

February 13, 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  
Second Supplemental Request to Propose Additions to the List of Sites**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> I am submitting this second supplemental request for PUC approval of the proposed Environmental Response Fund Provision, RIPUC No. 2173, to include three 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).

On January 5, 2017, the Company supplemented its November 9, 2016 request to include a second site identified as the Wakefield No. 17 Substation Site to the list of environmental sites contained in the Company's tariff.

With today's filing, the Company is supplementing its January 5, 2017 request to include a third site, namely, the Lakewood No. 57 Substation Site, to the list of environmental sites contained in the Company's tariff, as described more fully below.

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<sup>1</sup>The 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 three 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, the Wakefield No. 17 Substation Site, and the Lakewood No. 57 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.

### **Lakewood No. 57 Substation Site**

The Lakewood No. 57 Substation (the Site) is located at 18 Lakewood Avenue in Warwick, Rhode Island. The Company purchased the original Site on August 20, 1929 and, to expand the Site, subsequently acquired additional property on October 2, 1929 and on September 14, 1995. The Site consists of approximately 0.8 acres of land and has historically been used as an automated outdoor electrical substation since its acquisition by the Company. The Site currently contains 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 October and November 2016, National Grid performed limited soil and concrete pre-characterization activities at the Site to support proposed substation construction activities, including the replacement of circuit breakers and associated concrete foundations and the installation of approximately 85 feet (from regulators to breakers) of underground electrical conduit. Based on the analytical results associated with the pre-characterization activities, concentrations of polychlorinated biphenyls (PCBs) in excess of the applicable Toxic Substances Control Act (TSCA) 40 CFR 761 standards were identified in concrete and soils throughout the proposed construction area.

From November 2016 to February 2017, the Company conducted construction activities at the Site, which 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, and installation of new underground electric lines. To facilitate the construction schedule and meet the project deadline, excavation activities conducted during this time were focused on supporting the installation of the assets listed above. Therefore, soil excavation during the construction activities was conducted under a Performance-Based Disposal in accordance with 40 CFR 761.61(b). Soil generated during the construction activities was handled as PCB Remediation Waste and disposed of in accordance with 40 CFR 761, Subpart D. Once soil had been excavated to the dimensions required for removal or installation of electrical equipment, verification samples were collected to determine whether additional regulated concentrations of PCBs in excess of 1 part per million (ppm) remained in soil (from within the areas that had been excavated as part of construction activities). If PCB concentrations in excess of 1 ppm were identified at verification locations, additional soil was removed at those locations.

To support the installation of the assets, the Company conducted additional Site characterization soil sampling activities at the Site while it performed the substation construction activities. During this time, Site characterization activities identified additional PCB Remediation Waste in the investigation area, the extent of which has not yet been fully determined, and at concentrations in excess of the applicable Environmental Protection Agency (EPA) standards. The Company excavated accessible PCB-contaminated soil to the extent possible in coordination with the substation construction activities. This aided in remediation efficiency as well as ensured that the installation of new infrastructure would not preclude necessary remedial excavation. Post-excavation *in-situ* verification soil samples were collected from the excavation limits in a manner consistent with 40 CFR 761, Subpart O, to determine whether removal activities adequately eliminated PCB concentrations in excess of 1 ppm. Following the receipt of favorable analytical results, the Company emplaced clean fill material to restore the excavated areas to original grade.

The Company completed its substation construction activities on January 28, 2017. Since that time, the Company has not performed any further assessment or remediation activities to address Site conditions. PCB concentrations (in excess of the EPA cleanup standard [1 ppm] for unrestricted use) identified as part of the pre-characterization sampling currently remain in sub-surface 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. Notification to the Rhode Island Department of Environmental Management (RIDEM) has not been required, as no concentrations of PCBs have been detected in excess of the applicable RIDEM standards.

To achieve regulatory closure in accordance with 40 CFR 761.61(b) by way of removing all PCB Remediation Waste, the Company must conduct additional Site characterization soil sampling to fully assess PCB concentrations. The Company plans to commence additional assessment activities in February 2017 to delineate the extent of PCB concentrations at the Site. Once the Company has delineated the extent of PCB concentrations at the Site, the Company will conduct remedial actions as a Performance-Based Cleanup in accordance with 40 CFR 761.61(b), which are projected to be completed in February 2017.

At this time (pending the completion of assessment and delineation activities), the Company estimates the approximate volume of soil to be removed for proper off-site disposal at approximately 30 tons. Based on the estimated depth of material to be removed, and based 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 have adequately eliminated PCB concentrations in excess of 1 ppm. Following the receipt of favorable analytical results, the Company will emplace clean fill material to restore the Site to its original grade. National Grid anticipates that a Performance-Based Cleanup Completion Report will be prepared for regulatory closure in the spring of 2017.

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The Company is the sole responsible party for future assessment and remediation of the Site, which is projected to cost approximately \$89,000. The Company is not seeking to recover spending associated with the substation construction activities. Given the nature of the Site and the cleanup costs, the Company believes that it would be appropriate to include the Lakewood No. 57 Substation Site in the list of environmental sites contained in the fund. Through this second supplemental filing, the Company seeks to include the assessment and remediation costs for the Lakewood No. 57 Substation Site through the Environmental Response Fund beginning with the current fiscal year 2017.

As described above, and in its November 9, 2016 and January 5, 2017 requests, in accordance with the applicable tariff, National Grid requests to include the Admiral Street Site, the Wakefield No. 17 Substation Site, and the Lakewood No. 57 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

Enclosures

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.<sup>1</sup>

(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 generation<sup>2</sup> 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

<sup>1</sup> The Environmental Response Fund was established in Docket No. 2930 (2000).

<sup>2</sup> 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

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](#)

[Lakewood No. 57 Substation, Warwick](#)

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

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Wakefield No. 17 Substation, South Kingstown

Lakewood No. 57 Substation, Warwick

Effective Date: March 1, 2017

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.



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Joanne M. Scanlon

February 13, 2017

Date

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

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<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	<a href="mailto:Jmunoz@riag.ri.gov">Jmunoz@riag.ri.gov</a> ;	401-780-2107
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