

January 30, 2020

**BY HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4996 - Proposed FY 2020 Gas Infrastructure, Safety, and Reliability Plan Responses to PUC Data Requests – Set 1**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> I have enclosed the Company's responses to the Public Utilities Commission's First Set of Data Requests in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4996 Service List  
Christy Hetherington, Esq.  
Al Mancini, Division  
John Bell, Division  
Rod Walker, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

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.

*Leticia Pimentel*

\_\_\_\_\_  
Leticia C. Pimentel

January 30, 2020

Date

**Docket No. 4996 - National Grid's FY 2021 Gas Infrastructure, Safety and Reliability (ISR) Plan - Service List 1/7/2020**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone</b>
Raquel J. Webster, Esq. <b>National Grid</b> 40 Sylvan Road Waltham, MA 02451	<a href="mailto:raquel.webster@nationalgrid.com">raquel.webster@nationalgrid.com</a> ;	781-907-2121
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	<a href="mailto:Theresa.Burns@nationalgrid.com">Theresa.Burns@nationalgrid.com</a> ;	
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Rod Walter, CEO/President Rod Walker & Associates	<a href="mailto:MFolcarelli@riag.ri.gov">MFolcarelli@riag.ri.gov</a> ;	706-244-0894
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<b>Conservation Law Foundation</b> Jerry Elmer, Esq. Conservation Law Foundation 235 Promenade St. Suite 560, Mailbox 28 Providence, RI 02908	<a href="mailto:JElmer@clf.org">JElmer@clf.org</a> ;	401-228-1904
<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Margaret Hogan, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
	<a href="mailto:Margaret.hogan@puc.ri.gov">Margaret.hogan@puc.ri.gov</a> ;	
	<a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ;	
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	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
<b>Office of Energy Resources (OER)</b> Daniel Majcher, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908	<a href="mailto:daniel.majcher@doa.ri.gov">daniel.majcher@doa.ri.gov</a> ;	
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Christopher Kearns, OER Carrie Gill Nick Ucci	<a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov</a> ;	
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The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4996  
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2021  
Responses to the Commission's First Set of Data Requests  
Issued on January 16, 2020

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PUC 1-1

Request:

Bates 104 states "To date, 5 of the 38 municipalities in Rhode Island have adopted curb to curb restoration requirements. The Company anticipates that most municipalities will adopt the requirements before the start of the Company's FY 2021 construction season in April 2020." Please indicate whether the number of municipalities adopting the requirements has changed since the date of filing.

Response:

As of January 23, 2020, the Company is aware of 12 municipalities in Rhode Island that will require curb-to-curb final restoration paving for new permits issued for main replacement program projects from this point forward, including those municipalities that already had a curb-to-curb final restoration paving requirement. Additionally, at its discretion, the Rhode Island Department of Transportation (RIDOT), may require curb-to-curb or full lane width final restoration paving, which was also the case prior to July 11, 2019.

The Narragansett Electric Company  
d/b/a National Grid  
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PUC 1-2

Request:

How many municipalities had curb-to-curb restoration requirements prior to July 11, 2019? Was the Company in compliance with those requirements prior to July 11, 2019?

Response:

Prior to July 11, 2019, four municipalities had curb-to-curb final restoration paving requirements. The Company was in compliance with those requirements prior to July 11, 2019. Additionally, at its discretion, the Rhode Island Department of Transportation (RIDOT), could have required curb-to-curb or full lane width final restoration paving. The Company was also in compliance with the RIDOT permit paving requirements.

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PUC 1-3

Request:

Please provide a table showing the roadway restoration requirements in each municipality prior to July 11, 2019 and the changes, if any since July 11, 2019.

Response:

The table below includes the Roadway Restoration Requirements for Rhode Island Municipalities and Rhode Island State Roadways (marked RIDOT for Rhode Island Department of Transportation). The table includes the restoration requirements for Main Replacement Work and Patch Work before July 11, 2019, an indication whether any changes to those requirements has been communicated to the Company, and a listing of the current known requirements.

The Narragansett Electric Company  
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As of 01/23/2020 - Information is subject to change

Municipal	Roadway Restoration Requirements per permits issued:					
	Pre July 11, 2019		Status Changes Pre/Post July 11, 2019		Current Requirements Post July 11, 2019	
	MAIN REPLACEMENT WORK	PATCH WORK	MAIN REPLACEMENT WORK	PATCH WORK	MAIN REPLACEMENT WORK	PATCH WORK
RIDOT	C2C or Full Lane Width	Standard 1' CB	No Change	No Change	C2C or Full Lane Width	Standard 1' CB
Barrington	Curb to Center	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Center	ARBP/Standard CB
Bristol	Curb to Trench 7' min	ARBP/ Standardr CB	No Change - TBD	No Change - TBD	Curb to Trench 7' min	ARBP/ Standardr CB
Burrillville	Follow RIDOT	Follow RIDOT	No Change	No Change	Follow RIDOT	Follow RIDOT
Central Falls	Curb to Center	ARBP/Standard CB	Adopting Curb-to-Curb	No Change - TBD	C2C	ARBP/Standard CB
Charlestown	Follow RIDOT	Follow RIDOT	No Change	No Change	Follow RIDOT	Follow RIDOT
Coventry	C2C	ARBP/Standard CB	Already Required Curb-to-Curb	No Change	C2C	ARBP/Standard CB
Cranston	Curb to Trench 7' min	Standard 1' CB	Adopting Curb-to-Curb	No Change	C2C	Standard 1' CB
Cumberland	C2C	ARBP/Standard CB	Already Required Curb-to-Curb	No Change - TBD	C2C	ARBP/Standard CB
East Greenwich	Curb to Trench 7' min minARBP	ARBP/Standard CB	No Change - TBD	No Change	Curb to Trench 7' min ARBP	ARBP/Standard CB
East Providence	Curb to Trench 7' min	ARBP/Standard CB	Adopting Curb-to-Curb	No Change	C2C	ARBP/Standard CB
Exeter	N/A	N/A	N/A	N/A	N/A	N/A
Foster	Follow RIDOT	Follow RIDOT	No Change	No Change	Follow RIDOT	Follow RIDOT
Glocester	N/A	N/A	N/A	N/A	N/A	N/A
Hopkinton	N/A	N/A	N/A	N/A	N/A	N/A
Jamestown	N/A	N/A	N/A	N/A	N/A	N/A
Johnston	Curb to Center	ARBP/Standard CB	Adopting Curb-to-Curb	No Change - TBD	C2C	ARBP/Standard CB
Lincoln	Curb to Center	ARBP/Standard CB	Adopting Curb-to-Curb	No Change - TBD	C2C	ARBP/Standard CB
Little Compton	Curb to Trench 7' min	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Trench 7' min	ARBP/Standard CB
Middletown	Curb to Center	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Center	ARBP/Standard CB
Narragansett	Curb to Trench 7' min	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Trench 7' min	ARBP/Standard CB
New Shoreham (Bl)	N/A	N/A	N/A	N/A	N/A	N/A
Newport	Curb to Center	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Center	ARBP/Standard CB
North Kingstown	Curb to Trench	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Trench	ARBP/Standard CB
North Providence	Curb to Center	ARBP/Standard CB	Adopting Curb-to-Curb	No Change - TBD	C2C	ARBP/Standard CB
North Smithfield	Curb to Trench 7' min	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Trench 7' min	ARBP/Standard CB
Pawtucket	C2C	ARBP/ 95% Compaction, Tack Coat & Infared	Already Required Curb-to-Curb	No Change	C2C	ARBP/ 95% Compaction, Tack Coat & Infared
Portsmouth	Curb to Center	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Center	ARBP/Standard CB
Providence	Curb to Trench 7' min	Standard 1' CB	No Change - TBD	No Change - TBD	Curb to Trench 7' min	Standard 1' CB
Richmond	Follow RIDOT	Follow RIDOT	No Change	No Change	Follow RIDOT	Follow RIDOT
Scituate	Follow RIDOT	Follow RIDOT	No Change	No Change	Follow RIDOT	Follow RIDOT
Smithfield	Curb to Trench 7' min	ARBP/Standard CB	No Change	No Change	Curb to Trench 7' min	ARBP/Standard CB
South Kingstown	Curb to Center	Standard 1' CB	No Change - TBD	No Change - TBD	Curb to Center	Standard 1' CB
Tiverton	Curb to Trench 7' min	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Trench 7' min	ARBP/Standard CB
Warren	Curb to Trench 7' min	ARBP/Standard CB	No Change - TBD	No Change - TBD	Curb to Trench 7' min	ARBP/Standard CB
Warwick	Curb to Trench 7' min	Standard 1' CB	Curb-to-Curb	No Change	C2C	Standard 1' CB
West Greenwich	Follow RIDOT	Follow RIDOT	No Change	No Change	Follow RIDOT	Follow RIDOT
West Warwick	C2C	ARBP/Standard CB	Already Required Curb-to-Curb	No Change	C2C	ARBP/Standard CB
Westerly	Curb to Center	Standard 1' CB	No Change - TBD	No Change - TBD	Curb to Center	Standard 1' CB
Woonsocket	Curb to Trench 7' min	ARBP/Standard CB	Adopting Curb-to-Curb	Expanding Patching Requirements	C2C	Curb to Center x 1/2 Road (generally a square)

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PUC 1-4

Request:

Has the Company performed any outreach with the various municipalities in Rhode Island to attempt to ensure curb-to-curb restoration requirements meet the municipalities needs while limiting ratepayer expense? If so, how? If not, why not?

Response:

The Company meets regularly with representatives from the various municipalities in Rhode Island to discuss gas maintenance and construction activities planned for each municipality. During those meetings, the Company and the municipal representatives discuss a variety of topics related to ongoing and upcoming work. These discussions include anticipated permit requirements related to roadway restoration. The Company will attempt to negotiate permit requirements that allow work to be completed at least cost, while complying with minimum municipal requirements.

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PUC 1-5

Request:

Under the new curb to curb paving requirements, how are costs shared if more than one entity is placing or replacing infrastructure in the street? Please provide any documentation.

Response:

The new paving requirements do not specifically address cost sharing if more than one entity is placing infrastructure in the street. The Company will continue its practice of cost sharing on a project by project basis depending on the work. Typically, when National Grid shares restoration costs, the Company either asks the other excavator to complete the paving and bill the Company for the agreed to portion of the cost. Alternatively, the paving contractor is instructed to bill each excavator for the agreed to portion of the cost. The payment request below shows an example of cost sharing on a joint project with KCWA (Kent County Water Authority). Since water utilities are usually installed in the middle of the roadways, water companies are typically required to pave curb to curb. When National Grid has projects in the same area, the Company will coordinate our construction work with water companies' work, if schedules and workload permit the Company to do so. In those cases, the Company will negotiate an agreement to share restoration costs.

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<b>nationalgrid</b>		<b>PAYMENT REQUEST</b>				
Date: <u>01-Dec-2017</u>		Due Date: <u>ASAP</u>				
<b>Check One Method of Payment</b>						
<input checked="" type="checkbox"/> CHECK		<input type="checkbox"/> ACH		<input type="checkbox"/> WIRE		
Check Stub Message: (max. limit of 50 Characters) Reimbursement for street improvements Tampa St. West Warwick		Bank Name: _____		Bank Name: _____		
		Routing #: _____		Routing #: _____		
(Check One): Yes: No:		Account #: _____		Account # _____		
Separate Check <input checked="" type="checkbox"/>				<i>Reference Information for Beneficiary</i>		
Mail Check to Payee <input checked="" type="checkbox"/>						
OR Mail Check to Internal Location:						
Location of Service (Required Information):		<i>AP Use Only:</i>				
City: <u>West Warwick</u>		Wired By: _____		Authorized By: _____		
State: <u>RI</u> Zip Code: <u>02893</u>		Value Date: _____		ET #: _____		
<b>Vendor Information</b>						
Payable To: <b>Kent County Water Authority</b>				Vendor # _____		
Address: P.O. Box 192 West Warwick RI 02893				Invoice #: <b>11/30/2017</b>		
Reason for Payment: Reimburse for Mill & Pave. See Above				Company Code: _____		
				Amount		
				<b>\$9,090.60</b>		
<b>National Grid Accounting</b>						
G/L Account		Profit Center	WBS	Order	Operation	Amount
						<b>\$9,090.60</b>
Approver's Name: <u>Jeff O'Brien</u>				Employee ID# _____		
Preparer's Name: <u>Robert Nelson</u>				Phone Number _____		
<b>NON-PURCHASE ORDER CATEGORY</b>						
01 Advertising	09 Easements	17 Incentive/Marketing Program	25 Outside Services	33 Subscription		
02 Awards/Gifts	10 Flagging	18 Inspection/Insurance	Inactive	34 Summons/DMV/Tolls		
03 Financial Payment	11 Fleet Fuel*	19 Legal Professional Services	27 Payments on Behalf of LIPA	35 Tax Payments/Assessments		
Inactive	12 Fleet Leasing*	20 Legal/Settlement/Claim	28 Police/Sheriffs/Marshals	36 Training/Registration/Semin.		
05 Charitables/ Sponsorship	13 Freight/Postage	21 Marketer Bill	29 Real Estate Rentals/Leases	37 Utility/Telephone/Water/Ad		
06 Clothing/ Safety Shoes	14 Government/Municipality	Inactive	30 Rebate Program	38 Other-must be approved AP		
Inactive	15 Hotels/ Lodging*	23 Transportation Service	31 Refund/Adjust/Reimburse			
08 Dues/Fees/Permits	16 HR/Med/Workman Comp	24 Natural Gas/Energy Purch.	32 R&D Initiative		<b>Please Choose One</b>	
*Sales tax paid for these services/materials			Forward to: Accounts Payable Administrator for Processing			

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PUC 1-6

Request:

Please update the FY 2021 table on Bates page 113 to include columns for Installation Cost/Mile and Abandonment Cost/Mile for Grid operations in Massachusetts and New York. Also include (if known) columns for industry average Installation Cost/Mile and Abandonment Cost/Mile.

Response:

Please see the table below, which provides the planned Installation Miles, Abandonment Miles, and Abandonment Cost per Mile for the Fiscal Year 2020 and 2021 Main Replacement Program plans for each of National Grid's United States (US) Gas Territories. For National Grid Gas Territories outside of Rhode Island, the unit costs are tied to the Abandonment and in most cases the Installation Miles were the same as the Abandonment Miles. Therefore, please refer to the Abandonment Cost per Mile.

The Narragansett Electric Company  
d/b/a National Grid  
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**National Grid Gas Territories**

<b>FY 2020 Main Replacement Program Plans</b>				
	Installation Miles	Abandonment Miles	Budgeted Installation Cost/Mile	Budgeted Abandonment Cost/Mile
KEDNY	31.0	31.0	Refer to Abandonment Cost/Mile	\$6.21M
KEDLI	153.0	147.0		\$1.46M
NIMO	46.2	46.2		\$1.10M
Boston*	46.0	46.0		\$2.00M
Colonial*	31.0	31.0		\$1.35M
RI	41.3	47.0	\$1.38M	\$1.22M
*Calendar Year 2019				
<b>FY 2021 Main Replacement Program Proposed Plans</b>				
	Installation Miles	Abandonment Miles	Proposed Budget Installation Cost/Mile	Proposed Budget Abandonment Cost/Mile
KEDNY	37.0	37.0	Refer to Abandonment Cost/Mile	\$6.76M
KEDLI	145.5	145.5		\$1.60M
NIMO	46.2	46.2		\$1.30M
Boston**	59.0	59.0		\$2.14M
Colonial**	27.0	27.0		\$1.32M
RI	42.3	47.4	\$1.42M	\$1.27M

\*\*Calendar Year 2020

FY 2021 information is current as of January 28, 2020 and is subject to change.

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PUC 1-7

Request:

Bates page 119-120 state in part, "...the Company plans to commence construction of the new heaters at the Company's Cranston gate station during FY 2021, which was deferred from FY 2020 due in part to higher than anticipated contractor bids." Why did high bids lead to a decision to defer the work? Does the company believe it will receive lower bids by deferring?

Response:

The Company made the decision to defer work following the project's bidding event in advance of Fiscal Year 2020 construction, which resulted in a single bidder. The bid was over 50% greater than estimated. The estimates were based on projects with a similar scope performed in previous years. The Company believed it was a better use of resources and funds to defer the work rather than pay a premium price to a contractor who already had a substantial workload. The Company believed at the time that a future bidding event would be more competitive and result in lower bids. This proved to be true in the latest bidding event for the heater project, which produced multiple bids in-line with estimates.

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PUC 1-8

Request:

Bates page 125. What is an elevated gas facility?

Response:

An elevated gas facility refers to an exposed gas pipelines that are four feet or higher above the ground or across a body of water.

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PUC 1-9

Request:

Docket No. 4916, the FY2020 Gas ISR Plan, Section 2, Page 21 of 25 the Company presented a table with a total cost for the Southern RI project of \$110 million. In the current docket at Bates 129, the Company presents a table with a total cost for the Southern RI project (excluding curb to curb paving) of \$121 million. Please reconcile the difference.

Response:

The table in Attachment PUC 1-9 builds off the table presented in the current docket, at Bates 129, and now contains the original totals that were contained in the FY2020 Gas ISR Plan, the variances between the two versions, and notes regarding what changes were made to each category. The following factors have been incorporated into the current project cost estimates, which result in higher overall costs: contractor pricing for the awarded phase two and three contracts versus the original estimates, assumptions around the increased presence of ledge based on phase one field conditions, changes to Rhode Island's paving law, new Rhode Island Department of Transportation concrete base restoration guidelines, permitting and work hour restrictions, requirements for night work, and handling of contaminated soil and ground water.

Southern RI Gas Expansion Spending Forecast

Description	Units	FY 2020 Forecast	FY 2021	FY 2022	FY 2023	FY 2024	Total in FY21 ISR		Original Total in FY20 ISR	Variance	Notes of changes
<b>Main Installation:</b>											
Phase 1	12,625	\$ 39,922,433					\$ 39,922,433		\$ 39,922,433	\$ -	Increased Contractor Bid, Ledge, Paving and Originally completed in FY22
Phase 2	11,050		\$ 38,798,000				\$ 38,798,000		\$ 32,035,812	\$ 6,762,188	
Phase 3	2,950			\$ 13,982,000			\$ 13,982,000		\$ 9,340,486	\$ 4,641,514	
Project Closeout					\$ 600,000	\$ -	\$ 600,000		\$ -	\$ 600,000	
Subtotal Main Installation	26,625	\$ 39,922,433	\$ 38,798,000	\$ 13,982,000	\$ 600,000	\$ -	\$ 93,302,433		\$ 81,298,731	\$ 12,003,702	
Incremental curb to curb paving*		\$ -	\$ 2,565,000	\$ 926,000	\$ -	\$ -	\$ 3,491,000		\$ -	\$ 3,491,000	
<b>Total Main Installation</b>	<b>26,625</b>	<b>\$ 39,922,433</b>	<b>\$ 41,363,000</b>	<b>\$ 14,908,000</b>	<b>\$ 600,000</b>	<b>\$ -</b>	<b>\$ 96,793,433</b>		<b>\$ 81,298,731</b>	<b>\$ 15,494,702</b>	
*Cost also includes impact of new RIDOT concrete restoration guidelines											
<b>Regulator Station Investment:</b>											
Cranston Take Station Upgrades		\$ 75,000	\$ 175,000	\$ 9,754,000	\$ 100,000	\$ -	\$ 10,104,000		\$ 10,103,718	\$ 282	Originally FY22 only
Cowesett Regulator Station Upgrades		\$ 75,000	\$ 175,000	\$ 1,337,000	\$ 100,000	\$ -	\$ 1,687,000		\$ 1,687,269	\$ (269)	Originally FY21 only
New Regulator Station		\$ 50,000	\$ 380,000	\$ 100,000	\$ 5,205,000	\$ 50,000	\$ 5,785,000		\$ 5,785,034	\$ (34)	Originally FY22
<b>Total - Regulator Station Investment</b>		<b>\$ 200,000</b>	<b>\$ 730,000</b>	<b>\$ 11,191,000</b>	<b>\$ 5,405,000</b>	<b>\$ 50,000</b>	<b>\$ 17,576,000</b>		<b>\$ 17,576,021</b>	<b>\$ (21)</b>	Updated timeframes
<b>Other Upgrades/Investment:</b>											
Launcher/Receiver		\$ -	\$ -	\$ -	\$ 5,698,000	\$ -	\$ 5,698,000		\$ 5,697,882	\$ 118	Originally FY22
MOP Increase from 150 to 200 psi		\$ 3,554,654	\$ 932,000	\$ 50,000	\$ -	\$ -	\$ 4,536,654		\$ 4,536,978	\$ (324)	Originally FY20 only
Installation of ROV				\$ 873,000	\$ -	\$ -	\$ 873,000		\$ 873,000	\$ -	No Change
Subtotal - Other Investment		\$ 3,554,654	\$ 932,000	\$ 923,000	\$ 5,698,000	\$ -	\$ 11,107,654		\$ 11,107,654	\$ -	Updated timeframes
Incremental curb to curb paving		\$ -	\$ 49,000	\$ -	\$ -	\$ -	\$ 49,000		\$ -	\$ 49,000	Incremental paving
<b>Total - Other Investment</b>		<b>\$ 3,554,654</b>	<b>\$ 981,000</b>	<b>\$ 923,000</b>	<b>\$ 5,698,000</b>	<b>\$ -</b>	<b>\$ 11,156,654</b>		<b>\$ 11,107,654</b>	<b>\$ 49,000</b>	Extended into FY23, added incremental paving
<b>Subtotal Southern RI Gas Expansion Project (Excluding Incremental Curb to Curb Paving)</b>											
		\$ 43,677,087	\$ 40,460,000	\$ 26,096,000	\$ 11,703,000	\$ 50,000	\$ 121,986,087		\$ 109,982,406	\$ 12,003,681	See above
Total Incremental curb to curb paving		\$ -	\$ 2,614,000	\$ 926,000	\$ -	\$ -	\$ 3,540,000		\$ -	\$ 3,540,000	Incremental paving
<b>Total Southern RI Gas Expansion Project</b>		<b>\$ 43,677,087</b>	<b>\$ 43,074,000</b>	<b>\$ 27,022,000</b>	<b>\$ 11,703,000</b>	<b>\$ 50,000</b>	<b>\$ 125,526,087</b>		<b>\$ 109,982,406</b>	<b>\$ 15,543,681</b>	Total project cost increase vs FY20

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PUC 1-10

Request:

In Docket No. 4916, FY2020 Gas ISR, Section 2, Page 24 of 25 the Company presented a table that appears to show a total budget for the Atwells Ave project of \$7.54 million. In the current docket at Bates page 115, the Company states that the total budget for the Atwells Ave. project is \$11.63 million. Please reconcile the difference.

Response:

The original estimate of \$7.54 million in the FY 2020 Gas ISR for the Atwells Avenue project was created using historical unit costs and other estimated cost impacts that were known at that time. In FY 2019, the company spent \$0.08 million for planning and design work. The \$7.54 million also included \$1.28 million for Fiscal Year 2020, which is funding the field work for Segment 2 (965 feet – highest risk segment) and complex design work for Segment 1A. The Atwells Avenue project is forecasted to be on budget for FY 2020 as of the close of Q3 FY2020.

The result of the FY 2020 complex design work for Segment 1A (1,565 feet) was an updated estimate for that segment, which factored in more known project specific details such as higher restoration costs in a historic area and limited work hours. The cost per foot for Segment 1A was then used as a basis to update the estimates for Segment 1B (1,565 feet) and Segment 3 (1,410 feet). The updated estimate to complete the remainder of the project is \$5.08 million for FY 2021 and \$5.19 million for FY 2022. Factoring in the \$0.08 million of actual project costs from FY 2019, the total estimated cost for the project is currently \$11.63 million.

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PUC 1-11

Request:

On Bates page 146, the Company indicates it will file its FY2019 tax return in December 2019 and determine if it would be necessary to supplement its filings with a revised revenue requirement. Please provide a status update.

Response:

National Grid filed its Fiscal Year (FY) 2019 consolidated US federal income tax return in December 2019. The Company will submit revised Section 3 and Section 4 (Revised Revenue Requirement and Revised Rate Design and Bill Impacts) of the Gas Infrastructure, Safety, and Reliability Plan for FY 2021, to reflect actual FY 2019 tax information, by the end of January 2020.

PUC 1-12

Request:

The Company's response to Division 1-2(c) states the Company has 24 transmission regulator stations and gate stations that will be the focus of the records review funded in base rates.

- a. How many of the stations have been reviewed?
- b. How many stations remain to be reviewed since September 2018 when \$0.308 million was included in base rates for this purpose?
- c. How were the stations prioritized?
- d. What are the geographical locations of the remaining stations to be reviewed?
- e. How long does it take to review the records of each station?

Response:

- a. The review has been completed at 2 stations.
- b. The review process is currently ongoing at 13 stations, and the review process has not yet begun at another 9 stations.
- c. The stations were not prioritized per se; rather the stations were selected based on availability of records.
- d. The remaining stations are located throughout the State of Rhode Island and do not have a specific geographical concentration.
- e. The review process can take from three to nine weeks per station. The length of review for a station will vary depending upon several factors:
  1. Ability to locate documents;
  2. Length of time to digitally scan documents;
  3. Time to index the documentation; and
  4. Time to review the contents of the documents.

PUC 1-13

Request:

Referring to the response to DIV 1-9 regarding the Professional Engineer Stamp expense that National Grid expects to incur in FY 2021:

- a. Are the \$1.515 million of costs expected to be incurred on internal resources or external consultants?
- b. How many engineers does Grid have on staff that work on Rhode Island gas ISR matters?
- c. How many of the engineers in part b. are Service Company employees and how many are Narragansett Gas employees?
- d. Was any of the funding in base rates for Narragansett Gas expected for the funding of gas engineers in either rate year 1 or rate year 2? If so, how much money and how many FTEs were included in rates? How many were hired?
- e. How many engineers does Grid have on staff that hold the certification credentials that would satisfy the requirements of RIGL 5-8-21(5)?
- f. If the answer to part d. is none, please explain why the Company's decisions over the years not to have any on staff was prudent.

Response:

- a. The Company expects the costs to be incurred for use of external consultants.
- b. National Grid currently has the equivalent of ten full-time employees (FTEs) providing engineering support for Rhode Island projects.
- c. All Design Engineers are Service Company employees.
- d. The Company did not include any funding in base rates for full time Professional Engineers. Historically, if Professional Engineering (PE) services were required, the Company outsourced that work to contractors. Costs associated with that work were charged to the jobs, and depending on work type, the costs were included as part of capital additions, or in the ISR.
- e. National Grid currently has five engineers on staff that meet the requirements of R.I. Gen. Laws § 5-8-21(5). These PEs, who were previously licensed in Massachusetts, recently acquired their Rhode Island license by comity. Please note that these five engineers are Service Company employees who also provide services to National Grid's Massachusetts operating companies. The incremental costs included in the ISR are additional costs associated with contractor resources that will be needed to fully comply with the new law.
- f. Changes to R.I. Gen. Laws § 5-8-21(5), which requires a Rhode Island licensed Professional Engineer to approve design plans and specifications, became effective in July 2019. The new law removed a long-standing exemption for the use of PEs for gas

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utility work. The new Rhode Island law, similar to the law that went into effect in Massachusetts in December 2018, was passed in response to the National Transportation Safety Board's finding regarding Columbia Gas of Massachusetts' incident in the Merrimack Valley. Prior to the NTSB finding, it was not common practice to use PEs for standard design work at National Grid, or across much of the United States. Historically, if the Company determined that PE design and review was needed for a particular job due to its size or complexity, the Company used contractor resources to perform that work.