

February 22, 2010

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4111 – Review of Proposed Town of New Shoreham Project
Pursuant to RI General Laws § 39-26.1-7
Responses to Commission Data Requests – Set 5**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of the National Grid's¹ responses to the Commission's Fifth Set of Data Requests issued on February 12, 2010, in the above-captioned proceeding.

In this transmittal, National Grid is providing responses to Commission Data Request 5-1, Commission Data Request 5-2, Commission Data Request 5-4, Commission Data Request 5-5 and Commission Data Request 5-6. The Company's responses to the Commission's remaining Data Requests will be forthcoming.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (781) 907-2121.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4111 Service List
Leo Wold, Esq.

¹ Submitted on behalf of The Narragansett Electric Company d/b/a National Grid ("Company").

Certificate of Service

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



Joanne M. Scanlon
National Grid

February 22, 2010
Date

**National Grid – Review of Proposed Town of New Shoreham Project
Docket No. 4111 - Service List Updated 2/10/2010**

| Name/Address | E-mail Distribution | Phone/FAX |
|---|--|------------------------------|
| Thomas R. Teehan, Esq. National Grid. 280 Melrose St. Providence, RI 02907 | Thomas.teehan@us.ngrid.com | 401-784-7667 401-784-4321 |
| | Joanne.scanlon@us.ngrid.com | |
| Ronald T. Gerwatowski, Esq. National Grid 40 Sylvan Rd. Waltham, MA 02451 | Ronald.gerwatowski@us.ngrid.com | |
| | Celia.obrien@us.ngrid.com | |
| | Jennifer.brooks@us.ngrid.com | |
| Joseph A. Keough, Jr., Esq. Keough & Sweeney 100 Armistice Blvd. Pawtucket, RI 02860 | jkeoughjr@keoughsweeney.com | 401-724-0600 |
| Alan Mandl, Esq. Smith & Duggan LLP Lincoln North 55 Old Bedford Road Lincoln, MA 01773 | amandl@smithduggan.com | 617-228-4464 781-259-1112 |
| Jerry Elmer, Esq. Conservation Law Foundation 55 Dorrance Street Providence, RI 02903 | Jelmer@clf.org | 401-351-1102 401-351-1130 |
| Katherine A. Merolla, Esq., Merolla & Accetturo 469 Centerville Road Suite 206 Warwick, RI 02886 | KAMLAW2344@aol.com | 401-739-2900 401-739-2906 |
| Richard A. Sinapi, Esq. Sinapi Formisano & Company, Ltd. 100 Midway Place, Suite 1 Cranston, RI 02920-5707 | dicks@sfclaw.com | 401-944-9690 401-943-9040 |
| Alan Shoer, Esq. Adler Pollock & Sheehan One Citizens Plaza, 8 th Floor Providence, RI 02903-1345 | Ashoer@apslaw.com | 401-274-7200 401-751-0604 |
| Leo Wold, Esq. | lwold@riag.ri.gov | 401-222-2424 |

| | | |
|---|--|--------------|
| Dept. of Attorney General 150 South Main St. Providence, RI 02903 | Steve.scialabba@ripuc.state.ri.us | 401-222-3016 |
| | Al.contente@ripuc.state.ri.us | |
| Jon Hagopian, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903 | jhagopian@riag.ri.gov | |
| | Dmacrae@riag.ri.gov | |
| | Mtobin@riag.ri.gov | |
| Paul Rich, Deepwater Wind | Prich@dwwind.com | 401-648-0604 |
| Bill Moore, Deepwater Wind | Wmoore@dwwind.com | 401-648-0604 |
| Susan Demacedo, Deepwater Wind | susan@dwwind.com | 401-648-0606 |
| David Schwartz, Deepwater Wind | dschwartz@dwwind.com | |
| David Nickerson from Mystic River Energy Group, LLC | dave@nickersons.org | |
| Richard LaCapra, LaCapra Associates | Rlacapra@lacapra.com | 212-675-8123 |
| Richard Hahn Mary Neal Lacapra Associates 1 Washington Mall, 9th floor Boston, MA 02108 | rhahn@lacapra.com | |
| | mneal@lacapra.com | |
| 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 |
| | Nucci@puc.state.ri.us | |
| | Anault@puc.state.ri.us | |
| | Sccamara@puc.state.ri.us | |
| Thomas Kogut, DPU | tkogut@ripuc.state.ri.us | |
| Matt Auten, Office of Lt. Governor | mauten@ltgov.state.ri.us | |
| Julian Dash, RIEDC | jdash@riedc.com | |
| Rep. Ehrhardt | rep-ehrhardt@rilin.state.ri.us | |

Commission Data Request 5-1

Request:

Who will be responsible for any system upgrades needed to interconnect the transmission line from Block Island to the mainland? What are the anticipated costs associated with such upgrades? From whom will those costs be recovered?

Response:

Deepwater would pay for the cost and National Grid would be responsible for construction of the system upgrades needed to connect the transmission cable from Block Island to the new mainland. As noted in National Grid's response to Division Data Request 1-4, the land portion of the transmission cable that would connect Block Island to the mainland will terminate at a new switchyard to be located in Narragansett. National Grid would be responsible for construction of the system upgrades to connect the new Narragansett switchyard to National Grid's 3302 line. We do not have an estimate of the anticipated costs associated with such upgrades at this time; however, we will provide that information to the Commission when it is available. Assuming National Grid takes ownership of the transmission cable, the costs will be included in the purchase price for the transmission cable when purchased by National Grid. They will then be recovered in transmission rates from National Grid customers in Rhode Island and Block Island Power customers. The allocation between National Grid customers and Block Island customers is yet to be determined.

Commission Data Request 5-2

Request:

How will passing through net costs or net refunds resulting from the subject Project through distribution rates help stabilize power costs?

Response:

The project will not help to stabilize power costs, which will be unaffected one way or another. The impact will occur on distribution rates. Specifically, there will be an increase or decrease in distribution rates, depending upon the market value of power and attributes each year. For example, in the first year, there would be a distribution rate increase. After the first year, the impact on distribution rates would depend upon whether the net cost is greater or lesser than what was included in distribution rates in the prior year

Commission Data Request 5-4

Request:

Referencing National Grid's response to Commission Data Request 4-6, what is a reasonable time frame for putting a cable from Block Island to the mainland in service?

Response:

As indicated in National Grid's response to Commission Data Request 4-6, the time frame for installation of such a cable and appurtenant interconnection facilities is highly dependent on a number of factors outside the control of both National Grid and Deepwater. These factors include the process for acquiring land, easements or other property rights, and permits, as well as public involvement in facility siting and the regulatory process. Using the second Nantucket Cable Project benchmark discussed in National Grid's response to Commission Data Request 4-6 as a reference, and assuming no major obstacles are encountered through the permitting phase of the project, the time frame of thirty-eight months from beginning of public outreach to the in-service date is a reasonable estimate. The only caution with this timeframe is that it is based on a single project as reference point.

Currently, the factors that make an actual in-service date for this system difficult to predict include: (i) the on-going transmission cable system negotiations, (ii) the approval process at both the Commission and FERC, (iii) the unknowns associated with permitting timeframes, (iv) constraints that may be imposed during permitting, such as limiting construction to a specific season, or (v) a contentious permitting process. Using the thirty-eight-month timeframe as a reference point, the estimated in-service date would be around the May 2013 timeframe.

Prepared by or under the supervision of: Daniel E. Glenning

Commission Data Request 5-5

Request:

If National Grid were proposing this cable project absent the subject Project, what would be the steps that would need to be taken from design to completion?

Response:

National Grid would follow its typical processes to mature the design and advance the project from the conceptual stage to the design and construction stage. Generally, the design would be refined during the preliminary engineering stage.

Once preferred marine and land routes were established, the public outreach process would be initiated. Environmental work, land and easement acquisition, and permitting efforts would proceed, providing further feedback into the design process. At or near the conclusion of these activities, which would also include a detailed marine survey, the final design for the submarine and land cables would be established. At the conclusion of preliminary engineering stage, the project cost estimate would be updated.

At this point, the project would progress from preliminary engineering to final engineering. During the final engineering stage, procurement of cables would proceed in parallel with final design engineering of substation and system upgrades. Mobilization of the cable-laying vessel would be scheduled based on the manufacturing, testing and delivery schedule of the submarine cable as well as any permitting restrictions. Likewise, substation, land cable, right-of-way civil works, including horizontal directional drilling at cable landfalls and other land-based construction work, would be scheduled as appropriate subject to permitting restrictions and to minimize public impact. Commissioning and testing of the cables, substation and ancillary equipment would proceed after construction is complete, coordinated as necessary with mainland line outage availability and BIPCO operations.

Commission Data Request 5-6

Request:

Referencing Data Request 4-3, is there a possibility that there could be a market rule change that would result in Block Island being considered its own delivery zone or node? If so, could there be increased costs to National Grid ratepayers as a result?

Response:

While there is always a possibility that market or other rules in New England could change, we are not aware of any such rule changes being considered by ISO-NE or NEPOOL, nor do we see any reason why Block Island would be considered a separate delivery zone or node given its small size.