

January 25, 2022

VIA 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
Environmental Report FY2021
Responses to PUC Data Requests – Set 1**

Dear Ms. Massaro:

On behalf of National Grid,¹ I have attached the electronic version of Company's responses to the first set of data requests issued by the Rhode Island Public Utilities Commission in the above-referenced matter.²

Thank you for your attention to this filing. Please contact me at 508-330-8602 if you have any questions concerning this matter.

Very truly yours,



Celia B. O'Brien

Attachments

cc: Docket 4610 Service List
Leo Wold, Esq.
John Bell, Division
Al Mancini, Division

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

² Per a communication from Commission counsel on October 4, 2021, the Company is submitting an electronic version of this filing followed by six (6) hard copies filed with the Clerk within 24 hours of the electronic filing.

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 24, 2022
Date

**Docket No. 4610 – National Grid – Electric Environmental Response Fund
Service List as of 01/04/2022**

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| File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888 | Luly.massaro@puc.ri.gov ; | 401-780-2107 |
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The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-1

Request:

Referencing Section II of the revised Annual Report dated December 13, 2021, Section C is Main Street, Warren. Because the site is now closed, will it be removed from the ERF list?

Response:

The Main Street, Warren site is closed, and the Company does not anticipate incurring future Environmental Response Costs for the site. Rather than remove the site from the List of Eligible Sites in the Company's Environmental Response Fund Provision, R.I.P.U.C. No. 2173, to preserve the cumulative list of sites in the tariff that are or have been eligible for remediation through the tariff, the Company will revise the tariff to include the word "Closed" next to the site name on the List of Eligible Sites.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-2

Request:

Referencing Section II of the revised Annual Report dated December 13, 2021, Section D is Canal Street, Westerly. Please provide detail for the credits under "Property Purchases/Settlements/Legal."

Response:

The net credit of \$9,880 under Property Purchases/Settlement/Legal for Canal Street, Westerly is an accounting adjustment to remove legal costs associated with a Company capital project that were incorrectly charged to the Environmental Response Fund. This accounting adjustment should have been credited to the Melrose Street, Providence site, rather than credited to the Canal Street, Westerly site. The Company subsequently made an accounting adjustment in Fiscal Year 2022 to debit the Canal Street, Westerly site and credit the Melrose Street, Providence site. This debit and credit accounting adjustment will be reflected in the Fiscal Year 2022 report with an explanatory note.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-3

Request:

Referencing Section II of the revised Annual Report dated December 13, 2021, Section F is Tidewater Street, Pawtucket. Please provide additional detail for each of the itemized charges. Under "Other Costs," please explain what the RI General Treasurer Reimbursement is.

Response:

Note: In accordance with the Commission's instructions, where additional detail is requested, the Company is not providing the same information already provided in Attachment 1 (Contractor/Disposal Costs) and Attachment 2 (Consulting Costs).

Additional detail for each of the itemized charges other than Contractor/Disposal Costs and Consulting Costs is provided below.

\$6,512: DEM/EPA Oversight Costs are payments to reimburse the Rhode Island Department of Environmental Management ("RIDEM") for oversight costs.

\$768: Property Purchases/Settlements/Legal are payments to the Company's outside counsel (Hinckley Allen) to provide legal advice and support in connection with public meetings required under the Public Involvement Plan.

\$3,840: Other Costs are payments made to an appraiser (Bates and McDonough) to provide a fair market value appraisal used to establish lease terms for the portion of the Fortuitous Partners development on Company property.

The RI General Treasurer Reimbursement category under Other Costs is for the payments to reimburse RIDEM for oversight costs. Prior to Fiscal Year 2014, RIDEM oversight costs were primarily reported under the RI General Treasurer Reimbursement category. Starting in Fiscal Year 2014, these costs have been reported under the DEM/EPA Oversight Costs category.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-4

Request:

Recently, there were news stories regarding issues at the Tidewater Site. Please provide an explanation, any updates to the scope of work, and/or cost estimates as a result of any issues that have arisen since March 31, 2021 at this site.

Response:

On December 1, 2021, at approximately 7:30 a.m., during regrading of the shoreline in the northern portion of the site proximate to a riverbank cap that was previously installed in 2009, petroleum sheens breached the absorbent boom and turbidity curtain installed in the Seekonk River. The breach resulted in the migration of a petroleum sheen extending approximately 2,200 feet downriver (south) of the active work area. Based on observations made in the field on the day of the incident, the visual water impacts predominantly consisted of light-colored sheens. Although the amount of coal tar released into the river from the soils/sediments being excavated is unknown, the Company's construction oversight engineers, GZA GeoEnvironmental, Inc. ("GZA"), estimated that between two and 20 gallons of weathered coal tar breached the absorbent boom and turbidity curtain based on the type of sheen observed and the areal extent of the sheen.

Upon identification of the breach, the remediation contractor, Charter Contracting Company LLC ("Charter"), discontinued work, notified the United States Coast Guard National Response Center at 10:26 a.m., and immediately implemented corrective measures. The Company notified the Rhode Island Department of Environmental Management ("RIDEM") of the breach at 9:53 a.m. Charter implemented corrective measures that included deployment of additional absorbent booms directly downstream of the work area; deployment of absorbent booms at the downriver end of the observed extent of impact (approximately 2,200 feet downriver of the work area); and recovery of the observed sheens on the surface of the water using absorbent booms.

Representatives from RIDEM's Emergency Response Division and the Coastal Resources Management Council met separately with Company representatives at the site on December 2, 2021. No additional corrective actions were required by either agency beyond the recovery efforts underway at the time.

As a result of this incident, GZA has redesigned the revetment construction in all areas where site conditions indicate that more coal tar is present in the shoreline subsurface than initially estimated. This redesign includes placing additional layers of absorptive matting and reducing the amount of excavation required to place these capping materials. The Company has submitted

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-4, page 2

this redesign to the various regulatory agencies to amend our permit requirements and to obtain formal approval to implement the redesign. The redesign will reduce the frequency of maintenance of the revetment in the future. In addition, the Company has implemented a secondary boom system during the work to prevent further breaches of site controls. Cost estimates for these additional preventative measures have not been finalized. Preliminary estimates for the additional absorptive matting and controls are expected to be approximately \$350,000 to \$400,000. The costs to address the December 1, 2021 breach of the controls were covered under the original contract scope at no additional cost to the Company.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-5

Request:

Referencing Section II of the revised Annual Report dated December 13, 2021, Section J is Pond Street, Woonsocket. Please explain why the consulting costs are negative.

Response:

The Company has conducted a comprehensive review of the costs to date for the Pond Street, Woonsocket site. The review indicates that there were Hamlet Avenue, Woonsocket consulting charges that were incorrectly charged to Pond Street, Woonsocket in Fiscal Year 2005. These charges were combined into Hamlet Avenue, Woonsocket in the Fiscal Year 2005 report and a correcting accounting entry was processed in Fiscal Year 2006. During the preparation of the Fiscal Year 2006 report, this correcting accounting entry should also have been combined into Hamlet Avenue, Woonsocket; however, it was inadvertently left in the Pond Street site in the Fiscal Year 2006 report, resulting in the negative balance that has been carried through to Fiscal Year 2021. To correct this reporting oversight, the consulting costs reported in the Fiscal Year 2006 report under Pond Street, Woonsocket will be combined into the consulting costs payments to date totals for the Hamlet Avenue, Woonsocket site in the Fiscal Year 2022 report.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-6

Request:

Referencing Section II of the revised Annual Report dated December 13, 2021, Section M is Mendon Road, Attleboro, MA. Because the site is closed and no further work is anticipated, will this property be removed from the ERF list?

Response:

The Mendon Road, Attleboro, MA site is closed, and the Company does not anticipate incurring future Environmental Response Costs for the site. Rather than remove the site from the List of Eligible Sites in the Company's Environmental Response Fund Provision, R.I.P.U.C. No. 2173, to preserve the cumulative list of sites in the tariff that are or have been eligible for remediation through the tariff, the Company will revise the tariff to include the word "Closed" next to the site name on the List of Eligible Sites.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-7

Request:

Referencing Section II of the revised Annual Report dated December 13, 2021, Section N is Melrose Street, Providence. Please provide additional detail supporting the itemized charges.

Response:

Note: In accordance with the Commission's instructions, where additional detail is requested, the Company is not providing the same information already provided in Attachment 1 (Contractor/Disposal Costs) and Attachment 2 (Consulting Costs).

Additional detail for each of the itemized charges other than Contractor/Disposal Costs and Consulting Costs is provided below.

\$420: DEM/EPA Oversight Costs are payments to reimburse the Rhode Island Department of Environmental Management ("RIDEM") for oversight costs.

\$13,160: Property Purchases/Settlements/Legal are payments to the Company's outside counsel (Hinckley Allen) to provide legal advice and support for the permitting required for the environmental remedy.

Please see the Company's response to PUC 1-2 regarding the net credit of \$9,880 to the Canal Street, Westerly site under Property Purchases/Settlement/Legal.

\$58,215: Other Costs are related to Project Management costs to manage the site.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-8

Request:

Referencing Section II of the revised Annual Report dated December 13, 2021, Section Q is Miscellaneous. Please provide supporting detail for each of the itemized charges.

Response:

Note: In accordance with the Commission's instructions, where additional detail is requested, the Company is not providing the same information already provided in Attachment 1 (Contractor/Disposal Costs) and Attachment 2 (Consulting Costs).

Additional detail for each of the itemized charges other than Contractor/Disposal Costs and Consulting Costs is provided below.

\$4,682: DEM/EPA Oversight Costs are payments to reimburse the Rhode Island Department of Environmental Management ("RIDEM") for oversight costs. These costs are related to the Fields Point Liquefaction Project ("FPLP"), which is a non-Company and non-Environmental Response Fund ("ERF") project.

To further explain how RIDEM invoices National Grid companies for oversight costs, RIDEM issues one invoice to the Company for all Rhode Island sites, all of which are Company sites (ERF sites and non-ERF sites) except for the FPLP. The invoice states the number of hours of RIDEM oversight for each site. The Company calculates the costs per site based on the hours provided by RIDEM. The invoice for 642 Allens Avenue, Providence, is a combined number of hours for 642 Allens Avenue, Providence, and the adjacent FPLP. The Company reviews the combined number of hours provided by RIDEM for 642 Allens Avenue and allocates the number of hours of RIDEM oversight for each of 642 Allens Avenue and FPLP. In addition, National Grid's SAP system is designed to assign only one National Grid company to the check issued to RIDEM as payment for the invoice. As a result, FPLP costs are initially charged to Miscellaneous and then transferred to FPLP accounting with a credit to the ERF. Depending on the timing of the receipt of the RIDEM invoice, the charges and credits do not always occur in the same fiscal year. The RIDEM oversight charge of \$4,682 related to FPLP was initially charged to Miscellaneous in Fiscal Year 2021 and then transferred to FPLP accounting in Fiscal Year 2022, resulting in \$0 net charge to Miscellaneous for DEM/EPA Oversight Costs

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-8, page 2

\$8,287: Property Purchases/Settlements/Legal are payments of \$197 to the Company's outside counsel (Robinson and Cole) for the Company's allocation of legal advice and support related to the preparation of a Remediator Contract for construction work; and payments of \$2,850 to the Company's outside counsel (Hinckley Allen) for the Company's allocation of legal advice and support related to reviewing and commenting on proposed environmental legislation. Hinckley Allen charges of \$8,090 were charged in Fiscal Year 2021; however, \$5,240 of these charges were transferred to non-ERF accounting in Fiscal Year 2022 for a net Hinckley Allen charge of \$2,850.

\$140,850: Other Costs are \$139,276 for Company labor to manage the Environmental Response Cost program, and \$1,574 for the Company's portion of membership dues for the Utility Solid Waste Activities Group ("USWAG") for support related to the management of Company waste.

USWAG membership dues have been allocated to the Company since Fiscal Year 2013. The Company is in the process of calculating the total portion of the USWAG dues payments related to lobbying. The Company will remove that portion of the dues from the ERF and will not charge such costs to the ERF going forward.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4610
In Re: Environmental Response Fund Provision
Fiscal Year 2021 Report
Responses to the Commission's First Set of Data Requests
Issued on January 4, 2022

PUC 1-9

Request:

Referencing Section II of the revised Annual Report dated December 13, 2021, Section T is Chandonnet Site. Please explain the credit for the project management costs.

Response:

National Grid operating companies New England Power Company, Massachusetts Electric Company, and the Company are responsible for the management of the Chandonnet site in accordance with a cost sharing agreement between the National Grid companies and other Potentially Responsible Parties ("PRPs"). Under the agreement, the other PRPs are required to reimburse the National Grid companies for their respective allocated shares of environmental response costs.

The Other cost category includes Project Management and Third Party Reimbursements. In Fiscal Year 2019 and in Fiscal Year 2021, the Project Management costs and Third Party Reimbursement payments received from the other PRPs were reported under Project Management resulting in a net credit to the Project Management cost category.

In response to this data request, the Company reviewed the Project Management costs and Third Party Reimbursements from the time the site was added to the Environmental Response Fund list in Fiscal Year 2016. This review indicates that the actual Project Management costs for Fiscal Year 2021 were \$1,998 and payments to date were \$7,986, and the Third Party Reimbursements for Fiscal Year 2021 were \$5,513 and to date were \$92,296. These totals will be reflected in the Fiscal Year 2022 report. The total site costs for the reporting period and to date have not changed.