

January 5, 2017

VIA HAND DELIVERY & 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
Supplemental Request to Propose Additions to the List of Sites**

Dear Ms. Massaro:

On behalf of National Grid,¹ I am submitting this request for PUC approval of the proposed Environmental Response Fund Provision, RIPUC No. 2173, to include two additional environmental sites to the list of sites included in the Company's currently-effective Environmental Response Fund tariff at RIPUC No. 2164, 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.

On November 9, 2016, the Company filed a request to include the Admiral Street 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 that request was National Grid's Environmental Response Cost Report for the period April 1, 2015 through March 31, 2016 (fiscal year 2016).

With today's filing, the Company is supplementing its November 9, 2016 request to include a second site, namely, the Wakefield No. 17 Substation Site, to the list of environmental sites contained in the Company's tariff, as described more fully below.

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

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. 2173, in which the Company is proposing to include the two additional sites proposed to be added to the current list of sites contained in the currently-effective tariff, RIPUC No. 2164. The proposed revision reflects the addition of the Admiral Street Site and the Wakefield No. 17 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. A clean copy of the amended tariff is attached as Attachment 2.

Wakefield No. 17 Substation Site

The Wakefield No. 17 Substation (the Site) is located at 19 Old Tower Hill Road in South Kingstown, Rhode Island. The Company has owned the Site since July 16, 1936. The Site consists of 0.41 acres (17,860 square feet) of land and has historically been used as an automated outdoor electrical substation since its acquisition by the Company. The Site currently contains a control house and a 34.5kV electrical yard with aboveground and underground electrical facilities used in transmission and distribution. Aboveground equipment includes power transformers, circuit breakers, other oil-filled electrical equipment, and support structures.

During the decommissioning of three electrical transformers in August 1994, the Company identified subsurface conditions indicative of a historical release of mineral oil dielectric fluid (MODF) at the Site. Based on the Site's historical use as an electrical substation that formerly contained polychlorinated biphenyl (PCB)-contaminated MODF-filled electrical equipment, the Company conservatively characterized the materials that were generated at the Site as PCB Remediation Waste pursuant to 40 CFR 761. At that time, the Company discontinued soil excavations because of the limitations presented by existing electrical equipment and groundwater encountered in the excavations. The Rhode Island Department of Environmental Management (RIDEM) issued a Letter of Compliance to the Company on April 20, 1995 stating that, based on the findings at the Site and the current and expected future use of the Site as an electrical substation, the Site was in compliance with the *Rules and Regulations for the Investigation and Remediation of Hazardous Material Releases* (Remediation Regulations).

Between February 10 and May 10, 2003, the Company performed additional excavation activities to facilitate the installation of several concrete footings to support the installation of additional electrical equipment and a control house at the substation. During on-going excavation activities at that time, National Grid identified MODF-impacted soil. In accordance with RIDEM regulations, on April 21, 2003, the Company notified RIDEM of the identified historical release conditions and informed RIDEM of the required construction and associated ongoing assessment. As a result of construction-related excavation activities, the Company submitted an Environmental Monitoring, Site Investigation, and Closure Report to RIDEM on July 13, 2009, detailing response actions completed at the Site. On August 21, 2009, RIDEM issued the Company a letter of No Further Action.

Between November 2015 and January 2016, the Company performed limited soil and concrete pre-characterization activities at the Site to support proposed substation reconfiguration activities associated with the sea2shore construction project. As part of the sea2shore project, the Block Island Wind Farm was to be interconnected to the mainland through the installation of a new 34.5 kV underground electrical transmission cable terminating at the Site. Based on the analytical results associated with the pre-characterization activities, concentrations of PCBs in excess of the applicable RIDEM and Toxic Substances Control Act (TSCA) 40 CFR 761 standards were identified in soils throughout the proposed construction area. In accordance with the RIDEM Letter of No Further Action dated August 21, 2009, the PCB concentrations identified during the pre-characterization investigation constituted a previously unknown condition that required notification to RIDEM prior to the initiation of substation construction activities.

Construction activities at the Site associated with the sea2shore project included the removal of certain pieces of existing infrastructure at the Site (equipment and foundations), installation of new concrete foundations to support new electrical equipment, as well as the installation of new underground electric transmission cables to tie the sea2shore project into the Wakefield Substation. Prior to the commencement of these project Site construction activities, the Company submitted a Notification Letter dated April 27, 2016 to RIDEM detailing the proposed construction activities. To facilitate the construction schedule and meet the sea2shore project deadline, the Company focused the excavation activities that were conducted during this time on those that supported the installation of the assets described above. Because the PCB concentrations identified during the pre-characterization investigation exceeded the applicable standards as described above, the Company handled soil that was excavated and generated during the construction activities associated with the sea2shore project as PCB Remediation Waste, and disposed of it in accordance with 40 CFR 761, Subpart D. The Company collected post-excavation *in-situ* soil samples throughout the excavation areas to determine whether removal activities had resulted in the complete removal of PCB concentrations in excess of 1 mg/kg (from within the areas that had been excavated as part of the substation reconfiguration activities associated with the sea2shore project).

Once soil had been excavated to the dimensions required for removal or installation of the assets related to the sea2shore project, verification samples were collected to determine whether additional regulated concentrations of PCBs remained in soil. If PCB concentrations in excess of 1 ppm were identified at verification locations that would be rendered inaccessible as a result of the sea2shore infrastructure installation, additional soil was removed at those locations as part of the sea2shore project, while it was safely accessible. Soil disturbing work at the Site related to the sea2shore project was completed in September 2016. No further remediation has been performed to address Site conditions since that time. PCB concentrations above 1 ppm currently remain in subsurface soil at the Site. Therefore, PCB Remediation Waste, as defined by TSCA, remains at the Site and additional assessment and remediation is required to achieve regulatory closure. To date, notification to, or approval from, EPA has not been required.

To delineate the remaining concentrations of PCBs, additional sampling activities were conducted between September 9 and October 3, 2016. These activities resulted in the identification of additional PCB Remediation Waste in the investigation area, the extent of which has not yet been determined, and at concentrations in excess of the applicable RIDEM and EPA standards. Additional Site characterization is required to fully delineate PCB concentrations. These activities will be initiated in the fall/winter of 2016 and are expected to be completed by the spring of 2017. Closure activities will then include the completion of a Performance-Based Cleanup in accordance with 40 CFR 761.61(b), which is projected to commence in the spring/summer of 2017.

At this time (pending the completion of assessment and delineation activities), the volume of soil to be removed for proper off-site disposal is estimated at 100 tons. Based on the estimated depth of material to be removed and on assumed groundwater conditions, it is unlikely that groundwater will be encountered during excavation activities. Post-excavation *in-situ* verification soil samples will be collected from the excavation limits in a manner consistent with 40 CFR 761, Subpart O, to determine whether removal activities were successful. Following the receipt of favorable analytical results, clean fill material will be emplaced to restore the Site to its original grade. The Company anticipates that a Performance-Based Cleanup Completion Report will be prepared and submitted to RIDEM for regulatory closure in the fall of 2017. RIDEM approval and regulatory closure is expected to be completed in the winter of 2017-2018.

The Company is not seeking to recover prior spending or spending associated with the sea2shore project. Environmental assessment, monitoring, and remediation activities associated with the sea2shore project were completed in September 2016 at a total cost of \$435,676.60. The Company is the sole responsible party for future assessment and remediation of the Site, which is projected to cost approximately \$287,000. Given the nature of the Site and the cleanup costs, the Company believes that it would be appropriate to include the Wakefield No. 17 Substation Site in the list of environmental sites contained in the fund. Through this supplemental filing, the Company seeks to include the remediation costs for the Wakefield No. 17 Substation Site through the Environmental Response Fund beginning with the current fiscal year 2017.

The Company seeks to use the fund for assessment activities conducted in September and October 2016 totaling approximately \$15,000 (costs unrelated to the sea2shore project) and for all future costs (currently estimated at approximately \$272,000) associated with the assessment and remediation of the substation.

As described above and in its November 9, 2016 request, in accordance with the applicable tariff, National Grid requests to include the Admiral Street Site and the Wakefield No. 17 Substation Site in the list of environmental sites covered by the Environmental Response Fund.

Luly E. Massaro, Commission Clerk
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Additional Environmental Sites
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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,

A handwritten signature in blue ink that reads "Celia B. O'Brien". The signature is written in a cursive style.

Celia B. O'Brien

Enclosures

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

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, 2017
Date

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

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	Joanne.scanlon@nationalgrid.com ;	
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	Steve.scialabba@dpuc.ri.gov ;	
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	dmacrae@riag.ri.gov ;	
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Jmunoz@riag.ri.gov ;	401-780-2107
	Luly.massaro@puc.ri.gov ;	
	Cynthia.WilsonFrias@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	

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.

The Narragansett Electric Company
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

REDLINED VERSION

RIPUC No. [21732164](#)
Canceling RIPUC No. [21642126](#)
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The Narragansett Electric Company
Environmental Response Fund Provision

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](#)

Effective Date: [March 1, 2017](#)~~[October 1, 2016](#)~~

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Environmental Response Fund Provision

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Environmental Response Fund Provision

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