

October 27, 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
Response to PUC Data Requests – Set 1**

Dear Ms. Massaro:

I have enclosed an electronic version of National Grid's¹ responses to the Public Utilities Commission's First Set of Data Requests in the above-referenced docket.² This transmittal contains the Company's responses to PUC 1-1 through PUC 1-4, which completes the Company's responses to the PUC's First Set of Data Requests.

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).

National Grid seeks protection from public disclosure of confidential information contained in PUC 1-1 through PUC 1-4. Accordingly, National Grid has provided the PUC with one complete unredacted copy of the confidential materials electronically via the Company's encryption software, Egress Switch. National Grid has included electronic redacted copies of these materials for the public filing.

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 5040 Service List
Leo Wold, Esq.
John Bell, Division
Al Mancini, Division (w/confidential information, via Egress Switch)
J. Mierzwa, Division Consultant (w/confidential information, via Egress Switch)

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

² Per Commission counsel's update on October 2, 2020, concerning the COVID-19 emergency period, the Company is submitting an electronic version of this filing. The Company is also providing the Commission Clerk with five copies.

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.



Joanne M. Scanlon

October 27, 2020
Date

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

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)	
Annual Gas Cost Recovery Filing)	Docket No. 5066
2020)	
)	
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**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 October 27, 2020, the Company filed responses to the PUC’s First Set of Data Requests in the above-captioned docket. The Company seeks confidential treatment of its responses to Data Requests PUC 1-2 and 1-4 and Attachments PUC 1-1 and 1-3 because these documents 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 its responses to Data Requests PUC 1-2 and 1-4 and Attachments PUC 1-1 and 1-3. The Company has included

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

redacted public and confidential versions of these documents 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 the Company's responses to Data Requests PUC 1-2 and 1-4 and Attachments PUC 1-1 and 1-3 is commercially sensitive and contains confidential commercial information of the type that National Grid would not ordinarily make public. 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 to the Company. Moreover, the PUC has customarily afforded confidential treatment to such information. Accordingly, National Grid respectfully requests that the PUC provide confidential treatment to the information contained in the Company's responses to Data Requests PUC 1-2 and 1-4 and Attachments PUC 1-1 and 1-3.

IV. CONCLUSION

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

Respectfully submitted,

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

By its attorney,



Raquel J. Webster (Bar #9064)
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Dated: October 27, 2020

PUC 1-1

Request:

Please provide the table in GSP-1 with the following differences:

- All cells should represent the 2020 costs minus the same costs in 2019
- Any lines not present in 2020 that were present in 2019 should be written in red font
- Any lines not present in 2019 that are present in 2020 should be written in blue font.

Response:

Please see Attachment PUC 1-1 for the comparison of Exhibit GSP-1 from the 2020 GCR filing to Exhibit EDA/SAJ-1 from the 2019 GCR filing (Docket 4963). The "Comparison" tab in Attachment PUC 1-1 was generated by subtracting values from Exhibit EDA/SAJ-1 filed with the 2019 GCR on July 2, 2019 (unreconciled) from Attachment GSP-1 Second Revision in Docket No. 5066 filed on October 7, 2020.

Major drivers of costs differences between 2020 and 2019 include:

- Total Transportation Fixed Costs decreased in 2020. This decrease was due largely to the changes to the Customer Choice program. Customer capacity release credits are now taken directly out of Total Transportation Fixed Costs and are no longer displayed in the Marketer Capacity Release Credits line item.
- In addition, separating the Hourly Peaking Fixed Costs was new in 2020.
- Supplier Fixed Costs increased in 2020. This increase was driven by higher demand charge for Winter Refill compared to that estimated in the 2019 filing.
- The NYMEX forward curve increased from 2019 to 2020 by 14%, which resulted in higher 2020/21 commodity costs.

Attachment PUC 1-1 contains commercially sensitive and confidential information; therefore, the Company is providing confidential and redacted versions of Attachment PUC 1-1, subject to a Motion for Protective Treatment.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No.
2020 Gas Cost Recovery Filing
Responses to the Commission's First Set of Data Requests
Issued October 19, 2020

Attachment PUC 1-1

CONFIDENTIAL

Please see the Confidential Excel file of Attachment PUC 1-1

Redacted
PUC 1-2

Request:

For the data provided in response to request 1:

- a. Please identify any rows that include costs for backup resources required because of anticipated reduction of pressure on the Algonquin G system by Enbridge.
- b. For the rows identified in part a, please explain the cause of cost variances between 2019 and 2020 (i.e., the variances in these rows identified in response to request 1).
- c. For the same rows, please explain what, if any, of these costs can be liquidated if it is determined they are not needed during the upcoming season.

Response:

- a. As described on page 25 of the Company's 2020 Gas Long-Range Resource and Requirements Plan ("LRP"; Docket No. 5043), the Company has agreed to temporarily utilize portable LNG operations on Aquidneck Island as a contingency in the event of upstream issues that affect pipeline deliveries into Portsmouth. Specifically, the Company plans to have portable LNG operations fully staffed and available for vaporization at 45 HDD conditions or colder with a vaporization capacity of 650 mcfh (approximately 650 Dth/hr.). The Company initialized this plan beginning with the 2019/20 heating season and contracted for 16,150 Dth/day of winter LNG supply and trucking, which assumes the portable vaporizers at Old Mill Lane are used at their maximum vaporization capacity for 24 hours per day and is rounded up to the nearest full truckload of LNG assuming 950 Dth/truck. The Company accounted for two days of such a contingency, equating to 32,300 Dth of LNG allocated to the contingency. These volumes are in addition to those the Company calculated would be required during a design winter without any supply disruptions.

Because the Company had these contingency volumes under contract and was able to respond to potential supply disruptions resulting from Enbridge G-lateral pressure reductions using other assets and tools already available as described in Attachment PUC 1-2, the Company did not need to contract for specific replacement supplies to meet customer requirements in the event of the potential Enbridge G-lateral pressure reductions. The costs for backup resources are limited to the contingency volumes of winter LNG described in the LRP. These costs appear on Attachment PUC 1-1 on Row 11 (Total Supplier Fixed Costs) and Row 39 (LNG Trucking). There were no fixed costs associated with LNG trucking.

Redacted
PUC 1-2, page 2

- b. Row 11: Total Supplier Fixed Costs differences are detailed in the table below. Rows containing an asterisk relate to the contingency supplies described in part a above. The Company initially estimated its 2019 winter LNG fixed costs at [REDACTED], which was based on a unitized demand rate of [REDACTED] per Dth and 100,000 Dth of LNG, which was based on historical data. However, as the Company finalized its planning and secured the LNG required, the actual unit rate was [REDACTED] per Dth and the winter volume was 192,450 Dth for the 2019/20 heating season. The Company then used this data to develop its estimate for the 2020/21 heating season.

	GCR 2019 Supplier Fixed Cost (\$000s)	GCR 2020 Supplier Fixed Cost (\$000s)	Difference (\$000s)
Everett Supply Deal (#04216)	[REDACTED]	[REDACTED]	[REDACTED]
Everett Supply Deal (5K)	[REDACTED]	[REDACTED]	[REDACTED]
AGT Citygate	[REDACTED]	[REDACTED]	[REDACTED]
Winter Trucking*	[REDACTED]	[REDACTED]	[REDACTED]
Proposed Summer Trucking	[REDACTED]	[REDACTED]	[REDACTED]

Row 39 (LNG Trucking) contains the projected variable cost of LNG delivered to the LNG facilities. The anticipated reduction of pressure on the Algonquin G system was not incorporated to the SENDOUT model runs used in the 2019 GCR filings because the GCR is based on normal weather. As such, the variable costs associated with LNG Trucking are similar in the 2019 and 2020 GCR filings.

	GCR 2019 (\$000s)	GCR 2020 (\$000s)
LNG Trucking	\$1,948.41	\$1,945.90

PUC 1-2 contains commercially sensitive and confidential information; therefore, the Company is providing confidential and redacted versions of Attachment PUC 1-2-2, subject to a Motion for Protective Treatment.

- c. The fixed costs for these contingency supplies cannot be liquidated. During the 2019/20 winter, the Company used its winter LNG supplies, once the risk of supply disruption and cold weather had subsided, to offset a portion of the subsequent summer LNG refill; its

Redacted
PUC 1-2, page 2

LNG storage was nearly¹ full at the end of March 2020. The Company will similarly seek to maximize the dispatch of 2020/21 winter LNG supplies to minimize the fixed costs of 2021 summer LNG refill.

¹ Trucking of LNG was paused in mid-March 2020 due to the COVID-19 Pandemic.

The Narragansett Electric Company
d/b/a National Grid
In Re: Informal Follow-Up on Gas Capacity Planning
Responses to Division’s First Set of Informal Data Requests
Issued on November 4, 2019

Division Informal 1-1

Request:

Referring to the response to Division 2-4 in Commission Docket 4963 (GCR), please update the referenced shortfall/surplus chart to take into account the Enbridge 2019-20 winter pressure restrictions. Please also update the response to Division 2-4, as appropriate.

Response:

				2019/20		
Pipeline/LNG	Lateral	Take Station	Meter No.	Total Supply Deliveries Company & Marketers (Dth/hr)	Total Firm Peak Hour Model Flow (DTH/hr)	Total Firm Peak Hour Balance (-) = Shortfall (+) = Surplus (DTH/hr)
AGT	G	Barrington	00064	0	0	0
AGT	G	Warren	00012	740	786	-46
AGT		Burrillville	00044	0	29	-29
AGT	G	Crary St	00842	0	2,060	-2,060
AGT	G	Dey St	00004	4,945	2,130	2,816
AGT	G	Cumberland	00083	38	40	-2
AGT	G	Portsmouth	00013	954	805	149
AGT	G	Tiverton	00033	51	67	-16
AGT	G	E Providence	00010	1,549	2,648	-1,099
AGT	E	Westerly	00008	144	111	33
AGT		Montville	00059	208	228	-19
TGP	Cranston	Cranston	420750	3,517	2,083	1,434
TGP	Cranston	Lincoln	420758	1,283	1,404	-121
TGP	Cranston	Smithfield	420910	450	1,694	-1,244
TGP		Cumberland	420135	1,343	1,343	0
LNG		Portsmouth		650	392	258
LNG		Exeter		1,000	1,000	0
LNG (incl. KLNG)		Providence		3,958	3,958	0
Portable LNG		Cumberland		750	750	0
Total:				21,581	21,528	53

In the chart above, the Company has updated the referenced shortfall/surplus chart provided in response to Division 2-4 in RIPUC Docket 4963 (GCR) to take into account the Enbridge 2019-20 winter pressure restrictions. As indicated in the response to Division 2-4, not all gate stations show a negative balance (shortfall), and the Company continues to seek to eliminate the hourly shortfalls on both Algonquin and Tennessee with the Enbridge pressure restrictions. Noted in the carryover paragraph on page 2 in the response to Division 2-4 in the GCR, the Algonquin G-6 system feeds the same load pocket as the NGLNG plant. To a lesser extent, this load pocket is also fed by Cranston lateral delivery points located in Lincoln, Smithfield and

The Narragansett Electric Company
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Division Informal 1-1, page 2

Cranston. During normal operations, the Company limits the deliveries from the Cranston take station to feed the Southern Rhode Island distribution system by operating a remote operated valve located in Warwick at the intersection of Cowesett Road and Quaker Lane.

In order to update the chart to reflect current conditions, including the Enbridge pressure reduction, the Company made the following changes:

- Added a line item to show the portable LNG supply in Portsmouth, which has a vaporization capacity of 650 Dth/hr. The estimated total customer requirements for Portsmouth is the sum of the Model Flow for Portsmouth take station and Portsmouth portable LNG. In the previous table, the model flow totaled 1,210 Dth/hr. and since, updated totals 1,197 Dth/hr. (805 Dth/hr. for Portsmouth take station plus 392 Dth/hr. for Portsmouth portable LNG);
- Globally adjusted the model flows to reflect the August 2019 forecast for Winter 2019/20 customer peak hour requirements of 21,528 Dth/hr., which decreased from 21,944 Dth/hr.;
- Adjusted the model flow for NGLNG plant to reflect 1/24th of the NGLNG daily contract to 3,958 Dth/hr. Previously, the Company has set the model flow for the NGLNG plant to 4,750 Dth/hr., which reflected 5% of the NGLNG daily contract. Because NGLNG serves the same load pocket as the Algonquin G-6 gate stations, the incremental gas needed is now shown to come from one of the gate stations, as opposed to the NGLNG plant;
- Added the supply associated with the additional 20,000 Dth/day or 833 Dth/hr. of incremental capacity delivered from Tennessee with delivery to Cranston;
- Adjusted model flows with the incremental capacity delivered from Tennessee to reflect the Cumberland take station supplied by Tennessee can be limited to the hourly maximum daily hourly quantity (MDHQ) of 1,343 Dth/hr. and the hourly vaporization for the portable LNG operation of 750 Dth/hr., by managing the system pressures. The model flow was 1,823 Dth/hr., which showed a shortfall. With the set flow to MDHQ, the incremental gas will come from the gate stations supplied by the Tennessee Cranston lateral, offsetting the shortfall previously shown; and
- Corrected the Burrillville Take Station description which previously showed it as fed from the G-Lateral, which it is not.

For the Enbridge pressure restrictions on the G-Lateral, the chart was also updated to reflect the reduced supply deliveries from both the Company and Marketers. The total supply deliveries for the G-Lateral totaled 9,191 Dth/hr. and with the Enbridge pressure restriction, the total supply deliveries are reduced to 8,277 Dth/hr. to meet a model flow of 8,536 Dth/hr. Without mitigation measures, this results in a shortfall of 259 Dth/hr.

The Narragansett Electric Company
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Division Informal 1-1, page 3

- Because the estimated supply deliveries for the Marketers were reduced to Dey Street, the Marketers will be obligated to deliver this supply on Tennessee to the Cranston take station. The total supply deliveries for the Cranston lateral was 4,527 Dth/hr. and Cranston take station was 2,794 Dth/hr. With the incremental hourly capacity and the additional Marketer deliveries along with the decrease in the Winter 2019/20 forecast, the total supply deliveries for the Cranston lateral is 5,250 Dth/hr. and Cranston take station is 3,517 Dth/hr.
- As previously indicated, the total estimated peak hour customer requirement for Portsmouth is 1,197 Dth/hr. With this customer requirement, the shortfall the Portsmouth portable LNG will have to offset totals 243 Dth/hr. The Company decreased the model flow from Portsmouth take station below the MDHQ by increasing the model flow for Portsmouth portable LNG. This results in a pipeline take station surplus of 149 Dth/hr., which helps to offset the shortfall on the G-lateral.
- As indicated in the first paragraph of this response, the Company limits the deliveries from the Cranston take station to feed the Southern Rhode Island distribution system by operating a remote operated valve located in Warwick at the intersection of Cowesett Road and Quaker Lane. This valve will be operated to offset the shortfall from the reduction of deliveries resulting from the Enbridge pressure restrictions. Therefore, the overall increase in the Cranston lateral model flows from 3,393 Dth/hr. to 5,181 Dth/hr. is a result of offsetting the shortfall on the Algonquin G-6 lateral, as well as the Cumberland take station shortfall. Because the system is integrated, the model flow changes cannot be itemized. With the total supply deliveries for the Company and Marketers from the Cranston lateral is 5,250 Dth/hr., there is an estimated surplus of 69 Dth/hr.

With these updates, the Company is showing a surplus of 53 Dth/hr. across the system for the peak hour for Winter 2019/20. The Company recently completed its hydraulic modeling, and will seek to share these results with Enbridge.

PUC 1-3

Request:

Please provide the same table as provided in response to request 1 but comparing 2019 and 2018.

Response:

Please see Attachment PUC 1-3 for the comparison of EDA/SAJ-1 from the 2019 GCR filing (Docket 4963) to NGC-1 from the 2018 GCR filing (Docket 4872). The "Comparison" tab in Attachment PUC 1-3 was generated by subtracting values from NGC-1 filed with the 2018 GCR on August 31, 2018 from EDA/SAJ-1 filed with the 2019 GCR on July 2, 2019 (unreconciled).

Major drivers of costs differences between 2019 and 2018 include:

- Supplier Fixed Costs decreased by \$13 million in 2019. While fixed costs for supplies decreased overall from 2018 to 2019, the most significant driver of the decrease was due to the elimination of Dracut supply fixed costs, which accounted for more than half of the decrease. In 2018, the Company had a supply call option at Dracut that required payment of a fixed reservation fee. In 2019, the Company awarded an Asset Management Arrangement instead under which it released its Tennessee Gas Pipeline capacity from Dracut to its supplier and avoided paying the type of fixed reservation fee that it paid in 2018.
- The NYMEX forward curve decreased from 2018 to 2019 by 13% resulting in lower variable costs in 2019.

The Company significantly modified the format of its GCR cost exhibit beginning in 2019 to align with the modifications agreed to with the Division with respect to the Gas Long-Range Resources and Requirements Plan. This change in format resulted in many new rows added to EDA/SAJ-1 that were not present in NGC-1.

Attachment PUC 1-3 contains commercially sensitive and confidential information; therefore, the Company is providing confidential and redacted versions of Attachment PUC 1-3, subject to a Motion for Protective Treatment.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5066
2020 Gas Cost Recovery Filing
Responses to the Commission's First Set of Data Requests
Issued October 19, 2020

Attachment PUC 1-3

CONFIDENTIAL

Please see Confidential Excel file of Attachment PUC 1-3

Redacted
PUC 1-4

Request:

For the data provided in response to request 3:

- a. Please identify any rows that includes costs for backup resources required because of anticipated reduction of pressure on the Algonquin G system by Enbridge.
- b. Please provide the total cost of these resources.
- c. Please provide a breakdown of the resource costs in part b that represent resources actually used, resources held in reserve, and resources liquidated (e.g., sold to other suppliers during the winter period).
- d. If some portion of the resources were liquidated because they were not actually needed, please explain how those revenues are reflected in the current filing.

Response:

- a. Please see the Company's response to PUC 1-2. Row 11 (Total Supplier Fixed Costs) and Row 41 (LNG Trucking) contain costs associated with backup resources the Company acquired to safeguard against contingency events that would impact deliveries to Portsmouth. The Company only began contracting for contingency resources for the 2019/20 heating season.
- b. The incremental cost of the 32,300 Dth of Winter Refill Liquid was approximately [REDACTED]. To estimate this cost, the Company used the unitized fixed cost of its total Winter Refill supply [REDACTED] per Dth of Annual Contract Quantity) and multiplied by the contingency volume (32,300 Dth); the Company is unaware of the specific impact of the daily and seasonal contingency volumes on the unit rate charged by its supplier(s).
- c. All of the resources that were contracted for contingencies were held in reserve until late winter 2019/20 and then used for LNG refill to minimize summer trucking.
- d. There are no revenues from liquidation of the contingency resources.