

December 5, 2008

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket No. 4011 – Electric Retail Rates 2009**  
**Docket No. 4012 – Renewable Energy Standards 2009**  
**Response to Commission Data Requests**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's<sup>1</sup> responses to the Commission's First Set of Data Requests issued in the above-referenced dockets.

Please be advised that the Company is seeking protective treatment of the confidential attachment provided in response to Data Request 1-3, as permitted by Commission Rule 1.2(g) and by R.I.G.L. § 38-2-2(4)(i)(B). The information in the response to Data Request 1-3 is not confidential; only the attachment to Data Request 1-3 is confidential. Consequently, the Company has provided a redacted version of the attachment to facilitate posting of the data on the Commission's website.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Dockets 4011 and 4012 Service Lists  
Paul Roberti, Esq.  
Steve Scialabba, Division

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<sup>1</sup> Submitted on behalf of The Narragansett Electric Company d/b/a National Grid.

Commission Data Request 1-1

Request:

Referencing Attachment JDW-3, the 2007 Annual Standard Offer Obligation in MWhs is listed as 6,964,400 for SOS and 202,437 for LRS, for a total 7,166,837. In NGrid's RES Annual Compliance Filing for Compliance Year 2007, the SOS and LRS MWhs sold are not the same. Please explain.

Response:

The obligations listed in Attachment JDW-3 are based on the initial hourly obligations submitted to and settled by the ISO in New England. National Grid uses this data because prior to March 1, 2003 hourly reconciled data is not available. Use of this data is consistent with other analyses undertaken by National Grid to study load trends.

National Grid's load in the RES Annual Compliance Filing for Compliance Year 2007 represents the final, reconciled load settled by the ISO in New England and purchased to serve National Grid's Standard Offer and Last Resort Service obligations in 2007. In the ISO New England market the initial hourly loads submitted for settlement are subsequently adjusted to reflect both corrections to bulk meter data and actual customer billing values gathered during the 90 day resettlement period.

Commission Data Request 1-2

Request:

Referencing Jeanne Lloyd's Direct Pre-filed Testimony in Docket No. 4011, p. 14 and Schedule JAL-8, and Attachment JDW-2 in Docket No. 4012, please explain if the proposed 2009 RES charge is offset by the \$3 million over-collection in the RES reconciliation.

Response:

The 2009 RES charge is not offset by the \$3 million over-collection in the RES reconciliation. Due to the design of the New England REC market, 2008 RECs can be purchased until June 15, 2009. Consequently, the \$3 million over recovery as of September 30, 2008 will be utilized during 2009 to offset RECs that the Company will purchase to meet its 2008 RES Obligation..

Commission Data Request 1-3

Request:

If the over-collection in the RES reconciliation is not being used to offset the 2009 charge because NGrid has not yet been invoiced for the 2008 and/or 2009 RECs, please provide a schedule showing the following:

- a. the total estimated cost of all 2009 RECs (including those for which NGrid has already contracted)
- b. the estimated cost of the 67% of 2009 RECs for which NGrid has already contracted;
- c. the estimated cost of the 33% of 2009 RECs that will be the subject of the 2009 solicitations;
- d. the estimated over- or under-collection once all RECs for 2008 and 2009 have been paid for, assuming no ACPs.

Response:

The over-collection in the RES reconciliation will be used to pay for 2008 RECs to be purchased in 2009 to meet the 2008 RES obligation. The Company has prepared a schedule which shows the detail of each transaction for 2007 through November 2008 and estimated through 2009. A redacted version of this schedule is included as page 1 of Attachment 1. The Company will file the unredacted attachment with the Commission under separate cover. However, to summarize the information contained on this schedule:

- a. the total estimated cost for all 2009 RECs is \$6,606,727.
- b. The estimated cost for the 62.5% of the 2009 RECs contracted for but not delivered is \$4,405,950.
- c. The estimated cost for the remaining 2009 RECs to be contracted for is \$2,200,777. This cost is based on the average cost for 2009 RECs in the most recent RFP.
- d. The Company estimates that it will over recover its RES expense for program years 2007 and 2008 by \$856,834. This amount is shown on Attachment 1, page 2. The estimated over collection is calculated by comparing revenues received from customers through November 2008 and estimated through December 31, 2008 to expenses incurred through November 2008 and expected to be incurred through June 2009 for program year 2008. The proposed RES charge for 2009 of 0.105¢ per kWh is expected to collect the costs that will be incurred for program 2009.

**National Grid USA Distribution Companies  
 Narragansett Electric RES Certificate Purchases**

Transaction Number	Transaction Date	Seller	REC Type	Vintage	Quantity	Price	Total
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			2007 Delivered		215,400	\$18.46	\$ 3,976,389.50
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			2008 Delivered		156,881	\$17.08	\$ 2,679,861.14
<b>RECS Contracted For But Not Yet Delivered</b>							
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			2008 To Be Delivered		95,319		\$ 2,594,052.86
			2008 Total		252,200		\$ 5,273,914.00
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			2009 Total To Be Delivered		182,800		\$ 4,405,950.00
<b>2009 RECs to be Contracted in 2009</b>							
			New	2009	53,391	40.00	\$ 2,135,640.00
			Existing	2009	53,391	1.22	\$ 65,137.02
			2009 To Be Contracted		106,782		\$ 2,200,777.02
			2009 Total		289,582	\$ 22.81	\$ 6,606,727.02

**Renewable Energy Standard Over/(Under) Recovery of Expense through December 2008**

Mo/Yr	Renewable Energy Standard Revenue (a)	Renewable Energy Standard Expense (b)	Interest (c)	Monthly Over/(Under) Recovery (d)	Cumulative Over/(Under) Recovery (e)
Jan-2007	\$145,504			\$145,504	\$145,504
Feb-2007	\$340,767			\$340,767	\$486,271
Mar-2007	\$344,825			\$344,825	\$831,096
Apr-2007	\$308,736			\$308,736	\$1,139,832
May-2007	\$299,310			\$299,310	\$1,439,142
Jun-2007	\$329,418			\$329,418	\$1,768,560
Jul-2007	\$365,457			\$365,457	\$2,134,017
Aug-2007	\$411,597			\$411,597	\$2,545,614
Sep-2007	\$387,388		\$55,602	\$442,990	\$2,988,604
Oct-2007	\$342,470			\$342,470	\$3,331,073
Nov-2007	\$317,836			\$317,836	\$3,648,909
Dec-2007	\$362,807	\$632,394		(\$269,587)	\$3,379,322
Jan-2008	\$418,748	\$609,606		(\$190,858)	\$3,188,464
Feb-2008	\$471,914	\$64,917		\$406,997	\$3,595,461
Mar-2008	\$426,241	\$492,689		(\$66,448)	\$3,529,013
Apr-2008	\$461,233	\$1,527,640		(\$1,066,407)	\$2,462,607
May-2008	\$379,231	\$1,041,408		(\$662,176)	\$1,800,430
Jun-2008	\$429,834	\$803,736		(\$373,902)	\$1,426,529
Jul-2008	\$518,499	\$44,450		\$474,049	\$1,900,578
Aug-2008	\$589,305	\$0		\$589,305	\$2,489,883
Sep-2008	\$559,896	\$450,679	\$143,084	\$252,301	\$2,742,184
Oct-2008	\$477,984	\$ 589,892.00		(\$111,908)	\$2,630,276
Nov-2008	\$325,421	\$ 398,840.00		(\$73,419)	\$2,556,857
Dec-2008	\$565,793			\$565,793	\$3,122,649
Jan-2009	\$328,237			\$328,237	\$3,450,886
Feb-2009				\$0	\$3,450,886
Mar-2009				\$0	\$3,450,886
Apr-2009				\$0	\$3,450,886
May-2009				\$0	\$3,450,886
Jun-2009		\$ 2,594,052.86		(\$2,594,053)	\$856,834

- (a) monthly revenue reports; see also RIPUC Docket No. 3902, Schedule JAL-6, page 1 of 2, column (b) for Standard Offer and Last Resort and RIPUC Docket No. 4011, Schedule JAL-8, page 1, column (b).
- (b) page 1; see also RIPUC Docket No. 4011, Schedule JAL-8, page 1, column (c) for October 2007 through September 2008
- (c) Interest per RIPUC Docket No. 3902, Schedule JAL-6 and 4011, Schedule JAL-8
- (d) Column (a) - Column (b) + Column (c)
- (e) Prior month Column (e) + Column (d)

Commission Data Request 1-4

Request:

In Docket No. 3901, the Commission required NGrid to file as part of its compliance filing a public notification of the number of RECs procured for each period, the type (existing or new) and the average cost of the RECs for each period. Did NGrid receive any negative feedback from bidders or potential bidders regarding this requirement?

Response:

National Grid did not receive any negative feedback from REC suppliers regarding providing average procurement data in its filings. Suppliers continue to inform National Grid that the details of specific transactions – price, quantity, credit terms and other terms considered commercially sensitive, should continue to be considered confidential information and not be disclosed to the public and specifically their competitors.

Commission Data Request 1-5

Request:

Did the solicitations in 2008 result in more or fewer bidders than in 2007?

Response:

The 2008 solicitations had the same number of bidders as the 2007 solicitations.



Commission Data Request 1-6

Request:

What is the rationale for keeping the number of bidders listed on page 3 of Attachment 1 of the Compliance Filings relative to the Procurement Plans confidential?

Response:

The Company believes that bid prices could be influenced if suppliers are made aware of the level of interest in the Company's solicitation.