

March 23, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket No. 4065 Remand - Review of Capital Structure
Responses to Commission Data Requests – Set 21**

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's responses to the Commission's Twenty-First Set of Data Requests in the above-captioned 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,



Thomas R. Teehan

Enclosure

cc: Docket 4065 Service List
Steve Scialabba
Leo Wold, Esq.

Commission 21-1

Request:

Please update the response to DIV 33-2 to include the short term debt balances for January 2012 and February 2012 and an estimate of the March 2012 balance.

Response:

Narragansett's short term debt balances for January 31, 2012 and February 29, 2012 are \$173.1 million and \$177.1 million, respectively. The balance of short term debt as of March 22, 2012 is \$191 million. We do not project a significant change to the balance for the remainder of the month.

Prepared by or under the supervision of: Mustally Hussain

Commission 21-2

Request:

The response to DIV 33-4 states, in part, "...the Company intends to refinance much of the Short-Term Debt outstanding as of December 31, 2011 with long-term debt."

- a. Has this refinancing occurred?
- b. If yes:
 - i. When?
 - ii. In what amount?
 - iii. At what term?
 - iv. At what interest rate?
- c. If, no:
 - i. What steps has the company taken to date to complete the refinancing?
 - ii. When will the refinancing take place?
 - iii. What amount will be refinanced?
 - iv. What is the expected term?
 - v. What is the expected interest rate?

Response:

- a. No, this refinancing has not yet occurred.
- b.
 - i. – iv. Not applicable
- c.
 - i. The company is preparing to file a financing application in April 2012 seeking authority to issue long-term debt.
 - ii. The refinancing is scheduled to take place as soon as practicable after receiving a non-appealable final order from the Division of Public Utilities and Carriers granting financing authority, but contingent upon market conditions. In addition, the Company will issue additional long-term debt from time to time during the requested authorized period.
 - iii. The Company plans to issue approximately \$150-\$200 million immediately upon receipt of the order to refinance its short-term borrowings based on its current projections. In addition, the Company will also need to issue long-term debt in the future to

Commission 21-2 (continued, p2.)

- iv. finance capital expenditures, term-out short-term debt, maintain capital structure and other general corporate purposes.
- v. The Company matches the lives of the assets being financed with the duration of the securities used to finance those assets which is typically 10-30 years. The Company may issue in multiple tranches with different terms to take advantage of the existing interest rate environment and to manage its debt maturity profile.
- vi. Given that we haven't decided the terms of the bond issues we can not estimate the expected rates at this time.

Prepared by or under the supervision of: Mustally Hussain