	115,017.73
13		07/13/09	29,047	Commodity	114,023.18	703,243.80	589,220.62
	<b>TOTAL</b>		<b>68,396</b>		<b>272,225.63</b>	<b>1,358,523.48</b>	<b>1,086,297.85</b>
14		08/25/09	1,019	Commodity	3,739.73	77,714.01	73,974.28
15		08/25/09	12,259	Commodity	41,112.09	699,501.78	658,389.69
16		08/25/09	39,575	Commodity	132,008.37	487,584.64	355,576.27
	<b>TOTAL</b>		<b>52,853</b>		<b>176,860.19</b>	<b>1,264,800.43</b>	<b>1,087,940.24</b>
17		09/14/09	4,276	Commodity	14,363.73	35,253.02	20,889.29
18		09/14/09	33,679	Commodity	109,363.46	1,160,649.80	1,051,286.34
19		09/14/09	21,133	Commodity	68,313.54	256,813.48	188,499.94
20		09/14/09	10,500	Commodity	30,750.00	1,389,755.13	1,359,005.13
21		09/14/09	159,954	Commodity	465,031.66	507,795.08	42,763.42
	<b>TOTAL</b>		<b>229,542</b>		<b>687,822.39</b>	<b>3,350,266.51</b>	<b>2,662,444.12</b>
22		10/15/09	97,196	Commodity	286,763.95	748,942.68	462,178.73
23		10/15/09	54,721	Commodity	157,557.29	185,859.00	28,301.71
24		10/15/09	1,068	Commodity	2,178.72	16,500.00	14,321.28
25		10/15/09	26,050	Commodity	79,895.65	117,113.50	37,217.85
26		10/15/09	144,603	Commodity	430,965.84	696,182.50	265,216.66
	<b>TOTAL</b>		<b>323,638</b>		<b>957,361.45</b>	<b>1,764,597.68</b>	<b>807,236.23</b>
27		11/16/09	109,314	Commodity	445,017.92	446,178.00	1,160.08
28		11/16/09	8,053	Commodity	39,161.54	88,100.00	48,938.46
29		11/16/09	28,502	Commodity	117,408.78	392,270.10	274,861.32
	<b>TOTAL</b>		<b>145,869</b>		<b>601,588.24</b>	<b>926,548.10</b>	<b>324,959.86</b>

	VENDOR	MONTH	MMBTU	TYPE	PURCHASES	SALES	NET RECEIVABLE
30		12/10/09	25,800	Commodity	90,184.00	598,315.00	508,131.00
31		12/10/09	7,000	Commodity	26,040.00	762,132.56	736,092.56
32		12/10/09	76,626	Commodity	288,404.84	315,812.63	27,407.79
	<b>TOTAL</b>		<b>109,426</b>		<b>404,628.84</b>	<b>1,676,260.19</b>	<b>1,271,631.35</b>
33		01/18/10	4,860	Commodity	24,145.80	28,240.00	4,094.20
	<b>TOTAL</b>		<b>4,860</b>		<b>24,145.80</b>	<b>28,240.00</b>	<b>4,094.20</b>
34		02/17/10	58,398	Commodity	407,155.38	439,452.00	32,296.62
35		02/17/10	9,600	Commodity	66,278.00	93,300.00	27,022.00
36		02/17/10	200	Commodity	1,190.00	173,758.75	172,568.75
37		02/17/10	2,100	Commodity	14,429.50	1,176,354.38	1,161,924.88
38		02/17/10	24,039	Commodity	145,990.59	195,038.00	49,047.41
	<b>TOTAL</b>		<b>94,337</b>		<b>635,043.47</b>	<b>2,077,903.13</b>	<b>1,442,859.66</b>
39		03/15/10	9,871	Commodity	55,357.37	119,385.56	64,028.19
40		03/15/10	1,700	Commodity	9,894.00	25,600.00	15,706.00
41		03/15/10	5,000	Commodity	25,350.00	184,696.50	159,346.50
42		03/15/10	5,267	Commodity	33,176.13	274,168.53	240,992.40
43		03/22/10	989	Commodity	5,835.10	288,284.50	282,449.40
44		03/15/10	1,300	Commodity	8,060.00	9,726.00	1,666.00
45		03/15/10	27,000	Commodity	154,470.00	365,755.00	211,285.00
	<b>TOTAL</b>		<b>51,127</b>		<b>292,142.60</b>	<b>1,267,616.09</b>	<b>975,473.49</b>
46		04/20/10	1,400	Commodity	5,540.50	260,490.00	254,949.50
47		04/20/10	6,690	Commodity	32,236.10	116,965.50	84,729.40
48		04/20/10	8,700	Commodity	38,904.00	297,152.00	258,248.00
49		04/20/10	14,557	Commodity	57,055.37	140,605.00	83,549.63
50		04/20/10	24,500	Commodity	102,612.00	225,200.25	122,588.25
51		04/20/10	6,791	Commodity	30,844.98	52,305.00	21,460.02
52		04/20/10	113,879	Commodity	505,636.59	703,950.54	198,313.95
	<b>TOTAL</b>		<b>176,517</b>		<b>772,829.54</b>	<b>1,796,668.29</b>	<b>1,023,838.75</b>
	<b>GRAND TOTAL</b>		<b>1,554,592</b>		<b>6,173,541.34</b>	<b>21,528,429.20</b>	<b>15,354,887.86</b>

Division 5-2

Request:

For each transaction that was part of the “netted transactions” included in the posted journal dollar amount for each month, please provide:

- a. The date(s) on which each element of a set of “netted transactions” was incurred;
- b. The entity(ies) with whom National Grid engaged in each set of the “netted transactions for its Rhode Island gas portfolio;”
- c. The type(s) of commodity or services transactions included in each set of “netted transactions;”
- d. The volumes of gas (by source), quantities of capacity (by resource), and/or amounts of other products and/or services included in each transaction that was part of a set of “netted transactions.”

Response:

- a. The date on which each element of the netted transactions was incurred is the trade date which is shown on the attached invoices for every transaction contained in Attachment 1 to Division 5-1.
- b. The entity for each of the purchase transactions is shown in Attachment 3 to Division 5-1 and on the invoices.
- c. All purchase transactions involved commodity purchases that were netted against commodity sales of a greater dollar value.
- d. The total amount of gas purchased and netted in the invoice is shown in Attachment 3 to Division 5-1. The amount of gas purchased or sold under each individual transaction (deal #) is shown on each individual invoice in the meter Volume column.

Division 5-3

Request:

Please identify any and all incentive amounts under the GPIP and/or the NGPMP that the Company has claimed, or intends to claim, for each of the months affected by the referenced \$6.2 million adjustment, and document and explain the manner in which each monthly adjustment amount affects the Company's incentive calculations for each affected month.

Response:

During the period April 2009 through May 2010, the Company claimed a GPIP incentive of \$1,000,000.00 in its 2009 GCR filing. This incentive was for the GPIP incentive year ending June 2009 and was claimed in October 2009. The transactions associated with the GPIP incentive are financial; whereas, the transactions which created the \$6.2 million adjustment were physical. The GPIP incentive is based on a comparison of the average unit costs of the mandatory financial transactions versus the average unit costs of the discretionary financial transactions. Thus, the GPIP incentive is calculated separately and is independent of the physical transactions. Therefore, the GPIP incentive calculation is not affected by the referenced \$6.2 million adjustment.

The NGPMP incentive is calculated based on each and every purchase and sale transaction recorded in the Company's transaction management system. Every one of these transactions were properly included in the Company's quarterly NGPMP report and are listed separately as either an expense or revenue on the Flowing Transaction Detail or the Storage Injection Transaction Detail attachments. The NGPMP incentive is calculated on the transaction level and not on the aggregate invoice level, which produced the \$6.2 million adjustment. The NGPMP incentive calculation is not affected by the adjustment.