nationalgrid

Thomas R. Teehan Senior Counsel

August 3, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02889

RE: Docket 4041 - 2010 Standard Offer Supply & Renewable Energy Supply Procurement <u>Responses to Data Requests</u>

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's¹ responses to the Commission's Fifth Set of Data Requests issued on July 13, 2009 in the above-referenced proceeding.

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,

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Thomas R. Teehan

Enclosure

cc: Docket 4041 Service List Steve Scialabba, Division

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

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically submitted to the individuals listed below.

Joanne M. Scanlon National Grid August 3, 2009 Date

Docket No. 4041 National Grid – SOS and RES Procurement Plans Service List Updated 7/3/2009

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Request:

For the nine month period January through September 2010, does National Grid anticipate issuing more than one RFP for RECs?

Response:

National Grid has customarily issued two RFPs for RECs during a calendar year. National Grid expects to continue this practice in 2010 and beyond.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Request:

For the period October 2010 through March 2011, does National Grid plan to issue one or more RFPs for RECs that were not included in the 50% FRS procurement resulting from the APP? If so, during what timeframe?

Response:

See the response to Data Request 5-1.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Request:

Referencing a discussion at the Technical Session on June 30, 2009, ignoring the lack of approval of an RES Procurement Plan for 2010, would there be any benefit to issuing an RFP to procure some or all 2010 RECs prior to October 2009? If not, why not?

Response:

If instructed, National Grid can issue an RFP for RECs at any time. National Grid would rather utilize dollar cost averaging and purchase only a portion of the RECs estimated to satisfy an obligation than purchase all of the RECs estimated to satisfy an obligation. The NEPOOL Generation Information System allows for the transfer of calendar year 2010 RECs up until June 15, 2011 thus there will be many opportunities to purchase RECs.

Prepared by or under the supervision of: Madison N. Milhous

Request:

Referencing Mr. Smithling's testimony on page 6, of the 5% residential customers taking competitive supply, what portion is the result of the Cape Light Compact?

Response:

None of National Grid's customers are taking service from the Cape Light Compact. Only customers in NSTAR's service territory on Cape Cod and Martha's Vineyard Massachusetts are eligible to be served by the Cape Light Compact. Nantucket Electric Company, a National Grid distribution company, is not part of the Cape Light Compact.

Prepared by or under the supervision of: Alan P. Smithling

Request:

Referencing a discussion at the Technical Session on June 30, 2009 with Ms. Lloyd, please further respond to the question whether after 2010, National Grid could perform the Annual Reconciliation calculations for non-energy (non-distribution) related costs to coincide with the proposed April energy rate change rather than having a rate change in January. What does the Company see as the advantages and disadvantages of such a change in procedure?

Response:

The Company has no objection to changing the filing schedule for the annual retail reconciliation filing so that the rate changes could occur April 1 of each year rather than January 1. In general, the Company believes that it is preferable to limit the number of scheduled rate changes occurring during the year. Since the Small Customer Standard Offer rate changes will occur on April 1 and October 1 (after 2010), it would make sense for the retail rate reconciliation changes to coincide with one of those dates. As the Commission suggests, the Company would propose an April 1 effective date for retail rate changes. Therefore, the annual filing would be submitted prior to February 15 of each year with a reconciliation period of January through December. The only potential disadvantage that the Company has identified is that, for the transition year, the reconciliation period would likely be fifteen months (October 2009 through December 2010) rather than the typical twelve month period and could result in somewhat larger deferral balances.

Prepared by or under the supervision of: Jeanne A. Lloyd