

September 30, 2020

BY ELECTRONIC MAIL

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

RE: Docket 5066 – 2020 Gas Cost Recovery Filing
Responses to Division Data Requests – Set 3

Dear Ms. Massaro:

I have enclosed an electronic version of National Grid's¹ responses to the Division of Public Utilities and Carriers' Third Set of Data Requests in the above-referenced docket.²

This filing also contains a Request for Protective Treatment of Confidential Information pursuant to Rule 810-RICR-00-00-1.3(H) of the Public Utilities Commission's (PUC) Rules of Practice and Procedure and R.I. Gen. Laws § 38-2-2(4)(B).

Please note that the Company already filed these responses with the Division. However, since the Company filed these responses on a rolling basis, the Company is providing this copy of its responses in sequential order per the PUC's request.

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 5066 Service List
Leo Wold, Esq.
John Bell, Division
Al Mancini, Division
Jerome D. Mierzwa, Division Consultant

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

² Per practice during the COVID-19 emergency period, the Company is providing PDF versions of the enclosures. The Company will provide the Commission Clerk with hard copies and, if needed, additional hard copies of the enclosures at a later date.

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.



September 30, 2020

Date

Joanne M. Scanlon

Docket No. 5066 – National Grid – 2020 Annual Gas Cost Recovery Filing (GCR) - Service List as of 9/3/2020

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STATE OF RHODE ISLAND

RHODE ISLAND PUBLIC UTILITIES COMMISSION

_____)	
)	
Annual Gas Cost Recovery Filing)	Docket No. 5066
2020)	
)	
_____)	

**MOTION OF THE NARRAGANSETT ELECTRIC
COMPANY D/B/A NATIONAL GRID FOR PROTECTIVE
TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid¹ respectfully requests that the Rhode Island Public Utilities Commission (“PUC”) grant protection from public disclosure certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by 810-RICR-00-00-1.3(H) (Rule 1.3(H)) of the PUC’s Rules of Practice and Procedure and R.I. Gen. Laws § 38-2-2(4)(B). The Company also respectfully requests that, pending entry of that finding, the PUC preliminarily grant the Company’s request for confidential treatment pursuant to Rule 1.3(H)(2).

I. BACKGROUND

On September 29, 2020, the Company filed responses to Division Data Request 3-1 and 3-9 in the above-captioned docket. The Company seeks confidential treatment of these responses because they include confidential pricing and commercial information that the Company does not ordinarily disclose to the public. Therefore, the Company requests that, pursuant to Rule 1.3(H), the PUC afford confidential treatment to the information contained in

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

Attachment DIV 3-1 and Attachment DIV 3-9. The Company has included redacted public and confidential versions of these attachments subject to this motion for protective treatment.

II. LEGAL STANDARD

Rule 1.3(H) provides that access to public records shall be granted in accordance with the Access to Public Records Act (APRA), R.I. Gen. Laws § 38-2-1, *et seq.* Under the 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. Gen. Laws § 38-2-2(4). 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 as confidential and to protect that information from public disclosure.

In that regard, R.I. Gen. Laws § 38-2-2(4)(B) provides that the following types of 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 this confidential information exemption applies where the disclosure of information would be likely either (1) to impair the government’s ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. *Providence Journal*, 774 A.2d 40 (R.I. 2001).

The first prong of the test is satisfied when information is provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. *Providence Journal*, 774 A.2d at 47.

III. BASIS FOR CONFIDENTIALITY

The pricing and commercial information included in Attachment DIV 3-1 and Attachment DIV 3-9 is commercially sensitive and contains confidential commercial information of the type that National Grid would not ordinarily make public. In addition, the PUC previously granted protective treatment to the information contained in Attachment DIV 3-1.² As such, the information should be protected from public disclosure. Public disclosure of such information could impair National Grid's ability to obtain advantageous pricing or other terms in the future, thereby causing substantial competitive harm. Accordingly, National Grid respectfully requests that the PUC provide confidential treatment to the information contained in Attachment DIV 3-1 and Attachment DIV 3-9.

IV. CONCLUSION

For the foregoing reasons, National Grid respectfully requests that the PUC grant its Motion for Protective Treatment of Confidential Information.

[SIGNATURE ON NEXT PAGE]

² Attachment DIV 3-1 is a copy of the Company's response to Division Data Request 2-2 in Docket 4963. In Docket 4963, the PUC granted the Company's request for confidential treatment of its response to Division Data Request 2-2.

Respectfully submitted,

**THE NARRAGANSETT ELECTRIC
COMPANY d/b/a NATIONAL GRID**

By its attorney,

A handwritten signature in blue ink that reads "Raquel Webster". The signature is fluid and cursive, with the first name "Raquel" being more prominent than the last name "Webster".

Raquel J. Webster (Bar #9064)
National Grid
40Sylvan Road
Waltham, MA 02451
Tel. 781-907-2121
Raquel.webster@nationalgrid.com

Dated: September 29, 2020

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5066
In Re: 2020 Annual Gas Cost Recovery Filing
Responses to the Division's Third Set of Data Requests
September 8, 2020

Division 3-1

Request:

Please update the response to Division 2-2 in Docket No. 4963 as applicable.

Response:

There were no additional gas costs incurred over and above those noted in the Company's response to Division 2-2 in Docket No. 4963. Please see Confidential Attachment Division 3-1 for a copy of the Company's response to Division 2-2 in Docket No. 4963.

The Narragansett Electric Company
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Attachment DIV 3-1

REDACTED

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5066
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Division 3-2

Request:

Please identify whether the Company has received bill credits or any other compensation from Algonquin as a result of the January 21, 2019 valve malfunction at Algonquin's meter station in Weymouth, MA which contributed to the service outage on Aquidneck Island. Explain how the compensation has been credited to ratepayers.

Response:

The Company has not received bill credits or any other compensation from Algonquin as a result of the January 21, 2019 valve malfunction at Algonquin's meter station in Weymouth, MA.

Division 3-3

Request:

Please update the Company's response to Division Informal Data Request 1-2 submitted on April 24, 2020 and responded to on May 22, 2020 concerning the Semi-Annual Gas Procurement Incentive Plan.

Response:

Below are the prices for NYMEX and Inside FERC First of Month TETCO M2 for the period of April 2020 through September 2020. The correlation is negative 0.486¹. This indicates that the correlation between the NYMEX and the Marcellus Shale Region for this period are negatively correlated. As a result, correlation has not returned for this period, and NYMEX would not be a suitable hedge for Marcellus-sourced supply exposure.

	NYMEX	M2
Apr-2020	\$1.6340	\$1.1700
May-2020	\$1.7940	\$1.4200
Jun-2020	\$1.7220	\$1.2400
Jul-2020	\$1.4950	\$1.1200
Aug-2020	\$1.8540	\$1.1800
Sep-2020	\$2.5790	\$1.0000
	Correlation	-0.486

The correlation between NYMEX and TETCO M2 was 0.749 for the period of April 2019 through March 2020.

¹ As recently as mid-2014, the price movement of NYMEX Henry Hub was highly correlated to the price movement of supplies purchased in these regions and, therefore, NYMEX was an effective hedge of the future gas prices. The correlation ratio of NYMEX and the producing regions was greater than 0.9. Since July 2014, the correlation between NYMEX and the Marcellus locations such as Texas Eastern market area zone M2, Tennessee Gas Pipeline Zone 4, Dominion South Point, and Millennium East Pool has dropped below 0.8. Therefore, NYMEX is no longer an effective hedge for forecasted purchases in the Marcellus region.

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Division 3-4

Request:

Reference the Gas Supply Panel testimony, page 8, lines 3-5. Please identify the current NYMEX strip.

Response:

Please see the table below for the NYMEX strips referenced on page 8, lines 3-5, which includes the August 1, 2019 NYMEX strip used in the 2019/20 GCR and the August 6, 2020 NYMEX strip used in the 2020/21 GCR:

August 1, 2019 (Docket No. 4963)		August 6, 2020 (Docket No. 5066)	
Month	NYMEX Forward Price (\$/Dth)	Month	NYMEX Forward Price (\$/Dth)
November 2019	\$2.293	November 2020	\$2.654
December 2019	\$2.488	December 2020	\$2.985
January 2020	\$2.617	January 2021	\$3.096
February 2020	\$2.589	February 2021	\$3.053
March 2020	\$2.514	March 2021	\$2.936
April 2020	\$2.349	April 2021	\$2.661
May 2020	\$2.335	May 2021	\$2.625
June 2020	\$2.380	June 2021	\$2.654
July 2020	\$2.427	July 2021	\$2.690
August 2020	\$2.438	August 2021	\$2.697
September 2020	\$2.422	September 2021	\$2.684
October 2020	\$2.449	October 2021	\$2.704

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Division 3-5

Request:

Reference the Gas Supply Panel testimony, page 12, lines 1-10. Please explain how the Company will allocate the variable costs associated with the resources acquired to meet peak hour requirements.

Response:

As a result of discussions with the Division, the Company intends to include the 2020/21 incremental variable costs associated with the peak hour resources in the DAC reconciliation if these costs are significant. The Company will track the volumes and variable costs of these resources when they are dispatched to meet the hourly requirements of the Company's customers and will work with the Division after the winter to determine whether they are significant enough to include in the DAC reconciliation.

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Division 3-6

Request:

Reference the Gas Supply Panel testimony, page 19, lines 5-9. Please update this testimony as applicable.

Response:

At this time, the Company does not have any updates to the testimony provided at page 19, lines 5-9. The potential impact of NGLNG's rate case on fixed costs will not be known until such time as NGLNG files its section 4 rate case at the FERC. The Company anticipates that this will occur during the 2020/21 GCR period and, therefore, made mention of it in the Gas Supply Panel testimony.

Division 3-7

Request:

Please provide a copy of following transaction confirmations discussed in the Gas Supply Panel testimony:

- a. Page 24, lines 10-12;
- b. Page 25, lines 14-15;
- c. Page 26, lines 6-10;
- d. Page 27, lines 14-19; and
- e. Page 28, lines 14-15.

Response:

At this time, the Company continues to negotiate the above-referenced transaction confirmations discussed in the Gas Supply Panel testimony. The Company will supplement this response with binding transaction confirmations after they have been fully executed.

Division 3-8

Request:

Reference the Gas Supply Panel testimony, page 25, lines 7-9. Please explain how the Company anticipates marketers will be able to fill the 5,000 Dth of capacity with gas supplies.

Response:

The Company has included capacity from Dracut to its city gates in its Customer Choice Program since November 2016. While the Company does not have detailed information regarding how marketers purchase their gas supplies using the assets released to them, the Company anticipates that marketers can enter into prearranged supply options with gas suppliers active at Dracut or may look to purchase gas supplies in the spot market.

Division 3-9

Request:

Reference the Gas Supply Panel testimony, page 29, lines 8-10. Please provide a copy of the Company's analysis supporting its decision not to award the RFP.

Response:

Please see Attachment DIV 3-9 for a copy of the summary of bids received in response to the RFP. Attachment DIV 3-9 contains sensitive pricing information. Therefore, the Company has included, a redacted public version and a confidential version of Attachment DIV 3-9 subject to a motion for protective treatment.

In determining whether a path is appropriate for an asset management arrangement, the Company will consider a variety of factors including, but not limited to, the optimization value of the capacity, as well as potential risks that may be associated with relinquishing control of the asset to an asset manager during the term. Pursuant to the RFP, the Company sought proposals to manage 100% of its storage inventory with TCo pipeline as well as a portion of its transportation capacity with the pipeline. As part of the proposed transaction, the Company would transfer 100% of its storage inventory as of November 1, 2020, and the asset manager would be required to return the field to the Company 97% full as of October 31, 2021 in anticipation of the firm gas customer requirements for Winter 2021/22. Based on the value of the bids received in response to the RFP, the Company did not think it was prudent to relinquish control of its storage inventory and risk the possibility that an asset manager may not return the field at the required inventory amount. If this were to happen, it would put the Company at risk for financial penalties from TCo for failure to adhere to minimum volume requirements and would present price and reliability risks in meeting customer requirements.

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RIPUC Docket No. 5066
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Division 3-10

Request:

For each month during the winter of 2019/2020, please identify the following for FT-2 service:

- a. Total deliveries by marketers;
- b. Marketer underground storage purchases and average purchase price; and
- c. Marketer peaking purchases and average purchase price.

Response:

Please see below for the requested information:

- a. Total deliveries by marketers;

FT2	Deliveries (dt)
Nov-2019	569,185
Dec-2019	713,411
Jan-2020	698,424
Feb-2020	650,271
Mar-2020	557,275
Apr-2020	493,185

Division 3-10, page 2

b. Marketer underground storage purchases and average purchase price

	Storage Volume (dt)	Storage Price (dt)
Nov-2019	1,772	\$ 2.4791
Dec-2019	24,885	\$ 2.4937
Jan-2020	25,954	\$ 2.5023
Feb-2020	27,186	\$ 2.4984
Mar-2020	3,500	\$ 2.4856
Apr-2020	-	\$ 2.4570

c. Marketer peaking purchases and average purchase price.

	Peaking Volumes (dt)	Peaking Price/dt
Nov-2019	-	\$ 1.8756
Dec-2019	322	\$ 8.5442
Jan-2020	6,156	\$ 3.9021
Feb-2020	6,166	\$ 2.7910
Mar-2020	-	\$ 4.2341
Apr-2020	-	\$ 4.5799

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d/b/a National Grid
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Division 3-11

Request:

Please identify the amount of underground storage and peaking service FT-2 supplies were entitled to purchase during the winter of 2019/2020.

Response:

Please see the table below for the amount of FT-2 underground storage and peaking service supplies that Marketers were entitled to purchase during the winter of 2019/2020. The monthly volumes reflect the respective maximum storage quantity ("MSQ") available over the entire winter. The slight variations across the months were due to changes in the Marketers' customer pools. Given the Marketers' customer pools as of the month of November, the MSQ available for the season for underground storage totaled 271,215 dts. The total was 121,933 dts for peaking.

Month	Underground/Managed MSQ (dt)	Peaking MSQ (dt)
Nov-19	271,215	121,933
Dec-19	285,674	128,410
Jan-20	284,565	127,919
Feb-20	285,813	128,473
Mar-20	285,575	128,362
Apr-20	287,124	129,053