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August 25, 2009

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Docket No. 4041 – Narragansett Electric Company d/b/a National Grid's Standard Offer Procurement Plan and Renewable Energy Procurement Plan

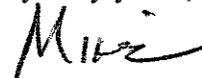
Dear Luly:

This office represents Constellation Energy Commodities Group, Inc. ("CCG") and Constellation NewEnergy, Inc. ("CNE") (collectively, "Constellation") in the above docketed proceeding.

Enclosed please find ten (10) copies of Constellation's responses to the first set of data requests issued by the Rhode Island Division of Public Utilities and Carriers on August 18, 2009 in the above-captioned proceeding. Please be advised that in these responses, "Constellation" refers to CCG and CNE, collectively.

If you have any questions, please feel free to call.

Very truly yours,



Michael R. McElroy

MRMc/tmg
cc: Service List

**Docket No. 4041 National Grid – SOS and RES Procurement Plans
Service List Updated 7/14/09**

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File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02889	Lmassaro@puc.state.ri.us	401-780-2017
	Cwilson@puc.state.ri.us	401-941-1691
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CONSTELLATION'S RESPONSES TO THE 1ST SET OF DATA REQUESTS
DIRECTED TO CONSTELLATION BY THE DIVISION OF PUBLIC UTILITIES
AND CARRIERS ON AUGUST 18, 2009

DIV-CONSTELLATION 1-1

Request:

Does Constellation (including any of its affiliates) sell power to wholesale purchasers under long-term contracts (*i.e.*, longer than five years)? If so:

- a) please describe in detail the types of transactions (*i.e.*, unit entitlements, fixed blocks, slice of system, *etc.*).**
- b) please describe the terms that Constellation has entered into as long term contracts?**

Response:

Yes, but only a very small percentage – less than two (2) percent – of Constellation's transactions may be under long-term contracts, with terms greater than five years in length. Moreover, as a result of changes in capital markets which occurred in the Fall of 2008, the number of long-term contracts Constellation enters into has declined sharply. As examples of the types of long-term transactions that Constellation currently has in place, in Rhode Island, Constellation has been providing Full Requirements Service to Narragansett Electric under three long-term full requirements contracts which expire later this year.

- a) please describe in detail the types of transactions (*i.e.*, unit entitlements, fixed blocks, slice of system, *etc.*).**

As one of the nation's leading power marketing and trading firms Constellation enters into many types of transactions for the purchase or sale of a diverse range of energy products throughout the United States on a daily basis. In addition to those mentioned in the above question, these transactions may include, but are not limited to, products which are physical or financial, fixed price or index-based, fixed-quantity or requirements-based, and standardized or specialized.

Prepared By or Under the Supervision of: Daniel W. Allegretti
Vice President, Energy Policy
111 Market Place
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b) please describe the terms that Constellation has entered into as long term contracts?

Specific contract terms vary widely depending on the nature of the product being purchased and sold and the needs of the counterparties to the contract. That said, detailed industry-standard contract terms and conditions that Constellation and other market participants utilize when entering into any type of contract – including, but not limited to, long term contracts – can be found in the master agreement and related addendums developed and published by the Edison Electric Institute (“EEI”). The EEI’s Master Contract and its Optional Provisions are available publicly at:

<http://www.eei.org/ourissues/ElectricityGeneration/Pages/MasterContract.aspx>

The EEI Master Contract and Optional Provisions include, for instance, detailed terms related to credit and collateral, product definitions, events of defaults and remedies, as well as payments and deliveries.

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DIV-CONSTELLATION 1-2

Request:

Does Constellation sell fixed blocks of energy and / or capacity? If so, please provide the amount of MWH sold, the percentage of Constellation's annual MWH sales, and the average profit margin in the last three years?

Response:

Yes, Constellation as part of its wholesale commodities business purchases and sells fixed blocks of energy and/or capacity. Constellation does not, however, maintain in its regular course of business the percentage of Constellation's overall annual MWH sales that are comprised of fixed block energy and/or capacity products or its profit margins related to the same.

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DIV-CONSTELLATION 1-3

Request:

Does Constellation sell Full Requirements Service? If so, please provide the amount of MWH sold, the percentage of Constellation's annual MWH sales, and the average profit margin in the last three years?

Response:

Yes, Constellation has entered into contracts to provide Full Requirements Service to both wholesale customers (including utility companies) and retail electric customers. Constellation does not, however, maintain in its regular course of business the percentage of Constellation's overall annual MWH sales that arise from sales of Full Requirements Service products or its profit margin related to the same.

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DIV-CONSTELLATION 1-4

Request:

When Constellation sells Full Requirements Service, does it hedge the cost of supplying that service? If so, describe each type of such hedges utilized by Constellation in the last five years.

Response:

Yes, Constellation hedges its exposure to its load serving obligations through a portfolio of purchases which it manages and modifies on an hourly basis to adjust for changes in load, supply and market conditions. Constellation generally does not maintain a separate portfolio for each load-serving transaction. Rather, Constellation hedges its combined load obligations in the Eastern United States as well as other areas of the country on an aggregate portfolio basis.

Constellation does not maintain as a regular course of business a record of every type of hedge it utilizes in relation to Full Requirements Service. Constellation, however, in order to hedge its obligations generally avails itself of – and has utilized in the last five years – a wide range of energy and related product types available in various markets, as described in more detail in response to DIV-CNE 1-1 and in Constellation Exhibit 1.0, *Direct Testimony of Timothy Daniels*, at lines 139 - 167.

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