

March 4, 2021

BY ELECTRONIC MAIL

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

RE: Docket 5099 – FY 2022 Gas Infrastructure, Safety and Reliability Plan National Grid's Reply Comments

Dear Ms. Massaro:

In connection with the above-referenced docket, I have enclosed National Grid's¹ reply comments to the memorandum from Alberico Mancini – Chief Regulatory Analyst of the Rhode Island Department of Public Utilities and Carriers ("Division") and Rod Walker – CEO & President, RW&A Consultancy dated February 19, 2021 in the above-referenced matter ("Division's Memorandum").

The Company is in agreement with the Division's conclusion that the FY 2022 Gas ISR Plan as filed is a reasonable approach to addressing the safety and reliability of the Company's gas system and its recommendation that the plan be approved without modification.

In these reply comments, National Grid addresses three topics raised in the Division's Memorandum.

1. Infrastructure

On page 4 of its Memorandum, the Division notes that the Company's schedule for the replacement of leak prone pipes and services conflicts with the Company's calculation showing that it will take 15 years to complete the replacement of all leak prone gas mains and services. Division's Memorandum at p. 4. The Company notes that it plans to increase annual mileage of main replacement in future years to complete this work by the end of calendar year 2034. However, the Division is correct in noting that if the Company does not increase the annual mileage of main replacement in future ISR plans, it may take up to 20 years to complete this work.

On page 4 of the Division's Memorandum, the Division also notes that overall, the leak rate overall has been trending upward over the last three years after reaching a low point in 2016. National Grid does not dispute that leaks have increased over the last three years. However, the Company notes that since 2010, leak rates have declined and, overall, remain below levels seen since the inception of the ISR Plan's predecessor program - the Accelerated Replacement Program ("ARP"). Leak receipts will

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

Luly E. Massaro, Commission Clerk Docket 5099 – Gas ISR FY2022 - National Grid's Reply Comments March 4, 2021 Page 2 of 2

fluctuate year-over-year due to a variety of factors, including weather, local construction activity such as road paving, and leak survey schedules. The Company agrees with the Division that these trends should be closely monitored in conjunction with National Grid's risk-based main replacement selection process to ensure that the overall trend is a reduction in gas leaks.

2. Aquidneck Island - Long Term Capacity Issues

The Division recommends that the FY 2022 Gas ISR Plan include the proposed \$4.9 million in funding to examine solutions for long term capacity for Aquidneck Island, citing the extraordinary nature of the circumstances surrounding the event resulting in the loss of gas service to over 7,000 customers on Aquidneck Island, the need to ensure that customers will not be impacted by future failures on pipeline systems and the strong local and stakeholder opposition to maintaining the temporary LNG facility at Old Mill Lane in Portsmouth, Rhode Island. See Division Memorandum at p. 6. The Company agrees with the Division's recommendations. The Company is reviewing the accounting treatment for this category of spend, and based on its initial review, an adjustment to the revenue requirement may be necessary to ensure the spending aligns with FERC accounting rules.

3. The Division's Concerns Regarding the Company's Responses to PUC 3-6 and 3-7

On pages six through eight of the Division's Memorandum, the Division notes its concerns regarding the Company's responses to Data Requests PUC 3-6 and PUC 3-7. Specifically, the Division notes that it was surprised that the Company would identify specific cuts to its FY 2022 Gas ISR Plan that could be reduced without impacting the safety and reliability of the gas system. See Division Memorandum at p. 6. National Grid would like to clarify that in responding to Data Requests PUC 3-6 and 3-7, it was not proposing any reductions to the FY 2022 Gas ISR Plan. Instead, the Company was attempting to fully answer the PUC's data requests. As the Company noted in part in its response to Data Request PUC 3-7, "the Company does not recommend any reductions to the plan at this time." The Company maintains this position.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-472-0531.

Very truly yours,

Raquel J. Webster

cc: Docket 5099 Service List Leo Wold, Esq. Al Mancini, Division John Bell, Division Rod Walker, 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

March 4, 2021

Date

Docket No. 5099- National Grid's FY 2022 Gas Infrastructure, Safety and Reliability (ISR) Plan - Service List 1/7/2021

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