

February 9, 2021

BY ELECTRONIC MAIL

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

RE: Docket 5099 - Proposed FY 2022 Gas Infrastructure, Safety, and Reliability Plan Responses to PUC Data Requests – Set 5

Dear Ms. Massaro:

I have enclosed an electronic version of National Grid's¹ responses to the Rhode Island Public Utilities Commission's Fifth Set of Data Requests in the above-referenced matter.

This filing also contains a Request for Protective Treatment of Confidential Information pursuant to Rule 810-RICR-00-00-1.3(D) of the Division of Public Utilities and Carriers' 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 related to data request PUC 5-2.

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

¹ 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.

Joanne M. Scanlon

February 9, 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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STATE OF RHODE ISLAND

RHODE ISLAND PUBLIC UTILITIES COMMISSION

Fiscal Year 2022 Gas Infrastructure, Safety, and Reliability Plan)	Docket No. 5099
)	
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**NATIONAL GRID’S MOTION 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 PUC Rule 810-RICR-00-00-1-1.3(H)(3) (“Rule 1.3(H)”) and R.I. Gen. Laws § 38-2-2(4)(B). National Grid also requests that, pending entry of that finding, the PUC preliminarily grant National Grid’s request for confidential treatment pursuant to Rule 1.3(H)(2).

I. BACKGROUND

On February 8, 2021, National Grid filed its responses to the PUC’s Fifth Set of Data Requests in this docket. In Data Request Division 5-2, the Company includes confidential pricing information relating to work associated with Portable LNG Equipment & Site Prep, Main Installation and LNG Barge Interconnect Land to Marine Main.

For the reasons described below, the Company requests that, pursuant to R.I. Gen. Laws § 38-2-2(4)(B) and Rule 1.3(H), the PUC afford confidential treatment to the confidential and proprietary information included in its response to Data Request PUC 5-2.

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

II. LEGAL STANDARD

Rule 1.3(H) of the PUC's Rules of Practice and Procedure 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 Company v. Convention Center Authority*, 774 A.2d 40 (R.I. 2001).

The first prong of the test is satisfied when information is voluntarily 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.

National Grid meets the first and second prongs of this test, which apply here.

III. BASIS FOR CONFIDENTIALITY

The pricing information included in the Company's response to Data Request PUC 5-2 is commercially sensitive financial information of the type that National Grid would not ordinarily make public. 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 to National Grid. Accordingly, National Grid is providing the information on a voluntary basis to assist the PUC with its decision-making in this proceeding, but respectfully requests that the PUC provide confidential treatment to the information. Accordingly, National Grid respectfully requests that the PUC provide confidential treatment to the information contained in its response to Data Request PUC 5-2.

IV. CONCLUSION

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

Respectfully submitted,

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

By its attorney,



Raquel J. Webster, Esq. (#9064)
National Grid
40 Sylvan Road
Waltham, MA 02451
781-907-2121

Dated: February 9, 2021

PUC 5-1

Request:

Based on the Commission's review of PUC 1-17, page 2, it appears the Company may be calculating the FY 2022 ISR revenue requirement by including expenditures related to projects that have not yet been placed into service nor are expected to be in service in FY 2022. Please indicate if that is a misunderstanding of the response. However, if it is not a misunderstanding,

- (a) Please reconcile this rate accounting treatment with the general ratemaking principle that an asset must be used and useful before ratepayers are asked to pay the costs associated with them.
- (b) What is the Company's rationale for treating the expenditures differently than what occurs under general ratemaking principles? and
- (c) Recalculate the FY 2022 revenue requirement based on the principle that recovery of capital investment costs does not begin until the capital asset to which the capital expenditures apply are placed into service or are projected to be placed in service during the applicable rate year (i.e., FY 2022).

Response:

The Company is calculating the FY 2022 ISR revenue requirement based on proposed capital spending as opposed to forecasted capital placed into service.

- (a) Construction work in progress ("CWIP") is an allowable rate base item for the Company's Gas business. The inclusion of CWIP in rate base was first approved in Docket RIPUC No. 3401 and has subsequently been approved as a component of rate base in Docket Nos. 3943, 4323 and 4770. Furthermore, the Company's Gas tariff RIPUC NG-GAS No. 101 at Section 3, Schedule A, Sheet 4 states:

"3.3.2 Infrastructure, Safety and Reliability Factor:

Effective each April 1, the Company shall recover through a change in Distribution Adjustment Charge rates the Cumulative Revenue Requirement on the Adjusted Cumulative Non-growth Capital *spending* [emphasis added] as approved by the PUC in the Company's annual gas infrastructure, safety, and reliability filings less the amount included in rate base for base rate purposes. For purposes of this section, non-growth capital shall exclude general plant (FERC Accts 389 through 399). The Cumulative Revenue Requirement shall mean the return and taxes on year-end Adjusted Cumulative Non-growth Capital *Spending*, at a rate equal to the pre-tax weighted average cost of capital as approved by the PUC in the most recent general rate case, plus the annual depreciation net of

PUC 5-1, page 2

depreciation expense attributable to general plant that was approved by the PUC in the Company's most recent general rate case adjusted, if appropriate, by later proceedings related to capital, plus the annual municipal property tax recovery mechanism."

Lastly, the revenue requirement on incremental non-growth capital spending has been approved in every Gas ISR proceeding since its inception in FY 2012. In addition, as stated in the Company's response to PUC 5-8, the rationale for this historical treatment to recover capital-related spending rather than plant-in-service amounts is because the vast majority of investments included in the Company's annual Gas ISR filings are for projects started and completed during the fiscal year, with few projects extending over multi-year periods.

- (b) For the reasons set forth in in subpart (a) above, it is appropriate to include CWIP in rate base.
- (c) Of the Company's FY 2022 proposed budget of \$180.146 million, approximately \$16.992 million of the capital expenditures are associated with multi-year projects and are not expected to be placed in service in FY 2022. The \$16.992 million of FY 2022 capital expenditures are from the following ISR categories: Transmission Station Integrity, LNG – Cumberland Tank Replacement, LNG – Exeter, Aquidneck Island Long Term Capacity Options, Southern RI Gas Expansion Project – Regulator Station Investment, and Southern RI Gas Expansion Project – Other Upgrades and Investments. The \$16.992 million does not include FY 2022 capital expenditures for the Proactive Main Replacement program. Each year, within the proactive main replacement program, there may be a limited number of projects where main is installed but no services are connected within the same fiscal year. The limited amount of FY 2022 main not placed into service in FY 2022 will be mitigated by the FY 2021 installed main that is first placed into service in FY 2022. Refer to Attachment PUC 5-1 for the updated FY 2022 revenue requirement based on FY 2022 in-service budget of \$163.154 million as stated above. The FY 2022 ISR revenue requirement using projected FY 2022 capital placed into service of \$163.154 million, totals \$38.290 million as shown on Page 1, Line 11 of the Attachment PUC 5-1. This represents a \$1.235 million reduction compared to the FY 2022 revenue requirement calculated using proposed FY 2022 ISR capital spending of \$180.146 million.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Fifth Set of Data Requests
Issued on January 27, 2021

Redacted
PUC 5-2

Request:

Regarding PUC 2-1, the Company was asked to provide a detailed breakdown of the \$4.9 million of expenditures, (a) identifying each component of the estimated expenses, (b) providing a description of each component, (c) providing an estimate of the timeframe when the expenses will be incurred, and (d) identifying the potential solution to which the component of expenses pertain. Please provide greater detail by itemizing the spending for each category.

Response:

The Company based the budget of \$4.9 million and schedule on the assumption that Tank Farm 3 would be the Navy-owned property selected. The Company prepared conceptual estimates and a conceptual schedule for the alternatives for the Aquidneck Island project, the Portable LNG at a new site on Navy-owned property. In addition, the Company allotted budget to study the feasibility of the LNG Barge Land to Marine Main Interconnect, since this is the first time the Company has pursued an LNG Barge to supply the Rhode Island service territory.

As indicated in the Company's response to PUC 2-1, the work to be performed in FY 2021 and FY 2022 will inform the Company's decision on the final infrastructure solution for Aquidneck Island in FY 2022. The Company started work in FY 2021, and vendor bid information is below. In Table 5-2-1, the Company provides its forecast for FY 2021. In Table 5-2-2 and Table 5-2-3, the Company provides the budget for FY 2022. The Company's forecast and budget include vendor bid information for work that has started. The vendor bid information is also included in the paragraphs following the tables.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099

In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission’s Third Set of Data Requests
Issued on January 19, 2021

Redacted
PUC 5-2, page 2

Table 5-2-1

Description	FY 2021				
	Through December 2021	Jan-2021	Feb-2021	Mar-2021	FY 2021 Forecast
Portable LNG Equipment & Site Prep:					
Internal Labor (Project Development, Engineering, Environmental & Legal)	\$ 3,300	\$ 5,000	\$ 11,700	\$ 15,000	\$ 35,000
Internal Labor (Process Safety Facility Siting)	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000
LNG & Site Preparation - Navy-Owned Properties - Environmental Feasibility Study	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
LNG & Site Preparation - Navy-Owned Properties - Civil Surveying	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 50,000
LNG & Site Preparation - Navy-Owned Properties - Civil Engineering	\$ -	\$ -	\$ -	\$ -	\$ -
LNG & Site Preparation - Navy-Owned Properties - Environmental Engineering	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
LNG & Site Preparation - Equipment Procurement	\$ -	\$ -	\$ -	\$ -	\$ -
Total - Portable LNG Equipment & Site Prep	\$ 3,300	\$ 20,000	\$ 41,700	\$ 55,000	\$ 120,000
Main Installation:					
Internal Labor (Project Development, Engineering, Environmental & Legal)	\$ -	\$ 2,000	\$ 8,000	\$ 10,000	\$ 20,000
Tank Farm 3 to 99 psig System - Civil Surveying	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 80,000
Tank Farm 3 to 99 psig System - Main Installation Engineering	\$ -	\$ -	\$ -	\$ -	\$ -
Total Main Installation	\$ -	\$ 2,000	\$ 48,000	\$ 50,000	\$ 100,000
New Regulator Station:					
New Regulator Station	\$ -	\$ -	\$ -	\$ -	\$ -
Total - New Regulator Station Investment	\$ -	\$ -	\$ -	\$ -	\$ -
LNG Barge Interconnect Land to Marine Main:					
Internal Labor (Project Development, Engineering)	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
LNG Barge Interconnect Land to Marine Main - Phase 1 Feasibility Study	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
LNG Barge Interconnect Land to Marine Main - Phase 2 Conceptual Scope & Estimate	\$ -	\$ -	\$ -	\$ -	\$ -
Total - LNG Barge Interconnect Land to Marine Main Investment	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Total Aquidneck Island Portable LNG Site Relocation Investment	\$ 3,300	\$ 22,000	\$ 89,700	\$ 155,000	\$ 270,000

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099

In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission’s Third Set of Data Requests
Issued on January 19, 2021

Redacted
PUC 5-2, page 3

Table 5-2-2

Description	FY 2022					
	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021
Portable LNG Equipment & Site Prep:						
Internal Labor (Project Development, Engineering, Environmental & Legal)	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Internal Labor (Process Safety Facility Siting)	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -
LNG & Site Preparation - Navy-Owned Properties - Environmental Feasibility Study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LNG & Site Preparation - Navy-Owned Properties - Civil Surveying	\$ 42,000	\$ 43,000	\$ -	\$ -	\$ -	\$ -
LNG & Site Preparation - Navy-Owned Properties - Civil Engineering	\$ -	\$ -	\$ 10,000	\$ 20,000	\$ 35,000	\$ 35,000
LNG & Site Preparation - Navy-Owned Properties - Environmental Engineering	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
LNG & Site Preparation - Equipment Procurement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - Portable LNG Equipment & Site Prep	\$ 82,000	\$ 83,000	\$ 50,000	\$ 60,000	\$ 75,000	\$ 75,000
Main Installation:						
Internal Labor (Project Development, Engineering, Environmental & Legal)	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Tank Farm 3 to 99 psig System - Civil Surveying	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -
Tank Farm 3 to 99 psig System - Main Installation Engineering	\$ -	\$ -	\$ 20,000	\$ 60,000	\$ 75,000	\$ 75,000
Total Main Installation	\$ 60,000	\$ 60,000	\$ 40,000	\$ 80,000	\$ 95,000	\$ 95,000
New Regulator Station:						
New Regulator Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - New Regulator Station Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LNG Barge Interconnect Land to Marine Main:						
Internal Labor (Project Development, Engineering)	\$ 10,000	\$ 40,000	\$ 40,000	\$ 10,000	\$ -	\$ -
LNG Barge Interconnect Land to Marine Main - Phase 1 Feasibility Study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LNG Barge Interconnect Land to Marine Main - Phase 2 Conceptual Scope & Estimate	\$ 40,000	\$ 160,000	\$ 160,000	\$ 40,000	\$ -	\$ -
Total - LNG Barge Interconnect Land to Marine Main Investment	\$ 50,000	\$ 200,000	\$ 200,000	\$ 50,000	\$ -	\$ -
Total Aquidneck Island Portable LNG Site Relocation Investment	\$ 192,000	\$ 343,000	\$ 290,000	\$ 190,000	\$ 170,000	\$ 170,000

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission’s Third Set of Data Requests
Issued on January 19, 2021

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PUC 5-2, page 4

Table 5-2-3

Description	FY 2022						FY 2022 Budget
	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	
Portable LNG Equipment & Site Prep:							
Internal Labor (Project Development, Engineering, Environmental & Legal)	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 360,000
Internal Labor (Process Safety Facility Siting)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
LNG & Site Preparation - Navy-Owned Properties - Environmental Feasibility Study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LNG & Site Preparation - Navy-Owned Properties - Civil Surveying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,000
LNG & Site Preparation - Navy-Owned Properties - Civil Engineering	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 310,000
LNG & Site Preparation - Navy-Owned Properties - Environmental Engineering	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 220,000
LNG & Site Preparation - Equipment Procurement	\$ 333,333	\$ 333,333	\$ 333,333	\$ 333,333	\$ 333,333	\$ 333,333	\$ 2,000,000
Total - Portable LNG Equipment & Site Prep	\$ 428,333	\$ 428,333	\$ 428,333	\$ 428,333	\$ 428,333	\$ 428,333	\$ 2,995,000
Main Installation:							
Internal Labor (Project Development, Engineering, Environmental & Legal)	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 240,000
Tank Farm 3 to 99 psig System - Civil Surveying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
Tank Farm 3 to 99 psig System - Main Installation Engineering	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 680,000
Total Main Installation	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 1,000,000
New Regulator Station:							
New Regulator Station	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 400,000
Total - New Regulator Station Investment	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 400,000
LNG Barge Interconnect Land to Marine Main:							
Internal Labor (Project Development, Engineering)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
LNG Barge Interconnect Land to Marine Main - Phase 1 Feasibility Study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LNG Barge Interconnect Land to Marine Main - Phase 2 Conceptual Scope & Estimate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Total - LNG Barge Interconnect Land to Marine Main Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Total Aquidneck Island Portable LNG Site Relocation Investment	\$ 590,000	\$ 590,000	\$ 590,000	\$ 590,000	\$ 590,000	\$ 590,000	\$ 4,895,000

Portable LNG Equipment & Site Prep

The Company contracted with WSP USA (“WSP”), an engineering firm, to perform the civil site survey work for the three potential Navy-owned parcels; Tank Farm 3, located in Portsmouth; and Tank Farm 5 [RM1] and the Former Navy Transfer Station, both located in Middletown. The civil site survey work consists of an aerial survey to collect current data of the parcels, digitizing the aerial survey results and a ground survey to gather information needed for civil site engineering. The direct cost bid to perform this work is approximately \$ [REDACTED]. The engineering firm started this work, with the aerial survey complete in January 2021. In late January 2021, the Navy informed the Company that Tank Farm 5 is no longer available for consideration. The Company will complete the work for the remaining available parcels in FY 2021 and FY 2022.

The Company contracted GZA GeoEnvironmental, Inc. (“GZA”), an engineering firm, to conduct a desktop environmental feasibility study. The direct cost bid to perform this work is approximately \$ [REDACTED]. The GZA completed this work in January 2021. The GZA provided a

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PUC 5-2, page 5

white paper with the results, information needed to progress environmental engineering and next steps. The Company had a meeting with the Navy to request information needed. Upon receipt of the requested information, the Company will request from GZA a bid for environmental engineering.

Main Installation

The Company also contracted WSP to perform the work civil site survey for the main installation route options. The direct cost bid to perform this work is approximately \$ [REDACTED]. WSP started this work in January 2021 and will complete this work in FY 2022. Upon completion of the civil site survey, the Company will issue a Request for Proposals for the main installation engineering.

LNG Barge Interconnect Land to Marine Main

The Company contracted with BL Companies, Inc. ("BL Companies"), an engineering firm, to perform a feasibility study for the land to marine main for an LNG Barge interconnect into the Company's 99 psig distribution system. The direct cost bid to perform this work is approximately \$ [REDACTED]. BL Companies started this work in January 2021 and schedule to complete this work in late March 2021 or early April 2021. If the feasibility study findings support the land to marine main connection, the Company will request from BL Companies a bid to develop the conceptual scope and conceptual estimate.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
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PUC 5-3

Request:

Please provide a specific breakdown of each of the cost components making up the \$2 million "LNG – Cumberland Tank Replacement" expenditure, providing support for how each component of costs was estimated and calculated, making up the entire \$2 million of expenditures.

Response:

Please see the Company's response to Data Request PUC 3-18 for the information requested in this data request.

PUC 5-4

Request:

Has the Company obtained appropriate management approval consistent with its sanctioning processes for the capital expenditure of \$4.9 million relating to the Aquidneck Island Long Term Capacity Options and the \$2 million relating to the LNG – Cumberland Tank Replacement? If yes, please provide copies of any sanctioning documents that have been used by the Company to obtain management approval for the capital expenditure of \$4.9 million relating to the Aquidneck Island Long Term Capacity Options and the \$2 million for the Cumberland Tank Replacement expenditure. If no sanctioning approvals have been obtained for either or both, please explain why not. If they did not go through the Company's sanctioning process, why were they presented to the Commission before they did?

Response:

The Company has obtained the appropriate management approval for the capital expenditure of \$4.9 million relating to the Aquidneck Island Long Term Capacity Options and the \$2 million relating to the LNG – Cumberland Tank Replacement consistent with its annual capital budgeting process as detailed in the Company's response to PUC 3-10.

The \$4.9 million relating to the Aquidneck Island Long-Term Capacity Options and the \$2 million relating to the LNG-Cumberland Tank Replacement are each in the Development Phase which occurs prior to the Company's sanctioning process. Historically, the Commission has approved spending rather than plant in service amounts for all capital investments included in the Gas ISR as explained in the Company's response to PUC 5-8. In addition, the Commission has not excluded inclusion of capital investments that have not yet completed the Company's sanctioning process. Consistent with historical practice, the Company included capital expenditures of \$4.9 million relating to the Aquidneck Island Long Term Capacity Options and the \$2 million relating to the LNG – Cumberland Tank Replacement in its FY 2022 Gas ISR. Both the Aquidneck Island Long Term Capacity Options and the LNG – Cumberland Tank Replacement projects will be further developed and estimated after which they will be sanctioned.

In FY 2021, \$0.190 million for the LNG – Cumberland Tank Replacement was included in the FY2021 Project Development Sanction Paper, a copy of which is provided as Attachment PUC 5-4. Similarly, a Project Development Sanctioning Paper will be written for FY 2022. The FY2022 Project Development sanctioning paper will include \$4.9 million for Aquidneck Island Long-Term Capacity Options and \$2 million for LNG – Cumberland Tank Replacement. This is expected to occur in April 2021.

DocuSign Envelope ID: EE553B38-E3E8-48AE-9529-A4DE04A78B3D

nationalgrid

Project Development: US Sanction Paper

Title:	FY21 PD Sanction - RI	Sanction Paper #:	USSC-20-146
Project #:	Multiple Projects	Sanction Type:	Project Development
C55 Invst Code:	Various		
Operating Company:	The Narragansett Electric Company	Date of Request:	3/19/2020
Author:	Foley, William	Sponsor(s):	Bennett, Thomas E. VP Gas Asset Mgmt
Utility Service:	Gas	Project Manager:	Foley, William

Executive Summary

This paper requests Project Development of Multiple Projects in the amount of \$7.240M with a tolerance of +/-10% for the purposes of fiscal year 2021 (FY21) Stage 4.3 Project Development, which includes preliminary engineering activities, permitting, pursuit of land rights, long lead materials, and all other activities related to the design and development of Stage 4.3 projects.

This sanction amount is \$7.240M broken down into:
\$7.240M Capex
\$0.000M Opex
\$0.000M Removal

With a CIAC/Reimbursement of \$0.000M
With a Salvage Value of \$0.000M

Specific capital efficiencies will be identified in the individual project sanctions upon the completion of project scope development.

Project Summary

Project Development activities are required for projects in FY21 to support the existing Narragansett Electric Company Investment Plan. The initial list of projects to be developed during FY21 are outlined in the Cost Summary Table. Stage 4.3 activities are required for these complex capital projects under the Network Development Process Model.

Background

The Company has developed a standardized process for developing and delivering complex projects. In accordance with the Company's Capital Delivery Initiative, below is a list of the common activities that are authorized to take place, as needed, this fiscal year (FY):

- Assemble a cross functional project team to assist in the development of projects to define and

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- approve specific scope
- Conduct site specific investigative work (i.e. test holes, borings, vegetation evaluation, soil samples, etc.);
- Pursue permitting and land rights;
- Perform preliminary engineering and other related tasks;
- Procure Materials
- Develop Project Execution Plan (PEP) which includes items above as well as:
 - Detailed cost estimate
 - Risk register and mitigation plan
 - Baseline schedule
 - Resource strategy for final design and project execution
 - Contract strategy
- PEP approval meeting
- Complete Project Book 4.3 and Gate C Checklist
- Gate C Approval Meeting

Project Description

Upon Gate B approval, projects included in the paper will proceed with individual development activities as outlined above.

Summary of Benefits

A single authorization for projects in development provides the flexibility to quickly move projects forward into preliminary engineering and respond to work plan needs over the course of the fiscal year.

Business and Customer Issues

There are no significant business or customer issues beyond what has been described elsewhere. Due to the current COVID-19 Pandemic, National Grid's ability to deliver this project/program/blanket may be at risk. We will continue to evaluate based on rapidly evolving conditions and take appropriate actions as needed.

Drivers:

Each project listed in in summary of projects will have progressed through Needs Case and Options Analysis and the individual project drivers will be discussed during the individual full project sanctions at the end of Development.

Alternatives

<i>Number</i>	<i>Title</i>
1	Process partial sanction papers on an individual project basis to obtain enough Delegation of Authority (DOA) to progress the project through final design. This alternative was not chosen because approving these development costs in one sanction is more efficient than going through multiple individual partial sanctions.

Related Projects, Scoring and Budget

Summary of Projects

<i>Project Number</i>	<i>Proj. Type</i> (Elec only)	<i>Project Title</i>	<i>PS&I Transfer</i>	<i>Material Purchase</i>	<i>FY21 Project Development</i>	<i>Estimate Amount</i>
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C085231	Heater Installation Program - Dey St GS	0.000	0.225	0.225
C078561	Allens Ave Seawall	0.000	1.000	1.000
C084666	LNG - Cumberland Tank Replacement	0.000	0.190	0.190
C080782	LNG - Exeter AESD System	0.000	0.285	2.850
C079870	LNG - Exeter Boiloff Compressor 2 Upgrade	1.500	0.400	1.900
C083909	LNG - Exeter Fire Alarm Upgrade	0.000	0.475	0.475
C080783	LNG - Exeter High Ex Foam System	0.000	0.350	0.350
C085232	Heater Installation Program - Smithfield GS	0.000	0.000	0.000
C085181	Cowesett Reg Station	0.000	0.000	0.000
C082302	Cranston Take Station	0.000	0.000	0.000
C081907	GrowthPoint – Return of Cranston Line to 200 psig MOP	0.000	0.000	0.000
C081906	Reg Station/Launcher-Receiver/Install ROV	0.000	0.000	0.000
C078188	CI Lining – Blackstone St, PVD	0.000	0.250	0.250
C078189	Petteys Av, PVD (WO 90000184270)	0.000	0.000	0.000
C078190	Russell St, PVD (WO 90000184267)	0.000	0.000	0.000
			Total	7.240

Associated Projects - N/A

Prior Sanctioning History - N/A

Key Milestones

<i>Milestone</i>	<i>Date (Month / Year)</i>
Sanction	March, 2020
Start Preliminary Engineering	April, 2020
Preliminary Engineering Complete	March, 2021
Project Closure Sanction	July, 2021

Next Planned Sanction

Date (Month/Year)	Purpose of Sanction Review
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DocuSign Envelope ID: EE553B38-E3E8-48AE-9529-A4DE04A78B3D

July, 2021

Closure

Category

Category	Reference to Mandate, Policy, or NPV
<input checked="" type="radio"/> Mandatory	
<input type="radio"/> Policy-Driven	
<input type="radio"/> Justified NPV	Capital Project Development costs may support the delivery of projects from all capital categories

Asset Management Risk Score: 35

PRIMARY RISK SCORE DRIVER

Reliability Environment Health & Safety Not Policy Driven

Mixed

Complexity Level: 21

High Complexity Medium Complexity Low Complexity N/A

Net Zero

Contribution to National Grid's 2050 80% emissions reduction target:	<input checked="" type="radio"/> Neutral	<input type="radio"/> Positive	<input type="radio"/> Negative
Impact on adaptability of network for future climate change:	<input checked="" type="radio"/> Neutral	<input type="radio"/> Positive	<input type="radio"/> Negative
Qualifies for Green Financing:	<input type="radio"/> Yes	<input type="radio"/> No	<input checked="" type="radio"/> N/A

Investment Recovery and Customer Impact

Investment Recovery

Investment recovery will be through standard rate recovery mechanisms for each project.

Customer Impact

The first full year revenue requirement for each of the projects below will be determined during the individual project sanctions.

Business Plan			
<i>Business Plan Name & Period (BP 19)</i>	<i>Project Included in approved Business Plan?</i>	<i>(Over) / Under Business Plan</i>	<i>Project Cost relative to approved Business Plan (\$M)</i>
FY21 - FY25 Gas Capital Plan	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Over <input type="radio"/> Under <input checked="" type="radio"/> N/A	0.000

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If Cost > Approved

if costs > approved Business Plan how will this be funded?

N/A

Cost Summary Table

Project Number	C085231	Project Title	Heater Installation Program - Dey St GS					Project Estimate +/-10% Level
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Capex	0.000	0.225	0.000	0.000	0.000	0.000	0.000	0.225
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.225	0.000	0.000	0.000	0.000	0.000	0.225

Project Number	C078561	Project Title	Allens Ave Seawall					Project Estimate +/-10% Level
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Capex	0.000	1.000	0.000	0.000	0.000	0.000	0.000	1.000
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	1.000	0.000	0.000	0.000	0.000	0.000	1.000

Project Number	C084666	Project Title	LNG - Cumberland Tank Replacement					Project Estimate +/-10% Level
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Capex	0.000	0.190	0.000	0.000	0.000	0.000	0.000	0.190
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.190	0.000	0.000	0.000	0.000	0.000	0.190

Project Number	C080782	Project Title	LNG - Exeter AESD System					Project Estimate +/-10% Level
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Capex	0.000	2.850	0.000	0.000	0.000	0.000	0.000	2.850
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	2.850	0.000	0.000	0.000	0.000	0.000	2.850

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Project Number	Project Title	LNG - Exeter Boiloff Compressor 2 Upgrade						Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	1.900	0.000	0.000	0.000	0.000	0.000	1.900	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total	0.000	1.900	0.000	0.000	0.000	0.000	0.000	1.900	

Project Number	Project Title	LNG - Exeter Fire Alarm Upgrade						Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	0.475	0.000	0.000	0.000	0.000	0.000	0.475	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total	0.000	0.475	0.000	0.000	0.000	0.000	0.000	0.475	

Project Number	Project Title	LNG - Exeter High Ex Foam System						Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	0.350	0.000	0.000	0.000	0.000	0.000	0.350	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total	0.000	0.350	0.000	0.000	0.000	0.000	0.000	0.350	

Project Number	Project Title	Heater Installation Program - Smithfield GS						Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

Project Number	Project Title	Cowesett Reg Station						Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

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Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Project Number	C082302	Project Title	Cranston Take Station					Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

Project Number	C081907	Project Title	GrowthPoint – Return of Cranston Line to 200 psig MOP					Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

Project Number	C081906	Project Title	Reg Station/Launcher-Receiver/Install ROV					Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

Project Number	C078188	Project Title	CI Lining – Blackstone St, PVD					Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	0.250	0.000	0.000	0.000	0.000	0.000	0.250	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total	0.000	0.250	0.000	0.000	0.000	0.000	0.000	0.250	

Project Number	C078189	Project Title	Petteys Av, PVD (WO 90000184270)					Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	

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Capex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Project Number	C078190	Project Title	Russell St, PVD (WO 90000184267)					Project Estimate Level	+/-10%
Spend	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	
Capex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

Total Project Sanction

Capex	0.000	7.240	0.000	0.000	0.000	0.000	0.000	7.240
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	7.240	0.000	0.000	0.000	0.000	0.000	7.240

Project Costs per Business Plan

\$M	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Capex	0.000	7.240	0.000	0.000	0.000	0.000	0.000	7.240
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Cost in Bus. Plan	0.000	7.240	0.000	0.000	0.000	0.000	0.000	7.240

Variance

\$M	Prior Yrs	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Capex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Opex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Removal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

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<i>Department</i>	<i>Individual</i>	<i>Responsibilities</i>
Investment Planner	Eddleston, Stephanie	Endorses relative to 5-year business plan or emergent work
Resource Planning	LaFond, Phil	Endorses resources, cost estimate, schedule, and portfolio alignment
Project Management	Wheeler, Bradley	Endorses resources, cost estimate, and schedule
Project Estimation	Duffy, John E.	Endorses cost estimate

Reviewers

<i>Function</i>	<i>Individual</i>
Finance	McConnachie, Christopher / Pfeifer, Carson
Regulatory	Azarcon, Carolyn
Jurisdictional Delegate	Schmid, Randy
Procurement	Chevere, Diego
Control Center	Loiacono, Paul J.

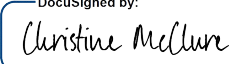
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Decisions

I:

(a) APPROVE the investment of \$7.240M and a tolerance of +/-10% for fiscal year 2021 (FY21) Stage 4.3 Project Development, which includes preliminary engineering activities, permitting, pursuit of land rights, long lead materials, and all other activities related to the design and development of Stage 4.3 projects.

(b) NOTED that Foley, William has the approved financial delegation

DocuSigned by:

Signature _____
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Date 4/28/2020

Christine McClure, Vice President, Finance Business Partner Service Company, USSC Chair

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Appendix

N/A

PUC 5-5

Request:

Referring to the response to PUC 2-4, please confirm that it was not the Company's intention to threaten the Commission with (i) a delay in prudently assessing options for Aquidneck Island and/or (ii) a reduction in the scope and expenditures for the assessment, unless the Commission gives pre-approval in this ISR proceeding of the \$4.9 million of proposed expenditures for purposes of assuring recovery from ratepayers? Explain in detail how such a delay and reduction would not constitute a violation of the Company's duty and legal obligation to provide safe and reliable service.

Response:

National Grid did not intend to threaten the Commission in its response to Data Request PUC 2-4 and regrets that its response left the Commission with that impression.

In its response to Data Request PUC 2-4, the Company was trying to provide an overview of the possible solutions and explain that although the Company has had the benefit of input from a large number of stakeholders in developing its analysis of options for Aquidneck Island, the Company is cognizant that the Commission has not weighed in on the Company's assessment. If the Commission were to indicate that it did not support some aspect of the Company's proposed solutions for long term capacity for Aquidneck Island, the Company would need to determine how the scope of work would be altered to achieve the safe and reliable delivery of energy to customers on Aquidneck Island through other alternative strategies. The Company did not intend to convey in its response to Data Request PUC 2-4 that it would either cease to assess options for Aquidneck Island or reduce the scope and work for the assessment based solely on the recovery of funds through this ISR proceeding. The Company would like to clarify that to continue meeting its duty and legal obligation to provide safe and reliable service to customers, the Company would continue implementing the measures necessary to ensure reliability on Aquidneck Island, including the existing portable LNG at Old Mill Lane.

If the Commission did not approve the \$4.9 million funding for the assessment of Aquidneck Island solutions and that decision did not include an express substantive disapproval of one or more of the Company's proposed options to address reliability and capacity issues on Aquidneck Island, then the Company would proceed to continue its prudent assessment of these options.

PUC 5-6

Request:

Referring to the response to PUC 2-4, please explain how a reduction in the scope and expenditures for the assessment of the options on Aquidneck Island would not diminish the quality of the assessment and if it would explain how this would not constitute a violation of the Company's duty and legal obligation to provide safe and reliable service.

Response:

As detailed in the Company's response to Data Request PUC 2-4, the Company believes it is prudent to advance assessments of three alternative infrastructure options in FY 2022 ISR because we may determine that one or more options might prove not to be feasible.

Furthermore, National Grid notes that while several external stakeholders have indicated their preferences for a solution or a mix of solutions, the Commission has not yet had an opportunity to provide feedback on the Company's proposed hybrid solution. Thus, National Grid believes it is prudent to pursue site review work for all three options until their feasibility of implementation has been determined.

As explained in the Company's response to PUC 5-5, the Company did not mean to imply in its response to PUC 2-4, that it would reduce the scope or delay the assessment and implementation of options for Aquidneck Island based solely on the recovery of funds through this ISR proceeding. Rather, the Company would alter the scope of its assessment if the Commission's decision in this proceeding reflected a substantive disagreement with one or more of the Company's proposals. In that event, the Company believes it would be imprudent to continue assessing an option that the Commission could ultimately disapprove. Any alteration in scope of the Company's assessment of options for Aquidneck Island would be intended to address the feedback from the Commission. This would make the Company's options analysis more realistic, thus ensuring that the Company is prepared to continue meeting its obligation to deliver energy to Aquidneck Island customers safely and reliably. Finally, the Company notes that it is able to continue the provision of safe and reliable service through the operation of the temporary LNG site at Old Mill Lane until an alternative is implemented.

The Company understands that the Commission may not yet have substantial feedback on the options but wants to ensure that it considers the Commission's viewpoints on the solutions before they are finalized. If it would be helpful, the Company could participate in a technical session to discuss the options in more detail.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Fifth Set of Data Requests
Issued on January 27, 2021

PUC 5-7

Request:

In its response to 1-12, the Company expressed confidence that it will be able to replace 100 services in FY 2022 during the COVID-19 pandemic but qualified that response by being dependent on State or Municipalities not imposing pandemic-related work restrictions and on customers' willingness to allow entry into their premises to complete work. Since the beginning of the pandemic, what percentage of customers was unwilling to allow entry into their premises and did National Grid take that into account when determining it was confident in its ability to replace 100 services in FY 2022? Explain how.

Response:

In FY 2021, the Company did not encounter any customers in Rhode Island who refused access to complete a service replacement due to the pandemic. Therefore, the Company assumed that its ability to complete 100 service replacements in FY 2022 would not be impacted by customer refusals due to pandemic related concerns.

PUC 5-8

Request:

Is the Company recovering capital-related costs or proposing to recover capital-related costs through the Gas ISR for potential projects that require Energy Facility Siting Board approval, but have not yet been approved by the Energy Facility Siting Board? If so, please explain why.

Response:

Yes, the Company is proposing to recover capital-related costs for potential projects that require Energy Facility Siting Board (“EFSB”) approval in the FY2022 Gas ISR, but have not yet received such approval. These costs are similar to the capital-related costs associated with the main installation component of the Southern Rhode Island Gas Expansion Project included in the FY2019 Gas ISR, RIPUC Docket No. 4781 and in the FY2020 Gas ISR, RIPUC Docket No. 4916 in the sense that these costs are for multi-year projects. The Company required approval from the EFSB for the main installation component of that project and filed its Petition on November 19, 2018, in Docket No. SB-2018-6. The Company received EFSB approval on March 12, 2019. The Company began to recover the capital-related costs for the main installation component through the FY2019 Gas ISR prior to receiving EFSB approval.

The Commission has historically approved spending rather than plant in service amounts for all capital investments included in the Gas ISR. This is because the vast majority of investments included in the Company’s annual Gas ISR filings are for projects started and completed during the fiscal year, with few projects extending over multi-year periods.

Based on this historical treatment, the Company proposes to recover capital-related costs through the Gas ISR for multi-year projects requiring EFSB approval when the Company receives confirmation that such approval is required. Generally speaking, the Company will coordinate the filing of a petition for approval of a potential project with the EFSB staff in advance of such a filing, and as part of that process will confirm the EFSB’s criteria for such potential projects prior to including those projects in the Gas ISR.

For more details regarding the impact of including spending for multi-year projects in the Gas ISR Plan, please see the Company’s response to PUC 5-1, which shows the spending and revenue requirement associated with projects included in the proposed FY 2022 Gas ISR budget but which are not projected to be placed into service in FY 2022.