



State of Rhode Island
Division of Public
Utilities & Carriers

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March 16, 2020

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

Re: Docket No. 4999

Pursuant to the Commission's March 3, 2020 Open Meeting decision, the Division of Public Utilities and Carriers ("Division") submits the following as its Position Statement in the above-entitled docket.

For purposes of the pending matter, The Narragansett Electric Company, d/b/a National Grid ("National Grid," "NGrid" or "Company") provides gas distribution service to International Packaging Corporation ("InterPak") at two distinct Points of Delivery¹—one at 543 Mineral Spring Avenue, Pawtucket, Rhode Island and the other at 517 Mineral Spring Avenue, Pawtucket, Rhode Island. The account at the former address is a capacity assigned, FT-1 transportation account (the "Capacity Assigned Account"). InterPak utilizes approximately 56,000 therms per year at this account (Rate 33 – C & I Low Load Factor Use). The account at 517 Mineral Spring Avenue is a capacity exempt account (the "Capacity Exempt Account"). InterPak uses approximately 150,000 therms per year at this account. *NGrid Petition ¶¶ 4-7*. National Grid characterizes the physical structure on the properties as "two buildings physically connected by an existing structure." *NGrid Response to Div 1-8*. InterPak has indicated to the Division that what National Grid describes as "two buildings" are in fact a single structure. National Grid, moreover, acknowledges that this set-up is rather unique in that it "has not identified any other customers that are in a similar position to InterPak with a capacity assigned account at one customer facility and a capacity exempt account at another adjacent facility, within the State of Rhode Island." *NGrid Response to Div 1-12*.

¹ A "Point of Delivery" is defined as "A location at which the Company's distribution facilities are interconnected with the Customer's facility." *RIPUC NG-GAS 101, Section 1, Schedule B, Sheet 6, 10th Revision*.

To take advantage of favorable rates associated with the Capacity Assigned Account, on November 18, 2019, InterPak requested National Grid to increase the load on the Capacity Assigned Account by approximately 150,000 therms per year, bringing the total load requested for the account to about 204,000 therms per year (Rate 34 - C & I Extra Large Low Load Factor Use). *NGrid Petition* ¶ 7; *NGrid Response to Div 1-1 (Attachment at 8, 9 & 10)*. According to National Grid, InterPak intends to install and maintain new internal gas piping from the outlet of the proposed new meter at 543 Mineral Spring Avenue to the inlet of the boilers at 517 Mineral Spring Avenue. *NGrid Response to Div 1-8*.

National Grid responded to InterPak's request the same day. According to InterPak, National Grid "rule[d] out" granting the request on the ground that the request was not within the "spirit" of the Company's tariff, RIPUC NG-GAS 101.² *NGrid Response to Div 1-1 (Attachment at 10)*. According to National Grid, "the Company President explained to InterPak that the Company is not seeking to prevent InterPak from receiving the requested service" but rather needed to file a petition for declaratory judgment "to determine whether it is possible for the Company to provide the service InterPak has requested." *NGrid Response to Div 1-1 at 1*.

Between the date of the Company's last communication to InterPak and January 30, 2020, the Company performed an analysis to determine if it had sufficient capacity to grant InterPak's request. "Upon further review," the Company determined that loads at the Capacity Assigned Account and Capacity Exempt Account are "provided service from the 60 psig main," the "primary feed" of which is the Dey Street take station. *NGrid Response to Div 1-6 at 1*. As the customer's request "is not adding load," the analysis reflects the Company's surplus load at the Dey Street take station is sufficient to serve the requested additional load at the Capacity Assigned Account. *NGrid Response to Div 1-6 at 2*.

On March 5 and 6, 2020, the Division conducted telephone conferences with InterPak and National Grid, respectively. Among other things, InterPak informed the Division that it is unaware of the precise provisions of RIPUC NG-GAS 101 which necessitate the Company to seek a declaratory ruling from the Commission.

In its telephone conference with the Division, National Grid acknowledged that InterPak's request does not require loads of unusual characteristics which might adversely affect the quality of service supplied to other customers, the public safety or the safety of the Company's personnel so has to be precluded under its tariff. *See RIPUC NG-GAS 101, Section 1, Schedule A, Sheet 4, 9th Revision, 5.0*. National Grid, however, maintained that it must still obtain regulatory clarity to ensure InterPak's request is not viewed as a "transfer" of load from the Capacity Exempt Account to the Capacity Assigned Account, and indicated that it would

² In e-mail communications to National Grid, InterPak's President used the term "regulations" instead of the term "tariff". *See e.g., NGrid Response to Div 1-1 (Attachment at 1 & 3)*. The subsequent petition for declaratory judgment filed by National Grid makes clear that National Grid based its refusal to satisfy InterPak's request based on provisions of the "Gas Tariff". *NGrid Petition at ¶¶ 13-15*.

forward the Division the tariff provisions upon which it relied as they were not among those that were provided to the Division in response to the Division's discovery requests.³

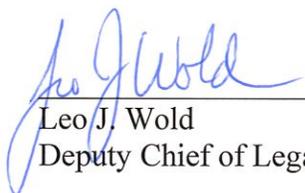
As of March 16, 2020, the Division has not received the promised tariff provisions. In any event, the Division does not believe InterPak's request involves a "transfer" of load or is a situation where a capacity exempt customer is seeking a capacity assignment from the Company. InterPak's request is simply a request to increase load on the Capacity Assigned Account.

RIPUC NG-GAS 101 unambiguously provides that "[a] Customer is entitled to change its customer account from one rate classification to another upon written application to the Company; provided, however that the customer's account's use complies with the conditions specified in the requested rate classification." *RIPUC NG-GAS 101 Section 2, Schedule A, Sheet 2, 9th Revision 2.0*. The tariff also unambiguously provides that "[a]ny change in Customer's required capacity will be reflected in a revised capacity release with the Marketer for effect the following November 1." *RIPUC NG-GAS 101 Section 6, Schedule C, Sheet 9, 8th Revision, 1.07.0*. Capacity assignments, moreover, "must be reviewed annually each November 1" and are subject to "annual adjustment." *Id.*

Under the rather unique facts of the pending matter, once the Company determined that it could safely grant InterPak's request without sacrificing the quality of service to other customers, the Company should have granted InterPak's request. *See e.g., RIPUC NG-GAS 101 Section 6, Schedule C, Sheet 9, 8th Revision, 1.07.0*. The Division recommends that the Commission declare that National Grid should provide the required additional capacity assignment on the Capacity Assigned Account to serve the additional load InterPak has requested.

Respectfully submitted,

Division of Public Utilities and Carriers



Leo J. Wold
Deputy Chief of Legal Services

cc: Service List

³ National Grid's position also is reflected in NGrid Response to PUC Data Request 1-2.