



September 14, 2016

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4634 - 2016 Distribution Adjustment Charge
Responses to PUC Data Requests – Set 2**

Dear Ms. Massaro:

Enclosed please find 10 copies of National Grid's¹ responses to the second set of data requests issued by the Rhode Island Public Utilities Commission (PUC) in the above-referenced docket.

Please be advised that the Company's response to COMM 2-4 will be provided under separate cover and will be forthcoming shortly.

In accordance with PUC Rule 1.2(g) and by R.I. Gen. Laws § 38-2-2(4)(B), the Company is seeking protective treatment of the attachments in response to data request COMM 2-2, as permitted by PUC Rule 1.2(g).

This filing also contains a Motion for Protective Treatment in accordance with PUC Rule 1.2(g) and R.I. Gen. Laws § 38-2-2(4)(B). In compliance with Rule 1.2(g), National Grid is providing one complete, unredacted copy of the confidential versions of the following attachments referenced below:

- Confidential Attachment COMM 2-2(i)
- Confidential Attachment COMM 2-2(ii)
- Confidential Attachment COMM 2-2(iii)
- Confidential Attachment COMM 2-2(iv)
- Confidential Attachment COMM 2-2(v)
- Confidential Attachment COMM 2-2(vi)
- Confidential Attachment COMM 2-2(vii)
- Confidential Attachment COMM 2-2(viii)

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

Luly E. Massaro, Commission Clerk
Docket 4634 – PUC Data Requests - Set 2
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Page 2 of 2

Due to the voluminous nature of these confidential attachments, the Company is providing the referenced attachments on a CD-ROM marked “Confidential” in a sealed envelope marked, **“Contains Privileged and Confidential Materials – Do Not Release.”**

Thank you for your attention to this filing. If you have any questions, please contact Jennifer Brooks Hutchinson at 401-784-7288 or Robert Humm at 401-784-7415.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal flourish extending to the right.

Jennifer Brooks Hutchinson

A handwritten signature in blue ink, appearing to read "Robert J. Humm", with a long horizontal flourish extending to the right.

Robert J. Humm

Enclosures

cc: Docket 4634 Service List
Leo Wold, Esq.
Steve Scialabba, Division
Bruce Oliver, 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

September 14, 2016

Date

**Docket No. 4634 – National Grid –2016 Annual Distribution Adjustment
Charge Filing (DAC) - Service List as of 8/22/16**

Name/Address	E-mail	Phone
Jennifer Brooks Hutchinson, Esq. National Grid 280 Melrose St. Providence, RI 02907	Jennifer.hutchinson@nationalgrid.com ;	401-784-7288
	Celia.obrien@nationalgrid.com ;	
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David Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	Djeffron@aol.com ;	603-964-6526
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk	Luly.massaro@puc.ri.gov ;	401-780-2107
	Patricia.lucarelli@puc.ri.gov ;	

Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Todd.bianco@puc.ri.gov ;	
	Sharon.ColbyCamara@puc.ri.gov ;	

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RHODE ISLAND PUBLIC UTILITIES COMMISSION

_____)	
National Grid)	
Distribution Adjustment Charge (DAC))	Docket No. 4634
2016)	
_____)	

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID'S MOTION FOR PROTECTIVE
TREATMENT OF CONFIDENTIAL INFORMATION**

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

I. BACKGROUND

On September 14, 2016, the Company filed with the PUC its responses to the PUC's second set of data requests in this docket. Commission 2-2 requests a copy of the recent solicitation, bid responses, and contract award in connection with environmental consulting and contractor services. The Company is seeking protective treatment for Attachments COMM 2-2(i) through (viii) to that response in its entirety, which contain competitive bid information. For the reasons stated below, the Company requests that this information be protected from public disclosure.

II. LEGAL STANDARD

Rule 1.2(g) of the PUC'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 PUC falls within one of the designated exceptions to the public records law, the PUC 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)(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.

III. BASIS FOR CONFIDENTIALITY

Attachments COMM 2-2(i) through (viii) contain confidential and proprietary bidder information including the names of bidders, pricing information associated with those bidders, the data and analyses upon which the Company relied to evaluate the bids, and the contract award. This information is confidential and proprietary to the bidders. Disclosure of this information would impact the competitive position of these parties, and such disclosure would impede National Grid's future ability to obtain bids and/or this type of proprietary information.

IV. CONCLUSION

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

Respectfully submitted,

**THE NARRAGANSETT ELECTRIC
COMPANY**

By its attorney,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal flourish extending to the right.

Jennifer Brooks Hutchinson (#6176)
Robert J. Humm (#7920)
280 Melrose Street
Providence, RI 02907
401-784-7288
401-784-7415
September 14, 2016

COMM 2-1

Request:

In Schedule SNL-4 (page 4 of 4), please provide a description of the costs associated with each environmental expense (16 sites), including but not limited to:

- a) Consulting costs – to whom paid, describe services provided, dates of service, and amount.
- b) Construction/disposal/removal costs - to whom paid, describe services provided, dates of service, and amount.
- c) Regulatory Oversight Costs (RIDEM/EPA/NBC) - to whom paid, describe services provided, dates of service, and amount.
- d) Property Purchases/Settlement/Legal - to whom paid, describe services provided, dates of service, and amount.
- e) Other Costs (includes Company labor, materials & expenses) - to whom paid, describe services provided, dates of service, and amount.

Response:

The requested information for the 11 sites for which there was spending in fiscal year 2016 is included in the below-referenced attachments. The dates of service for those sites were between April 1, 2015 and March 31, 2016. There was no spending for the following sites:

- Mendon Road, Massachusetts
 - 18 & 21 Holders at 642 Allens Avenue, Providence, Rhode Island
 - 18 Canal Street Mercury Spill, Westerly, Rhode Island
 - 18 Canal Street, Westerly, Rhode Island
 - 9 JT Connell Highway, Newport, Rhode Island
- a) Consulting costs are provided in Attachment COMM 2-1a.
 - b) Construction/disposal/removal costs are provided in Attachment COMM 2-1b.
 - c) There were no Regulatory Oversight Costs (RIDEM/EPA/NBC) during the reporting period.
 - d) Property Purchases/Settlement/Legal costs are provided in Attachment COMM 2-1d.
 - e) Other Costs (includes Company labor, materials & expenses) are provided in Attachment COMM 2-1e.

Consulting Costs			
Site	Consultant Name	Purpose of Consultant Costs	Costs
642 Allens Ave, Providence, RI	GZA GeoEnvironmental, Inc.	Groundwater/NAPL monitoring; boom maintenance; environmental support & planning during utility work; supplemental site investigation activities; preparation of environmental remedy documents for capping former Holder 18 & 21 area	\$199,400
	Coneco Engineers & Scientists, Inc.	Health & safety monitoring	\$19,536
170 Allens Ave, Providence, RI	GZA GeoEnvironmental, Inc.	Upland remedy monitoring and reporting	\$69,933
	EECS, Inc.	Project management activities	\$8,710
Pawtucket (Tidewater) MGP, RI	GZA GeoEnvironmental, Inc.	Public involvement activities; investigation activities; groundwater/NAPL/air monitoring; reporting	\$45,920
	Potomac	Community relations consulting	\$1,659
Woonsocket (Hamlet Ave) MGP	GZA GeoEnvironmental, Inc.	Environmental support for substation, gas main, and regulator station work; site investigation and summary letter preparation; preparation of site investigation work plan	\$15,409
	EECS, Inc.	Project management activities	\$1,377
	Coneco Engineers & Scientists, Inc.	Environmental support for substation, gas main, and regulator station work	\$2,062
PCB Regulated Pipe Abandonment	N/A	N/A	(\$77)
Holders at 642 Allens Ave, Providence, RI	N/A	N/A	\$0
Thames & Wellington, Newport	GZA GeoEnvironmental, Inc.	Environmental support of minor facility upgrades at the Wellington and environmental support and planning for utility upgrades at the City of Newport Microstrainer facility; reporting	\$54,037
Miscellaneous MGP, RI	EECS, Inc.	Project management activities	\$12,713
	GZA GeoEnvironmental, Inc.	Reallocation of FY15 filing support to specific sites	\$915
	GZA GeoEnvironmental, Inc.	Reallocation of FY15 filing support to specific sites	(\$900)
Insurance Recovery Activities	N/A	N/A	\$0
East Providence Holder	GZA GeoEnvironmental, Inc.	Environmental support during gas regulator tie-in; site inspections; ground water monitoring; reporting	\$21,644
	Vanasse Hangen Brustlin, Inc	Property survey for southern fence installation	\$3,200
560 Thames Street, Newport, RI	N/A	N/A	\$0

Contractor/Disposal			
Site	Contractor Name	Task	Costs
642 Allens Ave, Providence, RI	Clean Harbors Environmental Services, Inc. (Clean Harbors)	Waste disposal, support for sheen mitigation/boom maintenance; groundwater management support; environmental support for supplemental investigation	\$55,558
	T Ford Company, Inc. (T Ford)	Management of MGP residuals encountered during building demolition; test pit investigation, stockpile relocation onto former Holder 18	\$41,355
170 Allens Ave, Providence, RI	Clean Harbors	Waste disposal	\$2,395
Pawtucket (Tidewater) MGP, RI	Clean Harbors	Waste disposal; miscellaneous support	\$587
	T Ford	Building demolition activities	\$103,052
	Citiworks	Fence repair	\$270
PCB Regulated Pipe Abandonment	Clean Harbors	Pipe removal and disposal	\$212,434
Woonsocket (Hamlet Ave) MGP	Clean Harbors	Waste disposal	\$857
18&21 Holders at 642 Allens Ave	N/A	N/A	\$0
18 Canal Street Mercury Spill, Westerly, RI	N/A	N/A	\$0
18 Canal Street MGP, Westerly, RI	N/A	N/A	\$0
9 JT Connell Highway, Newport	N/A	N/A	\$0
Thames & Wellington, Newport	Clean Harbors	Waste disposal	\$2,523
	New Hampshire Boring, Inc.	Environmental support for City of Newport project	\$1,785
Mercury Seal Regulator (MSR) Replacement Program	Clean Harbors	MSR and impacted vent piping removal	\$20,964
Miscellaneous MGP, RI	N/A	N/A	\$0
Insurance Recovery Activities	N/A	N/A	\$0
East Providence Holder	Clean Harbors	Waste disposal	\$2,187
	Citiworks	Fence installation	\$19,831
560 Thames Street, Newport, RI	N/A	N/A	\$0

Property Purchases/Settlements/Legal			
Site	Legal Vendor Name	Purpose of Legal Costs	Costs
560 Thames Street, Newport, RI	HINCKLEY ALLEN & SNYDER LLP	Outside legal services	\$2,236.50
Insurance Litigation Haz Waste - NEG	COVINGTON & BURLING LLP	Insurance recovery support	\$56,285.94
	SALLY & FITCH LLP	Insurance recovery support	\$386.90
Newport (Thames & Wellington)	HINCKLEY ALLEN & SNYDER LLP	Outside legal services	\$49,991.26
Providence (170 Allens Ave) MGP	HINCKLEY ALLEN & SNYDER LLP	Outside legal services	\$9,140.50
Tidewater (Pawtucket, RI) MGP - NEG	HINCKLEY ALLEN & SNYDER LLP	Outside legal services	\$2,832.90

Other Costs				
Site	Cost Category	Vendor Name	Purpose of Other Costs	Costs
E. Providence (First)	Company Labor	N/A	Site/financial management	\$13,540.90
General NEG SIR	Company Labor	N/A	Program/financial management and PUC	
		N/A	Filing/Responses to Division requests	\$19,807.79
	Employee Expenses	N/A	Travel costs associated with RI Gas sites	\$1,588.44
	Other Expenses	N/A	OSHA HAZWOPER training expense	\$66.00
Hamlet Ave (Woonsocket) MGP - NEG	Other	N/A	Tax credit	(\$431.44)
Mercury Regulators	Company Labor	N/A	Program/financial management	\$550.89
	Transportation	N/A	Company vehicle costs associated with program	\$51.96
Newport (Thames & Wellington)	Company Labor	N/A	Site/financial management	\$19,451.94
	Transportation	N/A	Travel costs	\$42.80
PCB Regulator - Pipe Abandonment	Company Labor	N/A	Program/financial management	\$279.71
	Transportation	N/A	Company vehicle costs associated with program	\$25.98
Providence (170 Allens Ave) MGP	Company Labor	N/A	Site/financial management	\$312.18
	Other Expenses	N/A	Lease payment received from Rhode Island Hospital	(\$5,200.00)
	Other Expenses	PROVIDENCE WATER	Water bill	\$13.57
Providence (642 Allens Ave.) MGP	Company Labor	N/A	Site/financial management	\$19,549.71
Tidewater (Pawtucket, RI) MGP - NEG	Other Expenses	BLUE CHIP FILMS LLC	Tidewater website maintenance	\$522.50
	Other Expenses	CITY OF PAWTUCKET	Reimbursement of 50% of City's costs associated with joint Master Plan development per agreement	\$7,539.40

Notes:

1. Site Management: Tasks include site project management activities, including oversight of consultants and contractors performing environmental work, review of invoices, coordination with Company personnel related to environmental support during planned and emergency projects, communications with RIDEM, and review of permit applications, monitoring reports, environmental summary reports and disposal documentation.
2. Program Management: Tasks include the preparation of the Annual Environmental Report for the Gas Services, preparation of Responses to the Division Requests, reporting and updates to management, and attendance at staff meetings and other MGP-related meetings.
3. Financial Management: Tasks include analyst review of invoices, processing and tracking of invoices, filing of invoices, review and management of consultant and contractor proposal and change invoices, annual budgeting, monthly budget review and quarterly budget forecasting.

COMM 2-2

Request:

Are the consulting and contractor services awarded as a result of a bid solicitation? If so, please provide the most recent solicitation, bid responses and contract award.

Response:

Refer to response COMM 2-3 for information related to consulting and small value contractor services bid solicitation.

The Company had only one medium-scale construction project in fiscal year 2016 for which contractor services were procured through a separate competitive bidding process. This project was for asbestos and hazardous materials removal and demolition associated with three vacant buildings, and miscellaneous associated structures and aboveground piping associated with the former manufactured gas plant (MGP) operations located at the Pawtucket (Tidewater) MGP site. The Company solicited bids from four contractors identified as qualified suppliers for this type of remediation project with the resources, experience, and willingness to work in this region of our service territory. Only three of the firms submitted bids on the project. The submitted bids, and the data and analyses upon which the Company relied to evaluate the bids are confidential and proprietary. Accordingly, the Company is providing this information to the PUC subject to a Motion for Protective Treatment.

The original three bids are included in following confidential attachments. Due to the voluminous nature of these attachments, the Company is providing these documents on a CD-ROM marked "Confidential." Because the entirety of information is deemed confidential, a redacted version of the following "confidential" attachments is not being provided.

- Confidential Attachment COMM 2-2(i)
- Confidential Attachment COMM 2-2(ii)
- Confidential Attachment COMM 2-2(iii)

The bids ranged from \$562,600 to \$730,326 with two of the bidders being short-listed based on cost and scope of work. A comparison of all three bids from a cost standpoint is provided in Confidential Attachment COMM 2-2(iv).

The short-listed bidders were provided clarification questions and were subsequently interviewed by the Company and GZA GeoEnvironmental, Inc. (the environmental consultant for the site). The two short-listed bidders were then requested to submit best and final offers based on the revised scope of work and responses to the clarification questions.

COMM 2-2, page 2

The two best and final offer bids and clarification question answers for each bidder are included in following confidential attachments, which are also being provided on a CD-ROM marked "Confidential":

- Confidential Attachment COMM 2-2(v)
- Confidential Attachment COMM 2-2(vi)

A comparison of all three bids from a cost standpoint after receipt of best and final offers is provided in Confidential Attachment COMM 2-2(vii).

The rankings of the two bidders were unchanged after the bid clarification process and best and final offers were submitted. The winning contractor selected to perform the work, was selected because its bid met the requirements of the request for proposal (RFP), was the lowest cost, and proposed the shortest schedule duration.

The contract award is included in the following Confidential Attachment COMM 2-2(viii), which is also being provided on a CD-ROM marked "Confidential."

Attachments

The following Confidential Attachments are being provided on a CD-ROM marked "Confidential."

Because the entirety of information is deemed confidential, a redacted version of the following Confidential Attachments are not being provided.

- Confidential Attachment COMM 2-2(i)
- Confidential Attachment COMM 2-2(ii)
- Confidential Attachment COMM 2-2(iii)
- Confidential Attachment COMM 2-2(iv)
- Confidential Attachment COMM 2-2(v)
- Confidential Attachment COMM 2-2(vi)
- Confidential Attachment COMM 2-2(vii)
- Confidential Attachment COMM 2-2(viii)

COMM 2-3

Request:

Please detail how the Company controls consulting (\$455,538) and contractor (\$463,798) costs and expenses?

Response:

The following control procedures have been established for the selection of and contracting with vendors and verification of expense payments related to environmental response costs. The Company hires project managers with expertise in this work whose responsibilities relate solely to manufactured gas plant (MGP) investigation and remediation that review the project scopes and invoices.

Vendor Selection/Contract Award

Vendor Selection

Environmental Consulting Services

In 2008 and 2009, National Grid conducted a 12-month, multi-step, competitive request for proposal (RFP) process to select a smaller number of firms to provide high-quality, cost-effective environmental consulting services for National Grid in New England. The result of the RFP process was the extensive negotiation and award of Master Service Agreements (MSAs) with four "Preferred Firms" to provide these services in New England. The negotiated rates, mark-up and volume discounts were held for a two-year period (approximately August 1, 2009 through July 31, 2011). The MSAs were re-negotiated in 2012 and most firms agreed to hold the original 2009 rates for one additional one year period (terminating on or about July 31, 2013). The remaining firms received small rate increases. Periodic reviews are conducted of vendor agreements, including performance, compliance and price. The reviews result in reasonable and cost competitive market adjustments, when required. Contract amendments are utilized to implement current specifications and requirements; for example, updated Safety Specifications. This is a joint effort between Procurement and Environmental stakeholders. Current contracts are valid through March 2018 with unit pricing established.

COMM 2-3, page 2

The Preferred Firm program has resulted in a cost-effective program through which most environmental consulting services are assigned to the Preferred Firms based on an overall strategic plan, as well as information requests that are issued to a select number of Preferred Firms to identify available resources, recommended technical approaches and/or technical expertise.

In addition, National Grid has established MSAs with Non-Preferred Firms for work that requires independence from the Preferred Firms and recurring specialized technical expertise. Examples of work which requires independence are construction management and peer review. MSAs are established with consulting firms with specialized technical expertise to establish/maintain a consistent technical approach between sites. An example of recurring work requiring a consistent technical approach is vapor intrusion or technology specific expertise such as in-situ chemical oxidation and sediment investigation and remediation.

Environmental Contractors

Whenever possible, environmental contractor work relating to environmental response activities is subject to a competitive bid selection process. Exceptions to this requirement will be situations such as implementing immediate or short term response actions where there is insufficient time for a competitive bid process or smaller value jobs (typically <\$100K).

During the competitive bid process, a site-specific RFP is generally issued to three or more qualified contractors. Contractor selection is based on specific selection criteria such as cost, technical merit and personnel qualifications.

For work not competitively bid, the reasons for not competitively bidding the work such as time constraints or lack of other qualified vendors are clearly documented. For these situations, whenever possible, the Company will not reveal to the contractor that they are preparing the only proposal for the work.

Project Funding

As discussed above, National Grid has negotiated and put in place MSAs with all of our Preferred Firms for providing environmental consulting services. In most cases, a project-specific purchase order (PO) referencing the MSA or construction contract is issued by National Grid's Procurement Group for each vendor for each project. This PO is the funding mechanism for all environmental work performed by the vendor. The exceptions

COMM 2-3, page 3

to this are blanket-type POs, which are used for funding for disposal facilities and construction contractors with blanket contracts (for use on small projects). These POs are not project-specific and can fund small value work on numerous projects.

Verification of Expense Payments

Initiating Work Authorizations/Purchase Orders:

For MSA vendors, a work authorization form is completed by the Company's project manager and approved by the Manager of New England Site Investigation and Remediation. The approved work authorization form is forwarded to the vendor for signature. Management approval of the work is then performed within the Company's accounting system. The work order within the accounting system automatically routes to the levels of management needed for approval, depending on the anticipated value of the work being approved. The work authorization form and vendor proposal, as well as the approvals, are recorded in the Company accounting system. In addition, copies of the work authorization form and vendor proposal are filed in the project financial file. The POs discussed above are the funding mechanism for the work authorization form-approved tasks.

Proposal/Change Notice Format:

Consultants are required to include the following information in their proposals or change notice requests:

- Project organization
- Detailed description of services to be provided, by task
- Number of hours and rates for each person or labor classification for each task and the estimated expenses and subcontractor costs for each task
- Schedule for completion of the tasks
- Assumptions
- List of Deliverables
- Subcontractors
 - Unit costs or rates
 - Justification for retaining the subcontractor

COMM 2-3, page 4

Invoice Preparation and Review:

Environmental Consulting Services

Consultants must prepare their invoices to include the following information:

- A brief project and/or task description with the purchase order number and work authorization number.
- The budget for each task, as well as the amount invoiced for each task on the current invoice and to date, and the amount remaining in the purchase order or work authorization for the completion of the task.
- Then, as backup to the summary invoice described above, the vendor shall include a detailed breakdown of costs for each task. This includes labor charges broken down by employee name, labor category, billable rate, current and cumulative hours worked on the task, current and cumulative dollars billed, as well as a breakdown of other direct charges.

Environmental Contractors

Contractor invoices are reviewed by comparing the summary and detail invoices to the original bid spreadsheet to determine if the level of effort expended by the vendor corresponds to their bid estimate. Special attention is directed to those tasks where the level of effort exceeds the estimate. The vendor is asked to provide a written justification for deviations from the original scope of work. The justifications are examined and questioned by the construction manager and/or design engineer, as appropriate, as well as the Company project manager, prior to acceptance by the Company. In all cases, documentation will be retained in the project files with the invoices explaining these deviations from the work scope and project budget. Where expanded scopes of work or costs are justified, change notices are prepared.

COMM-2-5

Request:

Please provide monthly forecasted and actual throughput for August, 2015 to July, 2016.

Response:

Attachment COMM 2-5 provides the monthly forecast and actual throughput for August 2015 through July 2016.

Forecasted Throughput

	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Total
1 Total THROUGHPUT													
2 Residential Non-Heating	27,104	27,648	30,965	48,049	71,423	92,942	107,427	113,117	87,291	46,799	31,200	24,471	708,435
3 Residential Heating	461,730	466,391	539,594	1,462,287	2,349,767	3,119,896	3,107,497	2,828,266	2,124,881	1,241,085	751,389	425,245	18,878,026
4 Small C&I	56,204	44,858	61,560	155,461	421,162	514,559	456,333	406,402	284,086	183,207	98,723	59,708	2,742,265
5 Medium C&I	171,714	170,770	207,323	420,216	727,334	950,359	1,061,970	914,719	646,050	395,507	243,192	202,482	6,111,638
6 Large LLF	64,859	74,482	130,722	246,341	448,979	532,256	473,022	413,083	277,780	177,316	90,375	57,303	2,986,517
7 Large HLF	34,245	47,943	45,929	93,247	124,616	142,561	139,651	125,841	106,329	87,434	81,426	76,676	1,105,898
8 Extra Large LLF	38,593	82,408	95,275	120,455	194,113	229,125	185,747	164,866	109,943	77,210	40,969	28,653	1,367,356
9 Extra Large HLF	462,415	381,290	378,795	562,576	624,790	649,519	576,616	537,808	465,429	426,966	412,940	410,885	5,890,028
10 Total Throughput	1,316,865	1,295,789	1,490,163	3,108,633	4,962,185	6,231,217	6,108,262	5,504,103	4,101,788	2,635,524	1,750,213	1,285,422	39,790,163

Source: GCR Filing Docket No. 4520 for Aug 15 - Oct 15 and GCR Filing Docket No. 4576 for Nov 15 - Jul 16.

Actual Throughput

	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Total
11 Total THROUGHPUT													
12 Residential Non-Heating	21,194	20,827	24,491	37,092	60,224	75,729	89,222	67,317	60,019	39,167	28,743	18,658	542,681
13 Residential Non-Heating Low Income	728	593	828	1,316	2,434	3,160	3,548	2,537	2,941	1,956	1,023	327	21,391
14 Residential Heating	346,347	343,276	450,190	894,673	1,774,748	2,309,007	2,862,444	2,537,120	1,778,181	1,062,089	573,872	392,213	15,324,160
15 Residential Heating Low Income	40,759	40,160	50,642	93,503	177,183	227,988	271,102	173,668	152,450	100,566	55,710	40,021	1,423,750
16 Small C&I	45,013	44,359	54,307	106,549	241,297	328,813	440,658	376,259	245,627	129,552	71,339	48,956	2,132,729
17 Medium C&I	153,944	156,287	194,967	348,671	568,689	710,649	902,877	764,825	558,619	369,646	211,771	158,015	5,098,959
18 Large LLF	55,581	39,181	58,450	193,388	308,698	375,350	542,278	427,367	277,720	171,746	55,130	17,537	2,522,426
19 Large HLF	70,672	65,801	80,908	92,168	84,316	107,694	142,175	108,900	93,117	84,774	75,665	69,488	1,075,679
20 Extra Large LLF	18,441	21,557	30,034	136,916	161,823	167,814	277,699	190,821	124,061	104,983	19,361	(16,246)	1,237,264
21 Extra Large HLF	494,475	505,645	454,030	520,078	572,601	567,112	654,211	556,902	457,318	526,550	459,011	519,756	6,287,687
22 Default	(1,362)	5,248	165	4,805	8,633	5,044	8,588	5,343	4,502	4,208	102	527	45,803
23 Total Throughput	1,245,791	1,242,933	1,399,012	2,429,157	3,960,645	4,878,358	6,194,802	5,211,058	3,754,555	2,595,237	1,551,727	1,249,252	35,712,528

Source: GCR Deferred Filed Nov 15 - Docket No. 4520 for Aug 15 - Oct 15 and GCR Deferred Filed Aug 16 - Docket 4576 for Nov 15 - Jul 16.

COMM-2-6

Request:

Please provide the monthly throughput data used for the 12-month period to derive the pension and PBOP factors, and provide the analysis performed to determine the associated carrying charges.

Response:

The table below contains the monthly throughput data used for the 12-month period to derive the pension and PBOP factors.

	Monthly throughput (dekatherm)
Nov-16	3,125,208
Dec-16	4,768,426
Jan-17	6,037,988
Feb-17	6,182,765
Mar-17	5,398,665
Apr-17	4,192,466
May-17	2,727,108
Jun-17	1,654,359
Jul-17	1,183,267
Aug-17	1,114,668
Sep-17	1,187,152
Oct-17	1,775,267
Total	39,347,340

The analysis performed to determine the associated carrying charges was provided in the Supplemental DAC filing submitted September 1, 2016 in Schedule WRR-1 Revised, Pages 3-4, and is provided in Attachment COMM 2-6.

**Narragansett Electric - Gas Operations
Pension Costs
12 Months Ended March 31, 2016**

Line No.		April 2015 thru March 2016
1	<u>Rate Allowance:</u>	
2	National Grid - RI Gas Pension Costs Allowance	\$4,702,324
3	National Grid - Service Company Allocated Pension Costs Allowance	<u>\$2,977,528</u>
4	Total Pension Costs in Base Rates	\$7,679,852
5	<u>Expense Reconciliation:</u>	
6	Current Year actual Pension Expense Direct	\$4,211,684
7	Current Year actual Service Company Allocated Pension Expense	\$3,292,812
8	Current Year actual Affiliated Allocated Pension Expense	<u>\$81,721</u>
9	Total Current Year Pension Expense Including Service Company-Allocated Expense	\$7,586,217
10	Rate Allowance	\$7,679,852
11	Current Year Pension Expense Reconciliation	(\$93,635)
12	Funding Carrying Charge	(\$204,381)

Line Notes:

- 2 Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 Line 1 (e)
- 3 Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 sum of Lines 2 (e) through 5 (e)
- 4 Line 2 plus Line 3
- 6-8 Per Company Books
- 9 Sum of Lines 6 through 8
- 10 Line 4
- 11 Line 9 minus Line 10
- 12 Minus Page 3 of 4 Line 18 (f)

Narragansett Electric - Gas Operations
Post-Retirement Benefits Other Than Pension (PBOP) Costs
12 Months Ended March 31, 2016

Line No.		April 2015 thru March 2016
1	<u>Rate Allowance</u>	
2	National Grid - RI Gas PBOP Costs Allowance	\$2,470,365
3	National Grid - Service Company Allocated PBOP Costs Allowance	1,852,439
4	Total PBOP Costs	<u>\$4,322,804</u>
5	<u>Expense Reconciliation</u>	
6	Current Year actual PBOP Expense Direct	\$1,206,849
7	Current Year actual Service Company Allocated PBOP Expense	\$1,169,324
8	Current Year actual Affiliated Allocated PBOP Expense	\$90,822
9	Total Current Year PBOP Expense Including Service Company-Allocated Expense	<u>\$2,466,995</u>
10	Rate Allowance	\$4,322,804
11	Current Year PBOP Expense Reconciliation	(\$1,855,809)
12	Total Funding Carrying Charge	\$0

Line Notes:

- 2 Docket No. 4323 Attachment MDL-3-GAS page 35 of 65 Line 1 (e)
- 3 Docket No. 4323 Attachment MDL-3-GAS page 35 of 65 sum of Lines 2 (e) thru 5 (e)
- 4 Line 2 plus Line 3
- 6-8 Per Company Books
- 9 Sum of Lines 6 through 8
- 10 Line 4
- 11 Line 9 minus Line 10
- 12 Minus Page 4 of 4 Line 18 (f)

Narragansett Electric - Gas Operations
Pension Funding Carrying Charges
12 Months Ended March 31, 2016

	(a) Dkt 4323	(b) Mar-2015	(c) Jun-2015	(d) Sep-2015	(e) Dec-2015	(f) Mar-2016
Customer Funding						
1 Base Rate Recovery:						
2 Direct	\$4,702,324	\$1,175,581	\$1,175,581	\$1,175,581	\$1,175,581	\$1,175,581
3 Servco	\$2,977,528	\$744,382	\$744,382	\$744,382	\$744,382	\$744,382
4 PAM Surcharge Recovery:		(\$39,978)	(39,978)	(39,978)	(\$182,099)	(\$253,160)
5 Pension Capitalized Amount:						
6 Direct		\$708,066	\$1,279,117	\$1,531,942	\$1,614,286	\$921,980
7 Servco/Other Affiliates		\$290,571	\$322,023	\$406,539	\$422,216	\$382,367
8 Total Customer Funding:		\$2,878,622	\$3,481,125	\$3,818,466	\$3,774,366	\$2,971,150
9 Company Contributions¹		Jun-2015	Sep-2015	Dec-2015	Mar-2016	Jun-2016
10 Pension		9,138,750	\$1,138,750	\$1,138,750	\$1,138,750	1,422,000
11 Service Company Allocated Costs		\$1,034,953	\$1,066,405	\$1,150,921	\$1,166,598	\$1,126,749
12 Total Contributions		\$10,173,703	\$2,205,155	\$2,289,671	\$2,305,348	\$2,548,749
13 Under/(Over) Funding		(\$7,295,081)	\$1,275,970	\$1,528,795	\$1,469,018	\$422,401
14 Cumulative Under/(Over) Funding		(\$576,499)	\$699,470	\$2,228,266	\$3,697,284	\$4,119,685
15 Five Quarter Average						\$2,033,641
16 Base for Carrying Charge (greater of line 22 or zero)						\$2,033,641
17 Pre-tax WACC						10.05%
18 Carrying Charge						<u>\$204,381</u>

Company Contributions¹-This amount represents dollars funded in the subsequent quarter

Line Notes

- 2(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 line 1 (e)
- 2(b) - 2(f) Line 2 (a) divided by 12 times 3
- 3(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 sum of lines 2 (e) through 5 (e)
- 3(b) - 3(f) Line 3 (a) divided by 12 times 3
- 4(b) - 4(d) Docket No. 4514 Schedule WRR-1, page 1 of 6, Line 9 divided by 12 times 3
- 4(e) Docket No. 4514 Schedule WRR-1, page 1 of 6, Line 9 divided by 12 times 1 plus Docket No. 4573 Schedule WRR-3 Revised, page 1 of 4, Line 11 divided by 12 times 2
- 4(f) Docket No. 4573 Schedule WRR-3 Revised, page 1 of 4, Line 11 divided by 12 times 3
- 6(b) - 6(f) Per Company Books
- 7(b) - 7(f) Per Company Books
- 8(b) - 8(f) Sum of Line 2 through Line 7
- 10 Per Company Books
- 11 Line 3 plus line 7
- 12 Line 10 plus Line 11
- 13 Line 8 minus Line 12
- 14 Current year Line 13 plus prior year Line 14
- 15 Average of column (b) through column (e)
- 16 If Line 15 is greater than zero, Line 15 if not, zero
- 17 Docket No 4323
- 18 Line 16 times Line 17

Narragansett Electric - Gas Operations
PBOP Funding - Carrying Charges
12 Months Ended March 31, 2016

	(a)	(b)	(c)	(d)	(e)	(f)
	Dkt 4323	Mar-2015	Jun-2015	Sep-2015	Dec-2015	Mar-2016
Customer Funding						
1 Base Rate Recovery:						
2 Direct	\$2,470,365	\$617,591	\$617,591	\$617,591	\$617,591	\$617,591
3 Servco	\$1,852,439	\$463,110	\$463,110	\$463,110	\$463,110	\$463,110
4 PAM Surcharge Recovery:		(\$237,076)	(\$237,076)	(\$237,076)	(\$424,288)	(\$517,894)
5 PBOP Capitalized Amount:						
6 Direct		\$216,894	\$366,528	\$438,975	\$462,570	\$264,191
7 Servco/Other Affiliates		\$104,122	\$123,740	\$163,890	\$127,845	\$140,829
8 Total Customer Funding:		\$1,164,641	\$1,333,894	\$1,446,490	\$1,246,829	\$967,827
9 Company Contributions¹		Jun-2015	Sep-2015	Dec-2015	Mar-2016	Jun-2016
10 PBOP		\$8,060,500	\$60,755	\$60,637	\$60,500	\$263,826
11 Service Company Allocated Costs		567,232	586,850	627,000	590,955	603,939
12		\$8,627,732	\$647,605	\$687,637	\$651,455	\$867,765
13 Under/(Over) Funding		(\$7,463,091)	\$686,289	\$758,853	\$595,373	\$100,062
14 Cumulative Funding Under/(Over) Funding		(\$2,175,069)	(\$1,488,780)	(\$729,927)	(\$134,553)	(\$34,491)
15 Five Quarter Average						(\$912,564)
16 Base for Carrying Charge (greater of line 22 or zero)						\$0
17 Pre-tax WACC						10.05%
18 Carrying Charge						<u>\$0</u>

Company Contributions¹-This amount represents dollars funded in the subsequent quarter

Line Notes

- 2(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 line 1 (e)
- 2(b) - 2(f) Line 2 (a) divided by 12 times 3
- 3(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 sum of lines 2 (e) thru 5 (e)
- 3(b) - 3(f) Line 3 (a) divided by 12 times 3
- 4(b) - 4(d) Docket No. 4514 Schedule WRR-1, page 2 of 6, Line 9 divided by 12 times 3
- 4(e) Docket No. 4514 Schedule WRR-1, page 2 of 6, Line 9 divided by 12 times 1 plus Docket No. 4573 Schedule WRR-3 Revised, page 2 of 4, Line 11 divided by 12 times 2
- 4(f) Docket No. 4573 Schedule WRR-3 Revised, page 2 of 4, Line 11 divided by 12 times 3
- 6(b) - 6(f) Per Company Books
- 7(b) - 7(f) Per Company Books
- 8 (b) - 8(f) Sum of Line 2 through Line 7
- 10 Per Company Books
- 11 Line 3 plus line 7
- 12 Line 10 plus Line 11
- 13 Line 8 minus Line 12
- 14 Current year Line 13 plus prior year Line 14
- 15 Average of column (b) through column (e)
- 16 If Line 15 is greater than zero, Line 15 if not, zero
- 17 Docket No 4323
- 18 Line 16 times Line 17

COMM-2-7

Request:

Please provide the annually funded amounts for the LIHEAP program collected through surcharges for the last 12 months.

Response:

Attachment COMM 2-7 provides the annually funded amounts for the LIHEAP enhancement program, which is funded through the per-customer monthly surcharge. The amounts reflected for the LIHEAP enhancement program pertain only to funding provided by the Company's gas customers. In this response, the Company has also provided information regarding the Low Income Assistance Program (LIAP), which is funded through base rates.

Actuals

Line No.

LIHEAP Enhancement Revenue

1 Revenue	Jul-2015	Aug-2015	Sep-2015	Oct-2015	Nov-2015	Dec-2015	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016 Total
	\$189,789	\$190,331	\$189,672	\$189,316	\$189,973	\$209,640	\$193,042	\$193,355	\$196,137	\$192,592	\$189,132	\$2,320,375

LIAP - Base Rates Revenue

2 LIHEAP Factor	Jul-2015	Aug-2015	Sep-2015	Oct-2015	Nov-2015	Dec-2015	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016 Total
	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444

3 Throughput (dth)	1,283,863	1,245,791	1,242,933	1,399,012	2,429,157	3,960,645	4,878,358	6,194,802	5,211,058	3,754,555	2,595,237	1,551,727
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4 Revenue	\$57,004	\$55,313	\$55,186	\$62,116	\$107,855	\$175,853	\$216,599	\$275,049	\$231,371	\$166,702	\$115,229	\$1,587,173
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1 Docket 4290, LIHEAP Enhancement Plan Reconciliation Filed Sep 2015 for Jul 2015-Aug 2015 and filed Jul 2016 for Sep 2015 to Jun 2016.

2 LIHEAP base rate factor, not including Low Income Weatherization. Approved \$1,585,000 funding divided by the rate year forecast (Feb 13-Jan 14) of 35,678,072 dth.

3 Jul 2015-Oct 2015 based on actual throughput as filed in November 2015 in Docket No. 4520, Nov 2015-Jun 2016 based on actual throughput filed in Jul 16 in Docket No. 4576.

4 Line 2 * Line 3

COMM-2-8

Request:

Please provide the annually funded amounts estimated for the 2016-2017 period for the LIHEAP program collected through surcharges.

Response:

Attachment COMM 2-8 provides the annual estimate for funding during the 2016-2017 period for the LIHEAP enhancement program, which is funded through the per-customer monthly surcharge, and the Low Income Assistance Program (LIAP), which is funded through base rates. The estimated funding for the LIHEAP enhancement program pertains only to funding provided by the Company's gas customers.

Forecast

Line No.

LIHEAP Enhancement Revenue

	Nov-2016	Dec-2016	Jan-2017	Feb-2017	Mar-2017	Apr-2017	May-2017	Jun-2017	Jul-2017	Aug-2017	Sep-2017	Oct-2017 Total
1 Customer Count	260,695	262,902	265,155	266,525	267,153	266,684	265,706	264,180	262,625	261,602	261,080	3,165,922
2 Revenue	\$190,307	\$191,918	\$193,563	\$194,563	\$195,022	\$194,679	\$193,965	\$192,851	\$191,716	\$190,969	\$190,588	\$2,311,123

LIAP - Base Rates Revenue

	Nov-2016	Dec-2016	Jan-2017	Feb-2017	Mar-2017	Apr-2017	May-2017	Jun-2017	Jul-2017	Aug-2017	Sep-2017	Oct-2017 Total
3 LIHEAP Factor	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444
4 Forecast (dth)	3,125,208	4,768,426	6,037,988	6,182,765	5,398,665	4,192,466	2,727,108	1,654,359	1,183,267	1,114,668	1,187,152	39,347,340
5 Revenue	\$138,759	\$211,718	\$268,087	\$274,515	\$239,701	\$186,145	\$121,084	\$73,454	\$52,537	\$49,491	\$52,710	\$1,747,022

1 The Company forecast from the 2016-2017 Gas Cost Recovery filing.

2 Line 1 * \$0.73 (assumes a LIHEAP Enhancement surcharge of \$0.73 for Nov 16 - Oct 17).

3 LIHEAP base rate factor, not including Low Income Weatherization. Approved \$1,585,000 funding divided by the rate year forecast (Feb 13-Jan 14) of 35,678,072 dth.

4 The Company forecast from the 2016-2017 Gas Cost Recovery filing.

5 Line 3 * Line 4