

November 9, 2017

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

**Re: Docket 4610 – Electric Environmental Response Fund
Request to Propose Addition to the List of Sites**

Dear Ms. Massaro:

On behalf of National Grid,¹ I am submitting this request for Public Utilities Commission (PUC) approval of the proposed Environmental Response Fund Provision, RIPUC No. 2181, to include an additional environmental site to the list of sites included in the Company's currently-effective Environmental Response Fund tariff at RIPUC No. 2173, which provides that:

Narragansett shall have the right to propose additions to the list of sites by including the request to include additional sites at the time that Narragansett files its annual report under subparagraph (C) below, provided that the inclusion of the Environmental Response Costs associated with additional sites to be charged to the fund shall be subject to the approval of the Commission.

As described more fully below, National Grid requests to include the Apponaug Substation Site to the list of environmental sites contained in the Environmental Response Fund tariff that would provide for recovery of eligible Environmental Response Costs, as defined in the Company's tariff, through the fund. Accompanying this request, National Grid is filing its Environmental Response Cost Report for the period April 1, 2016 through March 31, 2017 (fiscal year 2017).

In addition, pursuant to Commission Rule 1.9(c), I have enclosed ten (10) copies of National Grid's proposed Environmental Response Fund Provision, RIPUC No. 2181, in which the Company is proposing to include the Apponaug Substation Site to be added to the current list of sites contained in the currently-effective tariff, RIPUC No. 2173. The proposed revision reflects the addition of the Apponaug Substation Site to the list. The proposed electric tariff, with the appropriate tariff page marked to identify the revision to the electric tariff currently in effect, is contained in this filing as Attachment 1.

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

Apponaug Substation Site

The Apponaug Substation (the Site) is located at 3069 Post Road in Warwick, Rhode Island and consists of approximately 0.66 acres (28,750 square feet) of land. Since its acquisition by the Company on October 4, 1990, the Site has historically been used as an electrical substation. The Site currently contains a control house and a 23 kV electrical yard with aboveground and underground electrical facilities used in transmission and distribution. Aboveground equipment includes power transformers, circuit breakers, regulators, and other electrical support structures.

In November 2004, the Company identified surficial staining beneath the former location of an electrical power transformer at the Site indicative of a historical release of mineral oil dielectric fluid. Based on the analytical results for collected surficial soil samples, regulated concentrations of total petroleum hydrocarbons (TPH), and polychlorinated biphenyls (PCBs) were determined to be present. Soil was determined to represent PCB remediation waste regulated for disposal consistent with the requirements of the United States Environmental Protection Agency (EPA) Toxic Substances Control Act 40 CFR 761. In accordance with the Rhode Island Department of Environmental Management (RIDEM) *Rules and Regulations for the Investigation and Remediation of Hazardous Material Releases* (Remediation Regulations) and *Oil Pollution Control Regulations*, the Company provided RIDEM with a written notification of findings on January 7, 2005.

On January 20, 2005, RIDEM issued a Letter of Responsibility to the Company requiring the preparation of a Site Investigation Report for the release at the Site. The Company submitted a Site Investigation Report to RIDEM on March 15, 2005. Additional Site characterization sampling activities were performed in 2005 and 2012. The extent of TPH and PCB impacts at the Site has not yet been fully delineated; however, areas of soil proximal to the former transformer are known to contain TPH in excess of the RIDEM Method 1 soil objectives, as well as PCB remediation waste. Portions of the former transformer foundation are also regulated for disposal. To date, notification to, or approval from, EPA has not been required. No remedial activities to address this condition have been performed to date.

Additional Site characterization sampling is needed to delineate TPH and PCB concentrations in soil, paint, and/or concrete in compliance with applicable RIDEM and EPA regulations. A determination of whether TPH and/or PCB impacts to groundwater have occurred will be made as part of future assessment activities. To date, groundwater has not been assessed as part of Site characterization activities. Based on the depth of detected TPH and/or PCB concentrations in soil (10 feet below grade), and based on estimated depth to groundwater in the vicinity of the release (greater than 14 feet below ground surface), it is unlikely that groundwater has been impacted by the release or will be encountered during remedial activities. Additional assessment activities are anticipated to be performed during the winter of 2017 continuing into spring of 2018. Following delineation activities, a supplemental Site Investigation Report and Remedial Action Work Plan will be submitted to RIDEM. Pending RIDEM approval of the Remedial Action Work Plan, remedial actions will be conducted in accordance with the RIDEM

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Remediation Regulations and 40 CFR 761. At this time (pending further assessment and delineation activities), the approximate volume of soil and concrete to be removed for proper off-site disposal is estimated at 50 tons. Post-excavation *in-situ* verification soil samples will be collected from the excavation limits using the methods described in 40 CFR 761, Subpart O as a guide to determine whether removal activities have adequately reduced TPH and PCB concentrations in accordance with applicable RIDEM and EPA standards. At the conclusion of remedial activities, clean fill material will be emplaced to restore the Site to its original grade.

The Company is the responsible party for remediation of the Site, which is projected to cost approximately \$297,838. Given the nature of the Site and the cleanup costs, the Company believes it is appropriate to include the Apponaug Substation Site in the list of environmental sites contained in the fund. Through this filing, the Company seeks to include the assessment and remediation costs for the Apponaug Substation Site through the Environmental Response Fund beginning with the current fiscal year 2018. The Company anticipates that a Completion Report can be prepared and submitted to RIDEM and/or the EPA in the fall/winter of 2018. Presuming conditions supporting regulatory closure are achieved, RIDEM approval and regulatory closure is expected to be obtained in early 2019.

As described above, in accordance with the applicable tariff, National Grid requests to include the Apponaug Substation Site in the list of environmental sites covered by the Environmental Response Fund.

Thank you for your attention to this filing. Please contact me at (781) 907-2153 if you have any questions concerning this matter.

Very truly yours,



Celia B. O'Brien

Enclosure

cc: Docket 4610 Service List
Leo Wold, Esq.
Steve Scialabba, Division

The Narragansett Electric Company
Environmental Response Fund Provision

The Environmental Response Fund shall fund the recovery of Environmental Response Costs, as defined below.¹

(A) Definition of Environmental Response Costs

Environmental Response Costs are all the reasonable and prudently incurred costs associated with remedial and clean-up obligations of Narragansett Electric (Narragansett or Company), or its predecessor companies, arising out of (i) Narragansett's or its predecessors' utility-related ownership and/or operation of manufactured gas plants and sites associated with the operation and disposal activities from such gas plants; and (ii) electric operations other than electricity generation² of Narragansett or its predecessor companies that gave rise to deposits or waste, which are regulated under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), Resource Conservation and Recovery Act (RCRA), Rhode Island General Laws 23-19.14, or any other laws regulations, or orders by courts or governmental authorities, now located on Company property or on property to which the deposits may have migrated, or on any off-site location at which the deposits or waste may have been deposited and to sites to which such material may have migrated. A list of the known locations of manufactured gas waste sites and other sites containing material subject to this section is provided in section (D) below. Narragansett shall have the right to propose additions to the list of sites by including the request to include additional sites at the time that Narragansett files its annual report under subparagraph (C) below, provided that the inclusion of the Environmental Response Costs associated with additional sites to be charged to the fund shall be subject to the approval of the Commission. In addition to actual remedial and clean-up costs, Environmental Response Costs also include costs of acquiring property associated with the clean up of such sites as well as litigation costs, claims, judgments, and settlements associated with such sites. The Company will use best efforts to satisfy its obligation to minimize the Environmental Response Costs charged to the fund consistent with applicable regulatory requirements and sound environmental policies and to minimize litigation costs that may arise. Any applicable insurance proceeds and any net gains (after transaction costs) associated with the sale or lease of land listed in section (D) shall be credited to the fund. To the extent the Company incurs any other extraordinary environmental liability of which it is not aware as of March 14, 2000, the date the fund was established, the Company has the right to request the Commission to allow such costs incurred in connection with such extraordinary events to be included as Environmental Response Costs.

(B) Funding

Interest shall accrue, for the benefit of customers, on any credit balances in the fund at the

¹ The Environmental Response Fund was established in Docket No. 2930 (2000).

² The environmental response costs associated with generation are recovered under Narragansett's restructuring settlement with New England Power Company, approved by FERC in Docket Nos. ER97-678-000 and 97-680-000.

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Environmental Response Fund Provision

customer deposit rate. No interest shall accrue on debit balances. Any cash expenditures shall be charged to the fund as long as the costs that are or have been incurred are Environmental Response Costs, as defined above. The fund shall be credited at the annual amount of \$3,078,000 or \$256,500 per month.

(C) Annual Reports

The Company will file an annual report with the Commission providing a summary and accounting of all costs incurred during such year which have been applied to the fund. Such costs are subject to review to ensure they fall within the definition of Environmental Response Costs, as defined above.

(D) List of Eligible Sites

Washington Street, Bristol

Thames Street, Bristol

Main Street, Warren

Canal Street, Westerly

Industrial Drive, Westerly

Tidewater Street, Pawtucket

Exchange Street, Pawtucket

High Street, Central Falls

Hamlet Ave, Woonsocket

Pond Street, Woonsocket

Cumberland (remote disposal location)

Lawn Street, Attleboro, MA

Mendon Road, Attleboro, MA

Melrose Street, Providence

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J.M. Mills Landfill Site

Quonset Point Site

Great Lakes Container Corporation Superfund Site, Coventry, Kent County, Rhode
Island

Kyan Street, Lowell, MA (Chandonnet Site)

Admiral Street, Providence

Wakefield No. 17 Substation, South Kingstown

Lakewood No. 57 Substation, Warwick

[Apponaug Substation, Warwick](#)

Effective Date: ~~May 4, 2017~~ [February 1, 2018](#)

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

November 9, 2017
Date

**Docket No. 4610 – National Grid – Electric Environmental Response Fund
Service List as of 1/5/17**

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