

**NEW YORK STATE
PUBLIC SERVICE COMMISSION**

Case 11-M-0034 – Proceeding on Motion of the Commission to Commence a Review and
Evaluation of the Treatment of the State’s Regulated Utilities’ Site
Investigation and Remediation (SIR) Costs

**ANNUAL REPORT CONCERNING THE STATUS OF SITE INVESTIGATION AND
REMEDATION COSTS, SCHEDULES AND REGULATORY COMPLIANCE**

KeySpan Gas East Corporation d/b/a National Grid

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ACRONYMNS

AA – Alternatives Analysis
CM – Construction Manager
CY – Calendar Year
FER – Final Engineering Report
FS – Feasibility Study
MGP – Manufactured Gas Plant
NAPL – Non-Aqueous Phase Liquid
NYSDEC – New York State Department of Environmental Conservation
NYSDOH – New York State Department of Health
NYSPSC – New York State Public Service Commission
O&M – Operation & Maintenance
RA – Remedial Action
RD – Remedial Design
RDD – Remedial Decision Document
RFP – Request For Proposal
RI – Remedial Investigation
ROD – Record of Decision
SIR – Site Investigation & Remediation
SMP – Site Management Plan
USEPA – United States Environmental Protection Agency
VAG – Vendor Advisory Group

EXECUTIVE SUMMARY

KeySpan Gas East Corporation d/b/a National Grid (the “Company”) submits this annual report (the “Report”) in accordance with the New York State Public Service Commission’s (the “Commission’s”) Order Concerning Costs for Site Investigation and Remediation, issued November 28, 2012 in Case 11-M-0034 (the “Order”). The report covers calendar year 2013. Pursuant to the requirements of the Order, the Report is organized in general accordance with the template developed by the Department of Public Service Staff (“Staff”) with input from the NYS Utilities.

Section 1 provides background and an overview of the Company program, including historical background, Company responsibility and number and location of sites, along with supplemental information provided in Section 5.

Section 2 presents a summary of site investigation and remediation (“SIR”) site costs, including data on the impact on customers, cost management and mitigation strategies and an overview of the procurement process. Table 1 provides total cost per site to date, both the anticipated and actual costs for 2013 and the anticipated costs for 2014.

Section 3 provides a summary of the investigation, remediation and post-construction operation, monitoring and maintenance program schedules for the SIR sites. Individual site schedules are provided in Table 2.

Section 4 provides compliance status with NYSDEC and other regulatory agreements.

Site-specific information is provided in Section 5, including location, background, general information, status, schedule and costs. Detailed information is provided in Tables 2 and 3. The Section 5 is arranged by site for ease of review in Appendix A.

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1. SITE INVESTIGATION AND REMEDIATION (SIR) PROGRAM OVERVIEW

1.1. Historical Background

The Company's SIR program manages the investigation and remediation of environmentally-impacted sites for which the Company (and its predecessor companies) has responsibility. Each site is classified into one of the following two categories: 1) a former manufactured gas plants ("MGPs"), 2) a potentially responsible party ("PRP") sites where the Company allegedly shares some level of responsibility. In general, the Company's obligation to address and remediate potentially impacted sites is regulated under Federal and/or State Superfund laws and other laws and regulations related to liabilities and the control of hazardous wastes or substances.

1.2. Responsibilities of the Company

The Company's SIR role and responsibilities are governed by various environmental statutes, regulations, New York State Department of Environmental Conservation (NYSDEC) Orders on Consent or Voluntary Cleanup Orders. The Company's site investigation scope, work plans, cleanup, and field work decisions are reviewed and approved and in certain cases expanded or modified by the NYSDEC and USEPA. In particular, the MGP site schedules are controlled by the NYSDEC through its Orders on Consent.

1.3. Number and Location of Sites

The Company is involved with 29 sites, 26 of which were active at the start of 2013. Three sites were closed prior to 2012 and the issuance of the first Annual Report. During 2013 three sites received some form of NYSDEC regulatory closure, many of which have an ongoing regulatory obligation. Often, the NYSDEC regulatory closure requires a Site Management Plan (SMP) which contains conditions such as certification of site use or environmental support requirements for site activities involving soil handling and associated regulatory oversight for the particular site. for certification of site use or environmental support requirements for site activities involving soil handling as required by Site Management Plans for the respective sites. These sites which have ongoing obligations will not be considered closed for purposes of this report if spends are incurred during the calendar reporting year. Sites which have no spend in the current reporting year and have no future expected anticipated spends will be considered closed. Thus, only one site was considered closed during 2013 and 25 remain active. Of the 25 sites, only one site, Belle Harbor, is a PRP site.

The locations of the MGP sites are provided in the site-specific reports in Section 5. The MGP sites are located in the Company service territory, which consists of Nassau and Suffolk counties plus the Rockaway Peninsula in Queens County (Long Island).

2. OVERALL SIR COSTS

2.1. Costs Incurred By Utility To Date

The total SIR cost incurred by the Company in calendar year 2013 was \$46 million. The total SIR cost incurred to date is \$402 million. The total cost to date for the active sites listed in Table 1 is \$398 million. The current estimate to complete the Company SIR program is \$103 million. The estimate to complete the program is based on current assumptions to conclude the site investigations, remediation and, where required, provide post-remediation monitoring. This estimate is re-evaluated quarterly based on newly collected data and decisions by the NYSDEC or USEPA.

Table 1 presents the total SIR costs to date, projected costs for 2013, actual costs for 2013, and total projected costs for 2014 by site based on the NYSDEC schedules provided in Table 2. The spending for 2013 includes year-end accruals, consistent with Company policies. Company policies require accruing for outstanding costs in excess of \$100,000 per contract or expense. The net accruals for 2013 were \$0.6 million.

The total projected and total actual spending for 2013 in Table 1 is \$46 million. Historically, unforeseen delays in project activities have resulted in under spending select site budgets as discussed in Section 3. The difference in projected and actual spending is presented by project in Section 5. Overall, the primary drivers for the difference in spending was driven by the Company's ability to secure access to private property, secure permits and address permit conditions and achieve appropriate regulatory and or third party approvals in a timeframe consistent with the anticipated site schedule. The total projected spending for 2014 is \$15 million. More than seventy percent of the 2014 projected spending is for five sites in various stages of remedial construction. Delays or a change in scope for any of these projects, particularly for Patchogue, will substantially impact the 2014 projection. The spending is expected to be lower in 2014 as the duration and magnitude of construction projects are considerably less than in 2013 and two ongoing projects extending into 2014 are nearing completion.

In addition, spend and schedule forecasts for PRP sites have greater uncertainty given the inherent lower level of control for any one party in the group.

2.2. Impacts on Customers

The Company recovered \$3.101 million of SIR related expenses in base rates in calendar year 2013. Additionally, the Company recovered \$40.548 million through its SIR surcharge mechanism which, was approved by commission order ("Order Authorizing Recovery of Deferred Balances" Case 06-G-1185 and Case 06-G-1186, issued and effective November 28, 2102), in November 2012. The Commission order authorized an annual SIR Surcharge of \$40 million to recover environmental costs incurred prior to January 1, 2013. The Company does not currently have a rate filing pending review by the commission.

2.3. General Cost Management and Mitigation Strategies

Pursuant to the Order, the State's major electric and gas utilities (the "Utilities") were directed to formalize and file with the Commission an inventory of best practices for SIR cost containment. The Utilities filed the inventory with the Commission on March 28, 2013. In keeping with the Utilities' inventory, Company-specific best practices relative to procurement, changes in regulations and site-specific management are provided in Sections 2.4, 4.2 and 5, respectively.

Best practices not covered elsewhere in the report include:

Sharing of research with other Utilities relative to remediation and risk

In 2013, the Company continued its participation in joint research (co-funded by NYSEARCH, the research arm of the Northeast Gas Association) regarding potential vapor intrusion and bioavailability of MGP residuals in sediments. The potential for vapor intrusion into dwellings via the subslab is a relatively new contaminated site concern. Both NYSDEC and USEPA have drafted guidance and required sampling in the past 8 years in response to site specific issues at a few identified non-MGP sites. In the past 5 years, the Utilities developed a database of vapor sampling at New York State MGP sites that indicates there are no vapor issues at MGP sites under normal conditions. In 2013, the Utilities have met and continue to work with the New York State Department of Health (NYSDOH) to develop a position paper reflecting the Utilities' database.

Sediment remediation at MGP sites in New York State was a subject of prolonged discussion and study arising from differences of opinion regarding clean-up standards. The Company was concerned that clean-up standards for MGP residuals were overly conservative, potentially resulting in overly expensive remediation at several sites. In 2005, the Company initiated research to determine the level of contamination that affects benthic (sediment dwelling) organisms. The research was co-funded by NYSEARCH and other large industrial companies which operate in New York State. The 2011 NYSDEC remedy selection for the legacy Niagara Mohawk's Hudson (Water Street) sediments reflected this research, saving customers millions of dollars over previous standards while being equally protective of human health and the environment. In 2012, the Utilities engaged the NYSDEC Department of Fish and Wildlife to adopt these findings.

Sediment remediation technologies continue to emerge. In 2013, the Company working with other utilities through the Electric Power Research Institute (EPRI), participated in a pilot test to evaluate in-situ stabilization (ISS) of sediments. The pilot test field efforts were conducted in November and December 2013 in Holyoke, Massachusetts in the Connecticut River. The pilot test included the stabilization of sediment from a barge through approximately 17 feet of water. Auger mixing techniques were used to mix Portland cement, blast furnace slag, and an anti-washout additive with the sediment to create ISS columns of various lengths. The results of the ISS pilot test are currently being evaluated.

In 2013, the Utilities held a joint meeting through the Environmental Energy Alliance of NY at the Company's offices in North Albany. The purpose of the meeting was to exchange best practices and obtain an update on the research discussed above.

Use of pre-approved waste facilities

To ensure appropriate disposal of wastes, the Company only uses facilities approved by the Company's Vendor Advisory Group (VAG). The VAG is a cross-functional group comprised of National Grid employees from the SIR, Environmental Compliance, Legal and Procurement Departments that selects vendors through a pre-qualification and auditing process.

Environmental due diligence reviews

The Company has a process for performing due diligence prior to purchasing, leasing or divesting of property in accordance with internal procedures to minimize the risk of environmental liabilities arising from property use and/or ownership.

2.4. Procurement Processes Overview

The Company manages SIR procurement activities in accordance with Company policies and accepted industry practice. The Procurement Department, working with SIR, is responsible for procurement activities. Delegation of Authority is required prior to entering into contracts, with defined progressive delegation levels based on contract value. Delegated approval amounts are established for the SIR Area Manager, SIR Director, Vice President of Environmental Services, Vice President Customer & Business Strategy, US Sanctioning Committee and US Board. Separate, progressive approvals are also required within the Procurement Department based on contract value.

Procurement of consultants and contractors differ due to nature and scope of the work. The scope of work for contractor work is typically well defined in bid specifications based on prior field studies and approved by the NYSDEC. The scope of work for consultants is defined with the immediate project scope of work which may expand due to the progressive nature of the work. The scope changes following the collection of new data and direction set by the NYSDEC. As more data is collected, it is often advantageous to keep the same consultant on the project due to reduced transaction costs and the benefit of consultant's site knowledge.

Contractors

Contractor work relating to environmental response activities are subject to a project-specific competitive bid selection process, with the exception of a select number of projects performed under Blanket Construction Contracts. Blanket Construction Contracts are established through competitive bids for rates and equipment and are utilized for smaller, time and material construction projects and routine site support work at select sites. During the project-specific competitive bid process, a request for

proposal (RFP) is issued to usually three to six pre-qualified vendors. Final vendor selection is based on specific criteria such as cost, technical merit, and personnel qualifications.

Exceptions to these standard procedures are made in situations where it is necessary to maintain vendor consistency through multi-phased assessment/remediation projects or to implement immediate or short-term response to imminent hazards when there is not time for a competitive bid process. For work not competitively bid or performed under a Blanket Construction Contract, the reasons for not competitively bidding the work are clearly documented and must be approved by Procurement as an exception to the usual bid process.

On most large scale construction projects, a full-time construction manager actively monitors project work scope and progress to provide assurance that the remedial construction is performed in conformance with the contract documents. The construction manager is also responsible for cost control, including change order review and approval, and invoice review and approval. On most large scale remediation projects, the majority of the contractor activities are typically conducted using lump sum tasks or loaded unit rates, making direct verification of labor expended by the contractor unnecessary based on the payment structure. However, where certain activities are being billed on a time and material basis, the construction manager is required to verify the labor and/or materials expended. On small construction projects, the project manager and project consultant (engineer) are responsible for monitoring project activity, including contractor staffing levels and invoice review.

For large construction projects, Company Project Managers are typically present onsite for weekly project meetings and often at other less predictable times to observe project activities and address project business. Project Managers periodically check site entry logs, tailgate logs, attend tailgate safety meetings and generally observe construction activities at the site.

Consultants

Since August 2009, the Company has used a Master Services Agreements (MSAs) for routine consulting work with five consulting firms following a comprehensive competitive sourcing effort. Consultants were initially evaluated based on their qualifications and competitive rates. We then negotiated MSAs with the five consulting firms that offered the best value for the services we need while taking advantage of the work volume discounts afforded to the National Grid USA companies. These contracts are re-evaluated annually.

Where specialty consulting is needed, particularly in support of legal matters, interviews are conducted and rates established with a single vendor in consideration of the specialty services required.

Consultants provide site-specific proposals, along with Work Authorization Forms for new assignments, followed by Change Notifications to address changes to the scope

of work. The proposed scope is reviewed by the SIR Company Project Manager and passed onto management for review and approval as described in the first paragraph. Because the Company Project Manager is in frequent communication with the consultant, receives work products and periodically observes the field work, they verify the work completed in the monthly invoice. A project analyst is tasked with verifying that the invoiced items and rates are consistent with the MSA contract.

3. ADHERENCE TO ESTABLISHED REMEDIATION SCHEDULES

3.1. SIR Program Schedule Summary

The MGP site schedules under Orders on Consent are reviewed and updated annually with the NYSDEC. Due to the inherent uncertainty with MGP sites the overall schedule through program completion is not estimated but rather reviewed on a site-by-site basis with emphasis on the prior year, current year, and upcoming year. The schedule set for the upcoming year (provided in Table 2) is estimated based on a NYS fiscal year (April 1 – March 31) prior to the fiscal year start. The annual schedule is based on an “early start” basis which does not account for many potential delays associated with the work.

Therefore, budgeting for the completion of all tasks contained in the NYSDEC schedule in a given year could result in a significant overestimation of the annual budget. To more accurately forecast spending, the budget presented in Table 3 is based on the annual NYSDEC schedule, but is adjusted (reduced) based on the likelihood of potential delays.

In general, for 2013, the Company experienced the following schedule milestones since the previous reporting date:

- Record of Decisions (RODs)/Remedial Decision Documents (RDDs) received - 0 sites
- Remedial construction work completed - 5 sites – Bay Shore MGP, Hempstead MGP, Lynbrook Holder soil IRM, Glen Cove MGP LIPA Substation support and East Hampton Hortonsphere site.
- NYSDEC Regulatory Closure - 3 sites – East Hampton Hortonsphere, Glenwood Landing Holder and Lynbrook Holder.
- No Further Reporting Obligation – 1 site – Long Beach (DEC Regulatory Closure 2010, No spend in CY 2013, Site will no longer be tracked in this report.

Please note the following phase descriptions that are used in Table 2:

- Site Characterization - includes project investigation up to regulatory approval of the final Site Characterization report

- Remedial Investigation - includes project investigation following approval of final Site Characterization report to regulatory approval of final Remedial Investigation Report
- Remedial Planning - includes project activities from regulatory approval of final Remedial Investigation report to regulatory approval of final Remedial Design and retaining a Remedial Construction contractor. This includes Feasibility Study report preparation, Alternative Analysis reporting, pre-design investigation activities, remedial design preparation, and remedial construction bidding
- Remedial Action - include project activities from award of remedial construction to a contractor to regulatory approval of the Final Engineering Report and Site Management Plan (including O&M Plan, please note the Environmental Easement or Deed Restriction may be pending)
- O&M - includes post remediation operation & maintenance and monitoring and any work performed under a regulatory approved Site Management Plan after completion of the remediation

3.2. SIR Program Schedule Changes

For a summary of sites that experienced a schedule deviation, please see Table 2. A description of the schedule deviation is presented in Appendix A.

4. COMPLIANCE WITH NYSDEC AND OTHER REGULATORY ORDERS AND AGREEMENTS

4.1. Non-compliance Sites

None of the company sites were identified as being out of compliance with NYSDEC or other regulatory orders and agreements in the reporting period.

4.2. Regulatory Requirements Changes

There were no significant changes to regulatory requirements in 2013 that affected the Company's SIR program.

5. SITE SPECIFIC REPORTS

The site specific reports are provided in Appendix A. Acronyms referenced in this section were provided earlier in this report.

Appendix A

Section 5 – Site Specific Reports

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Babylon MGP Site (Non-owned)	NYSDEC Site ID:	152181
Site location:	55 Evergreen St., West Babylon, NY 11704	PRP:	N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The Babylon MGP was constructed and began operating in 1911. Gas production was 10 MMCF in 1912, making it a small plant. The plant was used as an auxiliary plant and operated only in emergencies from circa 1913 to the 1930s. It was used as a distribution facility until 1961. The site has been occupied by various commercial businesses (e.g. Storm window manufacturer, fluorescent light manufacturer, and fuel oil company). The Site is owned by a third party.</p>			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
NYSDEC approved the Remedial Investigation Report for the site in January of 2013. Some soil and groundwater impacts were identified during the RI phase which will be evaluated in the FS phase to determine the appropriate remedy for the site.			
5.3.2 Scope of Work			
National Grid developed the Feasibility Study in 2013 to determine the proposed remediation plan for the site. The FS will be submitted to NYSDEC in 2014.			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site were \$175,000. The actual costs in 2013 were \$70,847. The projected cost for 2014 is \$80,000.			
5.5.2 Changes in Costs			
The total SIR costs were lower than the anticipated cost but exceeded the defined variances due to slower progress than expected with the FS development and review process.			
5.5.3 Cost Management and Mitigation Strategies			
The company did not identify cost management or mitigation strategies for the site beyond those mentioned in Section 2.3.			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Bay Shore MGP	NYSDEC Site ID:	152172
Site location:	Fifth Avenue, Bay Shore/1 Orinoco Drive, Brightwaters, NY	PRP:	NA
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The Bay Shore MGP Site is located on Long Island in the Hamlet of Bay Shore, which is located in southwestern Suffolk county. The plant operated from 1889-1973. The site is located in a mixed commercial and residential area, adjacent to the Montauk branch of the Long Island Rail Road. The Remedial Investigation was completed in 2003. For purposes of management, the site has been divided into four operable units: OU1-Main Site, OU2-offsite groundwater plume which originated from OU1, OU3-Brightwaters Yard which was used for storage and feedstock materials and off-site groundwater plume and OU4-former offsite cesspool area which received waste water from the main plant (OU1). All major remedial construction has been completed in all four operable units between 2007-2012 and the site is primarily in an operations, maintenance and monitoring phase.</p>			
ROD or RDD Requirements:			
<p>The major elements of the OU1 RAP August 2004 have been completed as well as the requirements of the OU2 RDD, dated July 2008. . A series of IRM's have been completed in OU's 1, 2 ,3 & 4 which will be included in the Site's Final Engineering Report.</p>			
Status of Compliance with ROD or RDD: Activities in OU-1 are in compliance with the RAP and OU2 with the RDD.			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>The OU-1 RAP (2004) initially consisted of three phases. Phase I and II of the OU-1 RAP have been completed. Phase III of the OU-1 RAP is being discussed with the NYSDEC. Additional source material was identified adjacent to the western boundary of the barrier wall, which resulted in the Phase IV excavation. In the interim the OU-1 work scope has been supplemented with groundwater treatment via oxygen injection. Supplemental groundwater treatment has been implemented in OU1 & OU3. Two supplemental groundwater treatment systems were installed in OU1 and OU3 in 2013. There is also a Groundwater Monitoring and OM&M plan being implemented at the site.</p>			
5.3.2 Scope of Work			
There have been no deviations from the NYSDEC-approved work plan.			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
<p>The anticipated costs for this site were \$6,650,000. The actual cost in 2013 was \$5,536,918. The projected cost for 2014 is \$4,000,000.</p>			
5.5.2 Changes in Costs			
<p>The total SIR costs were lower than the anticipated cost but exceeded the defined variances because the competitive bid for the oxygen injection systems provided a lower cost for the project than anticipated by the engineering estimates. Additionally, third party access to a private property along with inclement weather resulted in a phase of the work being postponed until Spring 2014.</p>			

National Grid SIR Program – Legacy LILCO Sites**5.5.3 Cost Management and Mitigation Strategies**

The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Belle Harbor Site (non-owned)	NYSDEC Site ID:	V00490
Site location:	112-15 Beach Channel Drive, Rockaway, New York	PRP:	Yes (MGP)
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The Belle Harbor site is located on 112-15 Beach Channel Drive in Rockaway Park, Queens, NY. The Belle Harbor Site is managed by The Great Atlantic and Pacific Tea Company (A&P). A&P entered into a Voluntary Consent Order with the NYSDEC to perform a site wide investigation associated with a chlorinated solvent release. The Site is adjacent to National Grid's Rockaway Park MGP site. An offsite disposal area related to the Rockaway Park MGP site was identified at the Site. National Grid entered into license agreement with A&P to investigate the waste disposal area related to the Rockaway Park MGP.</p>			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>A&P entered into a Voluntary Consent Order with the NYSDEC to perform a site investigation on the Belle Harbor Site. The site is in the remedial investigation phase with the work being performed by the property owner.</p>			
5.3.2 Scope of Work			
<p>National Grid will continue to support A&P in their efforts to investigate the area for wastes associated with the Rockaway Park MGP.</p>			
5.3.3 Schedule			
<p>The planned activities were completed by others.</p>			
5.4 Project Procurement Exceptions			
<p>No project awards deviated from those practices described in Section 2.4.</p>			
5.5 Project Costs			
5.5.1 Project Costs Summary			
<p>The anticipated costs for this site were \$65,000. The actual cost in 2013 was \$36,066. The projected cost for 2014 is \$142,500.</p>			
5.5.2 Changes in Costs			
<p>The total SIR costs were within the defined variances.</p>			
5.5.3 Cost Management and Mitigation Strategies			
<p>The company did not identify cost management and mitigation strategies for the site beyond those mentioned in Section 2.3.</p>			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Bellmore Hortonsphere	NYSDEC Site ID:	130180
Site Location:	Newbridge Road and Grand Ave., Bellmore, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
The site is currently owned by LIPA and serves as an electric substation. The adjacent properties are primarily residential / commercial and a LIRR parking lot is located to the south of the property. There are active electric utility operations on the property.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A Site Characterization (SC) Report has been completed and no remediation is required for the site. A Site Management Plan (SMP) is required and will be completed as part of the SC phase.			
5.3.2 Scope of Work			
There has been a delay in completing the SMP per the NYSDEC-approved schedule to clarify with NYSDEC the need for the SMP. Support has been provided to LIPA in support of substation construction activities.			
5.3.3 Schedule			
The SMP was not completed consistent with the project schedule due to ongoing discussions with the NYSDEC to determine if an SMP is necessary for the site.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated cost for this site was \$64,000. The actual cost in 2013 was \$45,914. The project cost for 2014 is \$15,000.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS				
5.1 General Site Information				
Site Name:	East Hampton Hortonsphere	NYSDEC Site ID:	152213	
Site Location:	Race Lane and Railroad Avenue, East Hampton, New York	PRP:	No	
5.2 Site Background				
Scope of SIR Work for the Site:				
The site is currently owned by LIPA and serves as an electric substation. National Grid currently operates a gas compressor station and Hortonsphere on the east side of the site under an easement with LIPA. The adjacent properties are primarily commercial and residential. The LIRR (Montauk Branch) ROW is to the North of the site. There are active electric and gas utility operations on the property.				
ROD or RDD Requirements:				
N/A				
Status of Compliance with ROD or RDD:				
N/A				
5.3 Status of Site Investigation and Remediation:				
5.3.1 Status of NYSDEC Remediation Program				
A Site Characterization (SC) has been completed for the site. An Interim Remedial Measure (IRM) is planned to remove lead contaminated soils which will permit closure of the site without a Site Management Plan SMP. Release and covenant not to sue was received from the NYSDEC on 10/30/2013.				
5.3.2 Scope of Work				
There have been no deviations from the NYSDEC-approved SC work plan.				
5.3.3 Schedule				
The planned activities were completed consistent with the project schedule.				
5.4 Project Procurement Exceptions				
No project awards deviated from those practices described in Section 2.4.				
5.5 Project Costs				
5.5.1 Project Costs Summary				
The anticipated costs for this site were \$131,000. The actual cost in 2013 was \$124,266. The project cost for 2014 is \$7,000.				
5.5.2 Changes in Costs				
The total SIR costs were within the defined variances.				
5.5.3 Cost Management and Mitigation Strategies				
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.				

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	East Garden City, Stewart Ave. Holder Station	NYSDEC Site ID:	X
Site location:	Stewart Ave., East Garden City, New York	PRP:	N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
The East Garden City site is located on Stewart Avenue and East Garden City. The property is owned by the Long Island Power Authority (LIPA). A LIPA electric substation, and a National Grid gas regulator stations are currently located on the property. A site characterization was completed for the site and resulted in a no further action determination from the NYSDEC.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A site characterization was completed for the site and resulted in a no further action determination from the NYSDEC. A Site Management Plan (SMP) and Deed Restriction are currently being developed for the site in order to provide a framework for managing any future excavation and or construction at the site that may encounter residual contaminated soil identified during the Site Characterization.			
5.3.2 Scope of Work			
The SC phase has been completed. The SMP and Deed Restriction are being developed the Company is working with LIPA to ensure any future excavation work is completed in accordance with the SMP. An access agreement with LIPA will be developed to complete the required property survey for the SMP.			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site were \$30,000. The actual costs in 2013 were \$23,053. The projected cost for 2014 is \$37,000.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances..			
5.5.3 Cost Management and Mitigation Strategies			
The company did not identify cost management and mitigation strategies for the site beyond those mentioned in Section 2.3.			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Edgemere MGP	NYSDEC Site ID:	V00147
Site location:	53 rd Street and Rockaway Beach Blvd, Edgemere, New York	PRP:	N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The site is an active electrical substation located on Rockaway Beach Boulevard, in Edgemere. Queens County, New York. The property is currently owned by Long Island Power Authority. The adjacent properties are primarily commercial. During fall of 1995, an electrical transformer located at the Site was vandalized, resulting in the release of 2,000 gallons of non-hazardous mineral oil within the southwest corner of the Site. Soil sampling as part of the remedial activities related to the spill revealed that the Site included various types of fill material, including fill that appears to be from former manufactured gas plants (MGP). Sampling was completed in 1997. A Voluntary Cleanup Agreement was executed on April 19, 1998.</p>			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
approval/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>A series of remedial activities were performed at the Site. In 1995-1996 approximately 1,200 gallons of the mineral oil was recovered using two three-foot diameter oil recovery wells. A Remedial Action Work Plan submitted in 1998. In 1998, excavations were performed in the Site and at an adjacent property and a clean soil cover was installed. A draft Final Engineering Report (FER) was submitted to the NYSDEC in 1998. In 2004, the Arverne Substation was constructed at the Site above the clean soil cover. In 2009, soil vapor samples were collected at the site perimeter in accordance with the comments on the draft FER. Confirmation samples of the clean soil cover were collected in 2012 to confirm the cap integrity.</p>			
5.3.2 Scope of Work			
<p>Final Site Management Plan (SMP) is pending LIPA approval. The Excavation General Operating Procedure for Substation work has been approved by LIPA. Revised FER will be submitted upon approval of final SMP. Once the SMP is approved, the next required event will be a periodic inspection 18 months after the approval of the FER.</p>			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
<p>The anticipated costs for Edgemere were \$35,000. The actual costs in 2013 were \$38,942. The projected cost for 2014 is \$18,000.</p>			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
<p>The company did not identify cost management and mitigation strategies for the site beyond those mentioned in Section 2.3.</p>			

National Grid SIR Program – Legacy LILCO Sites

11 Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Far Rockaway MGP (non owned)	NYSDEC Site ID:	241032
Site location:	1200 – 1224 Brunswick Avenue, Far Rockaway, NY	PRP:	N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The Far Rockaway MGP is a one acre site located in a mixed commercial and residential area north side of Brunswick Avenue between Beach 12th Street and Milton Avenue in Far Rockaway, Queens, New York. The site is flat and has three two-story buildings used for warehousing, shipping and distribution operations. The site also contains paved parking lots and landscaped areas. To the north of the site is the Long Island Railroad. Beyond the railroad tracks are commercial buildings. To the east and south are residential properties. The site is not owned by the Company.</p>			
ROD or RDD Requirements:			
<p>The ROD requires source material excavation including MGP related structures to a maximum depth of 15 feet below ground surface; offsite transportation and disposal of soil; backfill of the excavated areas with clean fill; soil cover placement to allow for commercial use of the site; monitored natural attenuation of groundwater and if necessary, using in-situ treatment to enhance natural attenuation; and a site management plan and environmental easement.</p>			
Status of Compliance with ROD or RDD:			
The site is in compliance with the ROD.			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>The project is in the remedial action phase. The remedial field work is scheduled to end in February of 2014. The SMP and FER are scheduled to be prepared in 2014. Groundwater monitoring will be required for the Site.</p>			
5.3.2 Scope of Work			
The scope of work is progressing in accordance with the ROD.			
5.3.3 Schedule			
<p>The planned activities commenced ahead of schedule. The project proceeded at a pace slower than anticipated due to local permitting and community issues.</p>			
5.4 Project Procurement Exceptions			
No project awards deviated from the practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
<p>The anticipated costs for Far Rockaway were \$4,750,000. The actual costs in 2013 were \$4,111,196. The projected cost for 2014 is \$1,212,991.</p>			
5.5.2 Changes in Costs			
<p>The total SIR costs were lower than the anticipated cost but exceeded the defined variances due to address local permitting and community concerns extending the period of implementation into the next year.</p>			
5.5.3 Cost Management and Mitigation Strategies			
<p>The company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.</p>			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Glen Cove MGP	NYSDEC Site ID:	130089
Site Location:	Grove Street and Stanco Street, Glen Cove, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
The site is a former Manufactured Gas Plant site owned by LIPA and serves as an electric substation. The adjacent properties are primarily residential and commercial. There are active utility operations on the property.			
ROD or RDD Requirements:			
The site is subject to the requirements identified in the NYSDEC issued March 2010 Remedial Decision Document (RDD). The remedy includes excavation and off-site transport/treatment of certain soils; recovery of mobile tar from collection wells, if present; groundwater treatment at the site perimeter; institutional controls; and development of a Site Management Plan.			
Status of Compliance with ROD or RDD:			
The Company is in compliance with the RDD.			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
The remedial action has been broken into two construction phases- the Phase 1 excavation was completed and the tar recovery is in progress. Phase 2 will include the installation of the groundwater treatment system following LIPA's work to expand their existing electric substation. SMP activities were completed in support of the initial phase of the LIPA substation construction.			
5.3.2 Scope of Work			
There have been no deviations from the approved remediation plan.			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated cost for this site was \$250,000. The actual cost in 2013 was \$569,620. The project cost for 2014 is \$855,500.			
5.5.2 Changes in Costs			
The total SIR costs were higher than the anticipated cost but exceeded the defined variances due to necessary National Grid support for LIPA substation construction activities, which took significantly longer than anticipated.			
5.5.3 Cost Management and Mitigation Strategies			
The Company did identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3. They include, more frequent communication with LIPA project personnel to better forecast support needs, identification of methods for waste minimization, and tighter schedule and resource coordination with LIPA's contractors.			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Glenwood Landing Gas Plant	NYSDEC Site ID:	X V00351
Site location:	Shore Road Glenwood Landing, New York		PRP: N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The Glenwood Landing Gas Plant is located on Shore Road in Glenwood Landing New York. The property previously was the location of a modern natural gas reformulation plant and associated gas holder located on the east side of Shore Road, and a propane storage tank field located on the west side of Shore Road. Two LM 6000 natural gas fired electric generators were installed at the site in 2002. A LIPA electric substation is located adjacent and to the east of the National Grid property. Soil remediation was completed in accordance with the Voluntary Cleanup Agreement (VCA) for the site. A chlorinated groundwater plume was identified and eventually determined to be emanating from upgradient off-site sources. The NYSDEC determined that the groundwater impacts were unrelated to former operations at the Glenwood landing site, and indicated that no further action was required for National Grid. A site management plan (SMP) and deed restriction was established for the site, which requires excavation work in certain areas of the site to be in accordance with the SMP.</p>			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>The site investigation work and soil remediation was completed for the site and resulted in a no further action determination from the NYSDEC. A Site Management Plan (SMP) and Deed Restriction were established for the site in order to provide a framework for managing future excavation and or construction at the site that may encounter residual contaminated soil at the site. Release and covenant not to sue was received from the NYSDEC on 4/24/2013.</p>			
5.3.2 Scope of Work			
<p>The scope of work from the VCA has been completed, and the SMP and deed restriction were completed for the site.</p>			
5.3.3 Schedule			
<p>The planned activities were completed consistent with the project schedule.</p>			
5.4 Project Procurement Exceptions			
<p>No project awards deviated from those practices described as Section 2.4.</p>			
5.5 Project Costs			
5.5.1 Project Costs Summary			
<p>The anticipated costs for this site were \$10,000. The actual costs in 2013 were \$3,891. The projected cost for 2014 is \$10,000.</p>			
5.5.2 Changes in Costs			
<p>The total SIR costs were within the defined variances.</p>			
5.5.3 Cost Management and Mitigation Strategies			
<p>The company did not identify cost management and mitigation strategies for the site beyond those mentioned in Section 2.3.</p>			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Halesite MGP	NYSDEC Site ID:	152173
Site location:	North New York Ave. & Youngs Hill Rd., Huntington, NY	PRP:	NA
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The Halesite MGP site is located on Long Island in Northwest Suffolk County, Huntington, NY. The site is situated in a mixed industrial, commercial and residential area adjacent to Huntington Harbor. The site is also owned by LIPA and there is an active electrical substation on the western portion of the property. The Plant operated from approximately 1882-1918. The NYSDEC approved the Remedial Action Plan for the site in 2006 and remedial construction was completed in 2009. The remediation consisted of several excavations to remove source material and the installation of a groundwater treatment system to treat off-site groundwater impacts and prevent the discharge of contaminated water into Huntington Harbor.</p>			
ROD or RDD Requirements:			
<p>The major elements of the Halesite RAP have been completed. The Final Engineering Report will be issued once the Site Management Plan has been approved and authorized.</p>			
Status of Compliance with ROD or RDD: Halesite MGP is in compliance with the RAP			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>The Remedial Action at the Halesite MGP site is complete. The site is currently in the groundwater monitoring and OM&M phase.</p>			
5.3.2 Scope of Work			
<p>No deviation from the Halesite RAP has occurred.</p>			
5.3.3 Schedule			
<p>The planned activities were completed consistent with the project schedule.</p>			
5.4 Project Procurement Exceptions			
<p>No project awards deviated from those practices described in Section 2.4.</p>			
5.5 Project Costs			
5.5.1 Project Costs Summary			
<p>The anticipated cost for this site was \$255,000. The actual cost in 2013 was \$272,228. The project cost for 2014 is \$322,500.</p>			
5.5.2 Changes in Costs			
<p>The total SIR costs were within the defined variances.</p>			
5.5.3 Cost Management and Mitigation Strategies			
<p>The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.</p>			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Hempstead – Clinton Road MGP	NYSDEC Site ID:	130106
Site location:	North Clinton Street, Hempstead, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
The former Site is located beneath a parking garage associated with an office building. The property is currently privately owned. The adjacent properties are primarily commercial and industrial. There are no active utility operations on the property.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A Site Characterization (SC) has been completed and no remediation is required for the site. A Site Management Plan (SMP) is in place.			
5.3.2 Scope of Work			
There have been no deviations from the NYSDEC-approved SC work plan.			
5.3.3 Schedule			
Annual certifications are performed with the property owner and submitted to NYSDEC.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site was \$5,000. The actual cost in 2013 was \$5,874. The project cost for 2014 is \$5,000.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.			

National Grid SIR Program – Legacy LILCO Sites

11 Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Hempstead MGP Site	NYSDEC Site ID:	X 130086
Site location:	47 Intersection St, Hempstead, NY	PRP:	N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The Hempstead MGP site is located in the villages of Garden City, and Hempstead in Nassau County, Long Island New York. The site is bordered by a mix of residential, commercial and industrial properties, and an unused railroad right-of-way with 13 KV and 69 KV LIPA overhead electric lines. The Remedial Investigation (RI) was completed in November of 2006. An excavation based Interim Remedial Measure (IRM) was completed in 2008, and two groundwater oxygenation systems were installed in 2010 and 2011 while the planning and design was completed in parallel for the In-situ Solidification (ISS) remedial phase of the project. The field work for the ISS remediation phase started in the fourth quarter of 2011 and was completed in late 2013.</p>			
ROD or RDD Requirements:			
The ISS phase of the work is complete, with additional groundwater oxygenation system to be installed.			
Status of Compliance with ROD or RDD:			
The project is in compliance with the ROD.			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>The Remedial Investigation (RI) was completed in November of 2006. An excavation based Interim Remedial Measure (IRM) was completed in 2008, and two groundwater oxygenation systems were installed in 2010 and 2011 while the planning and design was completed in parallel for the In-situ Solidification (ISS) remedial phase of the project. The field work for the ISS remediation phase started in the fourth quarter of 2011, and was completed in late 2013. All of the major construction for the ISS work was completed in 2013, and remaining site restoration and landscaping work will be completed in 2014. The design of two additional groundwater O2 systems are planned in 2014.</p>			
5.3.2 Scope of Work			
The work is progressing in accordance with the ROD.			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from the practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
<p>The anticipated costs for this site were \$27,100,000. The actual costs in 2013 were \$29,890,473. The projected cost for 2014 is \$4,200,000.</p>			
5.5.2 Changes in Costs			
<p>The total SIR costs were higher than the anticipated cost but exceeded the defined variances due to contractor retainage that was released to the contractor during the reporting period ahead of the schedule that was anticipated.</p>			
5.5.3 Cost Management and Mitigation Strategies			
1) There were approx. \$5M in avoided ISS spoils handling and disposal costs from generating less			

National Grid SIR Program – Legacy LILCO Sites

ISS spoils than estimated for the project. There was a cost mitigation strategy in place to limit the disposal costs for ISS spoils by making the contractor responsible for any spoils generated above their estimated ISS spoils volume. This helped to mitigate the cost risk for this and helped us to keep the contractor motivated to continually optimize their ISS process and mix recipe. As a result the ISS spoils production was approx. 56,000 tons lower than the Contractor's estimate.

2) We negotiated with the Village of Hempstead to not reinstall the Intersection Street leg of the Village sewer that we previously removed to allow the ISS work to be completed. This resulted in approx. \$95K in avoided costs.

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Inwood Gas Holder	NYSDEC Site ID:	130121
Site Location:	Nassau Avenue and Sheridan Boulevard, Inwood, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
The former gas holder property is currently owned by National Grid and serves as gas regulator station. The southern portion of the sites abuts Mott Basin a headwater of Jamaica Bay. The adjacent properties are primarily commercial and industrial with some residential. There are active gas utility operations on the property and an easement to LIPA for electric transmission circuits which traverse the site.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
The Draft RI Report was submitted to the NYSDEC in Q4 2013. An Interim Site Management Plan (ISMP) is required.			
5.3.2 Scope of Work			
There have been no deviations from the NYSDEC-approved RI work plan. An ISMP is in place and work to support the installation of an underground transmission circuit beneath the western edge of the property edge of the property was previously completed with NYSDEC approval.			
5.3.3 Schedule			
A number of the planned activities were not completed consistent with the project schedule due to a delay in submitting the RI Report and longer than anticipated timeframes for regulatory agency approvals.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site was \$148,000. The actual cost in 2013 was \$27,081. The project cost for 2014 is \$166,500.			
5.5.2 Changes in Costs			
The total SIR costs were lower than the anticipated cost but exceeded the defined variances due to a delay in submitting the RI Report and longer than anticipated time to secure necessary regulatory approvals.			
5.5.3 Cost Management and Mitigation Strategies			
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Long Beach Holder	NYSDEC Site ID:	130122
Site location:	Riverside Blvd/Water Street and Park Place, Long Beach, NY	PRP:	NA
5.2 Site Background			
Scope of SIR Work for the Site: The Final Site Characterization Report was submitted to NYSDEC on March 25, 2010. The NYSDEC issued a No Further Action letter on March 31, 2010. No additional work is required for this site.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
The Site Characterization field work was completed in the Fall 2008. A No Further Action letter was received from NYSDEC In March 2010 and the site is closed. On April 19, 2012, a public meeting was held with the community and local government officials to discuss site history, SC findings and past and expected future site use.			
5.3.2 Scope of Work			
Work has been completed			
5.3.3 Schedule			
Work has been completed.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site was \$0. The actual cost in 2013 was \$0. The project cost for 2014 is \$0.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.			

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Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Lynbrook Holder	NYSDEC Site ID:	130181
Site Location:	Ocean Avenue / Merrick Road, Rockville Centre, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The site is currently owned by National Grid and serves as gas regulation station. LIPA also maintains a substation on a portion of the property. The LIRR ROW is located south of the site. The adjacent properties are primarily commercial and industrial. There are active electric and gas utility operations on the property. Nassau County initiated a land taking of the western most portion of the site by condemnation to widen Ocean Avenue.</p>			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>A Site Characterization (SC) has been completed and no remediation is required for the site. A Site Management Plan SMP is required. An Interim Remedial Measure (IRM) was completed in 2013 to remove minimally contaminated soils required for the Nassau County condemnation associated with a property taking for Ocean Avenue roadway improvements. Release and covenant not to sue was received from the NYSDEC on 1/30/2012.</p>			
5.3.2 Scope of Work			
There have been no deviations from the NYSDEC-approved SC and IRM work plan.			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
<p>The anticipated cost for this site was \$195,000. The actual cost in 2013 was \$240,195. The project cost for 2014 is \$32,500.</p>			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
<p>The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3. The costs incurred as part of the IRM to support the Nassau County condemnation are to be reimbursed by agreement with Nassau County.</p>			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Manhasset MGP Site	NYSDEC Site ID:	130182
Site location:	43 High Street, Manhasset, New York	PRP:	N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
The site is a former Hortonsphere site located on High Street, in Manhasset, Nassau County, New York (Long Island). The property is currently privately owned. The adjacent properties are primarily residential. There are no active utility operations on the property. A Site Characterization was completed for the site, and a no further action determination was received by the NYSDEC.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A Site Characterization was completed for the site, and a no further action determination was received by the NYSDEC. Release and covenant not to sue was received from the NYSDEC on 1/30/2012.			
5.3.2 Scope of Work			
Work has been completed			
5.3.3 Schedule			
Work has been completed			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site was \$0. The actual cost in 2013 was \$4,617. The project cost for 2014 is \$0.			
5.5.2 Changes in Costs			
The total SIR cost was within the defined variance.			
5.5.3 Cost Management and Mitigation Strategies			
The company did not identify cost management and mitigation strategies for the site beyond those mentioned in Section 2.3.			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Oyster Bay Hortonsphere	NYSDEC Site ID:	130183
Site Location:	Willow Place Oyster Bay, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
The site is currently owned by LIPA and serves as an Electric substation. The adjacent properties are primarily residential / commercial and the western portion of the property is a tidal creek feeding Oyster Bay. There are active utility operations on the property.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A SC has been completed and no remediation is required for the site. A Site Management Plan SMP in in preparation. Support has been provided to LIPA in support of substation construction activities.			
5.3.2 Scope of Work			
There have been no deviations from the NYSDEC-approved SC work plan.			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site was \$52,000. The actual cost in 2013 was \$35,565. The project cost for 2014 is \$15,000.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.			

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Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Patchogue MGP	NYSDEC Site ID:	152182
Site location:	234 West Main Street, Patchogue, NY	PRP:	NA
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The Patchogue MGP is located on Long Island in south-central Suffolk County, in the Village of Patchogue, within the Town of Brookhaven. The site operated between 1906-1925. The ROD was issued in March 2011. The primary elements of the ROD include a combination of off-site and on-site excavation and on-site in-situ solidification. The Remedial Investigation was completed in 2009. The draft Remedial Design Work Plan (RDWP) was submitted to NYSDEC in August 2011. The NYSDEC approved the RDWP in December 2011. The finalized RDWP was submitted to NYSDEC in February 2012. The Remedial Design Report (RDR) is currently under development. The 50-75% RDR was submitted to NYSDEC in December 2012 and comments were received from NYSDEC in June 2013. A Response to Comments letter was prepared and submitted to NYSDEC in August 2013. A clean utility corridor was installed between May-July 2012 in order to support the temporary relocation of overhead utilities required to implement the ROD. The Request For Proposal (RFP) for Remedial construction services is currently under development. Currently, there is an ongoing semi-annual groundwater monitoring program.</p>			
ROD or RDD Requirements:			
The ROD was finalized and approved in March 2011. The ROD requires excavation and/or stabilization of site soils and offsite soils as well as groundwater monitoring.			
Status of Compliance with ROD or RDD: The Patchogue MGP site is in compliance with the ROD.			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>The Remedial Investigation was completed in 2009. The draft Remedial Design Work Plan (RDWP) was submitted to NYSDEC in August 2011. The NYSDEC approved the RDWP in December 2011. The finalized RDWP was submitted to NYSDEC in February 2012. The Remedial Design Report (RDR) is currently under development. The 50-75% RDR was submitted to NYSDEC in December 2012 and comments were received from NYSDEC in June 2013. A Response to Comments letter was prepared and submitted to NYSDEC in August 2013. A clean utility corridor was installed between May-July 2012 in order to support the temporary relocation of overhead utilities required to implement the ROD. The Request For Proposal (RFP) is currently under development. Remedial construction is anticipated to begin in early 2015. Currently, there is an ongoing semi-annual groundwater monitoring program.</p>			
5.3.2 Scope of Work			
No deviation from the ROD has occurred.			
5.3.3 Schedule			
A number of the Planned remedial Action activities were not completed consistent with the project schedule due to project delays resulting from unsuccessful efforts to secure property access necessary for the project.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for Patchogue were \$2,070,000. The actual costs in 2013 were \$317,214. The projected cost for 2014 is \$364,000.			

National Grid SIR Program – Legacy LILCO Sites

5.5.2 Changes in Costs
The total SIR costs were lower than the anticipated cost but exceeded the defined variances due to project delays resulting from unsuccessful efforts to secure property access necessary for the project.
5.5.3 Cost Management and Mitigation Strategies
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Pinelawn Hortonsphere	NYSDEC Site ID:	152214
Site Location:	Fulton Street e/o Broadhollow Rd Pinelawn/Farmingdale, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
The site is currently owned by LIPA and is vacant. It previously served as an electric substation. The adjacent properties are primarily commercial/industrial and the LIRR (Ronkonkoma Branch) ROW is located to the north of the property. There are no active utility operations on the property.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A SC has been completed and no remediation is required for the site. Release and covenant not to sue was received from the NYSDEC on 1/30/2012.			
5.3.2 Scope of Work			
There have been no deviations from the NYSDEC-approved SC work plan.			
5.3.3 Schedule			
No further action is required for this site.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site was \$0. The actual cost in 2013 was \$2,494. The project cost for 2014 is \$0.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.			

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Port Jefferson Former Hortonsphere Site (non-owned)	NYSDEC Site ID:	152215
Site location:	West Broadway (Rte. 25A), Port Jefferson New York	PRP:	N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The Port Jefferson former Hortonsphere gas holder site is located in the Village of Port Jefferson on the north shore of Long Island. The former Hortonsphere operated from about 1931 until 1976, and the property is currently owned by a third party who is planning to build a new residential condominium complex. A Site Characterization was completed by National Grid, and the company received a No Further Action letter and a Release from the NYSDEC consent order. There was soil contamination identified at the Site which was determined not to be the responsibility of National Grid, and a small reserve fund was retained per recommendation of the Legal Dept. to maintain the ability to address potential litigation from the property owner whose attorney has provided a letter to us.</p>			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A Site Characterization was completed for the site. Release and covenant not to sue was received from the NYSDEC on 12/29/2011.			
5.3.2 Scope of Work			
The SC work scope included the completion of soil and groundwater sampling to determine if there were any significant impacts requiring remediation. Monitoring wells from the SC were abandoned in 2013.			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site were \$4,000. The actual costs in 2013 were \$5,958. There projected cost for 2014 is \$0.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
The company did not identify cost management and mitigation strategies for the site beyond those mentioned in Section 2.3.			

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Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Riverhead Hortonsphere	NYSDEC Site ID:	152216
Site Location:	S/o West Main Street, e/o Mill Road on the south bank of the Peconic River, Riverhead, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
The site is currently owned by LIPA and is part of the Riverhead electric substation. The adjacent properties are largely undeveloped.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A SC has been completed and no remediation is required for the site. Release and covenant not to sue was received from the NYSDEC on 1/30/2012.			
5.3.2 Scope of Work			
There have been no deviations from the NYSDEC-approved SC work plan.			
5.3.3 Schedule			
No further action is required for this site.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site was \$0. The actual cost in 2013 was \$833. The project cost for 2014 is \$0.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.			

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11 Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Rockaway Park MGP	NYSDEC Site ID:	241029
Site location:	309-311 Beach Channel Drive, Rockaway Park, NY	PRP:	N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
The Rockaway Park MGP is located in Rockaway Park, Queens County, New York. The site is set in a commercial, industrial, and residential area and encompasses approximately 8.9 acres. The site includes a 0.6 acre New York City bulkhead area that is separated from the main site by Beach Channel Drive.			
ROD or RDD Requirements:			
The main portion of the site that is separated from the bulkhead area by Beach Channel Drive has been remediated in accordance with the ROD. The ROD required onsite soil removal and the installation of a deep barrier wall to cut off NAPL migration. In addition an offsite barrier wall is required on the adjacent NYC Bulkhead parcel. A construction completion report and interim site management plan are being prepared.			
Status of Compliance with ROD or RDD:			
The project is in compliance with the ROD.			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
The Remedial Investigation (RI) was completed in January 2004. A remedy was initiated in November of 2008. Remedial activities on the main portion of the site were completed in 2012. Twenty six DNAPL recovery wells were installed. A DNAPL well recovery rate analysis concludes that a passive DNAPL recovery program will be recommended to the NYSDEC. Completion of remedial activities on the New York city owned bulkhead area are anticipated in 2014. National Grid remains in discussions with New York City about replacement of the current deteriorated bulkhead so that an additional barrier can be installed as required in the ROD. The existing bulkhead repairs are required prior to the implementation of the NYSDEC-approved remedy at the Bulkhead Area. National Grid provided NYC a letter summarizing potential scenarios for sequencing the bulkhead work. National Grid is finalizing a memorandum of agreement with NYC which will allow National Grid to perform the additional remedial work within the bulkhead area.			
5.3.2 Scope of Work			
No deviation from the ROD has occurred.			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from the practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site were \$245,000. The actual cost in 2013 were \$515,255. The projected cost for 2014 is \$1,013,500.			
5.5.2 Changes in Costs			
The total SIR costs were higher than the anticipated cost but exceeded the defined variances due to National Grid support of LIPA construction activities at the adjacent substation that were not anticipated at the start of the reporting period.			

National Grid SIR Program – Legacy LILCO Sites**5.5.3 Cost Management and Mitigation Strategies**

The company continued to participate in LIPA capital project planning meetings to help identify long term project work plans which may impact project expenditures.

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Sag Harbor MGP	NYSDEC Site ID:	152159
Site Location:	Bridge Street and West Water Street, Sag Harbor, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
<p>The former Manufactured Gas Plant site is currently owned by National Grid. The area subject to remedial work included two adjacent commercial properties, the Village's Bridge Street ROW and an adjacent condominium property. The adjacent properties are primarily commercial / residential. There are no active utility operations on the property.</p>			
ROD or RDD Requirements:			
<p>The site is subject to the requirements identified in the NYSDEC issued March 2006 Record of Decision (ROD). The remedy includes installation of an excavation support system, removal of a building to the north of the MGP property, excavation and off-site transport/treatment of certain soils; recovery of mobile tar from collection wells, if present; groundwater treatment at the site perimeter; imposition of institutional controls; and development of a Site Management Plan (SMP) and periodic certification of the SMP.</p>			
Status of Compliance with ROD or RDD:			
The Project is in compliance with the ROD.			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
<p>The remedial activities were completed in 2009. The Revised Draft SMP was submitted to the NYSDEC in February 2013 and awaits approved. The Final Engineering Report was submitted to the NYSDEC in December 2013. National Grid will continue to coordinate environmental easements and other administrative agreements to implement the SMPs with adjacent property owners. Groundwater monitoring occurs quarterly as part of the ongoing Operations and Maintenance (O&M) program.</p>			
5.3.2 Scope of Work			
<p>The remedy as constructed is consistent with the NYSDEC's ROD. A number of remedy scope changes were identified and approved by NYSDEC based on findings of the pre-design investigation. These included varied excavation depths based on the location of tar impacted soils confined by a peat layer beneath the site and extended contamination to the west of the site beneath Bridge Street and the adjacent condominium property.</p>			
5.3.3 Schedule			
The planned activities were completed consistent with the project schedule.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
<p>The anticipated cost for this site was \$155,000. The actual cost in 2013 was \$187,643. The project cost for 2014 is \$152,000.</p>			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			

National Grid SIR Program – Legacy LILCO Sites

The Company did not identify other cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.

National Grid SIR Program – Legacy LILCO Sites

Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Saltaire MGP Site	NYSDEC Site ID:	152217
Site location:	Beacon Walk, Saltaire, Fire Island New York	PRP:	N/A
5.2 Site Background			
Scope of SIR Work for the Site:			
The Saltaire site is located in the resort community of Saltaire on Fire Island. The site was a small acetylene gas plant that operated from about 1915 until 1938 when it was destroyed by the great hurricane of 1938. A Site Characterization was completed for the site, and a no further action determination was received by the NYSDEC.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A Site Characterization was completed for the site, and a no further action determination was received by the NYSDEC. Release and covenant not to sue was received from the NYSDEC on 1/30/2012.			
5.3.2 Scope of Work			
The SC work scope included the completion of soil and groundwater sampling to determine if there were any significant impacts requiring remediation.			
5.3.3 Schedule			
No further action is required for this site.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site were \$0. The actual costs in 2013 were \$3,751. The projected cost for 2014 is \$0.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
The company did not identify cost management and mitigation strategies for the site beyond those mentioned in Section 2.3.			

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Section 5. SITE SPECIFIC REPORTS			
5.1 General Site Information			
Site Name:	Southold Gas Plant	NYSDEC Site ID:	152218
Site Location:	Hobart Road, Southold, New York	PRP:	No
5.2 Site Background			
Scope of SIR Work for the Site:			
The site is a former Acetylene Gas Facility. The property is currently privately owned. The adjacent properties are primarily residential. There are no active utility operations on the property.			
ROD or RDD Requirements:			
N/A			
Status of Compliance with ROD or RDD:			
N/A			
5.3 Status of Site Investigation and Remediation:			
5.3.1 Status of NYSDEC Remediation Program			
A SC has been completed and no remediation is required for the site. Release and covenant not to sue was received from the NYSDEC on 10/26/2011.			
5.3.2 Scope of Work			
There have been no deviations from the NYSDEC-approved SC work plan.			
5.3.3 Schedule			
No further action is required for this site.			
5.4 Project Procurement Exceptions			
No project awards deviated from those practices described in Section 2.4.			
5.5 Project Costs			
5.5.1 Project Costs Summary			
The anticipated costs for this site were \$0. The actual cost in 2013 was \$5,866. The project cost for 2014 is \$0.			
5.5.2 Changes in Costs			
The total SIR costs were within the defined variances.			
5.5.3 Cost Management and Mitigation Strategies			
The Company did not identify cost management or mitigation strategies for this site beyond those mentioned in Section 2.3.			