

January 22, 2010

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4140 – Annual Retail Rates 2010
Responses to Commission Data Requests – Set 1

Dear Ms. Massaro:

Enclosed please find ten copies of National Grid's¹ responses to the Commission's 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.

Sincerely,



Thomas R. Teehan

Enclosures

cc: Docket 4140 Service List
Leo Wold, Division

¹ The Narragansett Electric Company d/b/a National Grid.

Certificate of Service

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



Joanne M. Scanlon

January 22, 2010
Date

National Grid – 2010 Annual Retail Tariff Filing
Docket No. 4140
Service List Updated 1/13/10

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Commission Data Request 1-1

Request:

Please explain why the beginning balances on Schedule JAL-2, page 1 of 3 do not agree with the beginning balances presented on Attachment 1, page 1 of 3 of the Standard Offer Reconciliation Report filed on December 21, 2009 in Docket 4011.

Response:

The beginning balance shown in October 2008 on Schedule JAL-2, page 1 of 3 includes both the Standard Offer September 2008 over collection of \$22,487,122 as reported in Docket No. 4011, Schedule JAL-4, page 1 and the September 2008 residential Last Resort Service (“LRS”) under collection of \$186,951 as reported on Schedule JAL-5, page 2 of 4 in Docket No. 4011. The Company had requested Commission approval in Docket No. 4011 to use part of the Standard Offer Service over collection to offset the residential LRS under collection of \$186,951 (See testimony of Jeanne A. Lloyd, page 11).

Commission Data Request 1-2

Request:

The Standard Offer Reconciliation Report filed on December 21, 2009 in Docket 4011 projected an over collection of about \$800,000 at December 31, 2009 while the reconciliation in Docket 4140 estimates an under collection of about \$8 million at December 31, 2009. Please explain the large change.

Response:

Please see Attachment 1 for a detailed reconciliation of the revenue and expenses reported in the Standard Offer reconciliation report filed on December 21, 2009 and the revenue and expenses shown on Schedule JAL- 2, page 1 of 3, in Docket No. 4140.

Narragansett Electric Company

Line. No.		Adjustment Amount (a)	Total (d)
1	S.O.S. Estimated Over(Under) Recovery as of December 31, 2009 per reconciliation report Docket No. 4011 dated Dec. 2009*		\$ 785,204
Adjustments:			
2	Last Resort Service over(under) recovery as of September 2008 added to S.O.S. beginning balance	(\$186,951)	
3	Correction to July 2009 revenue from \$41,454,103 to \$41,039,255 (data entry error)	(\$414,848)	
4	Correction to August 2009 revenue from \$50,599,995 to \$45,966,996 (data entry error)	(\$4,632,999)	
5	October 2009 & November 2009 GIS expense added to reconciliation	(\$7,769)	
6	December 2009 Estimated GIS expense added to reconciliation	(\$4,405)	
7	Actual November 2009 Standard Offer expenses \$3,910,436 lower than estimated	\$3,910,436	
Revised kWh forecast for fiscal year 2011 resulting in:			
8	Reduction in projected December 2009 Standard Offer expenses of \$43,327	\$43,237	
9	Reduction in projected December 2009 Standard Offer revenue of \$6,054,327	(\$6,054,327)	
10	Reduction in projected January 2010 revenue pertaining to December 2009 kWh deliveries of \$1,249,520	(\$1,249,520)	
11	Commodity-related Net Metering Credits added to reconciliation	(\$160,603)	
12	Total Adjustments		(\$8,757,749)
13	Interest		<u>(\$111,670)</u>
14	Adjusted S.O.S. Over(Under) Recovery as of December 31, 2009		(\$8,084,215)
15	S.O.S. Estimated Over(Under) Recovery as of December 31, 2009 per Retail Rate Filing Docket No. 4140 dated Dec. 2009		(\$8,084,215)
16	Variance		<u><u>(\$0)</u></u>

Line Descriptions:

- 1 per R.I.P.U.C. Docket No. 4011 dated December 2009, page 1
- 2-11 per Company reports
- 12 sum of Column (c) Lines 2 through 11
- 13 interest on adjustments
- 14 Line 1 + Line 12
- 15 per R.I.P.U.C. Docket No. 4140, Schedule JAL-2, page 1
- 16 Line 14 - Line 15

*Please note that on the December 21, 2009 Standard Offer reconciliation report, page 1 of Attachment 1, Column (d) for October 2009 shows Fuel Index Payments of \$0. The Fuel Index Payments of \$4,160,936 were erroneously included in Column (c) and does not affect the over(under) recovery balance.

Commission Data Request 1-3

Request:

Please prepare a copy of JAL-9 assuming the Commission approves the Division's proposed methodology (Docket 4065) for allocating transmission expense. Also, please provide updates to JAL-17 assuming adoption of the Division's transmission allocation methodology.

Response:

Division witness Dr. Dale E. Swan discusses the Company's transmission service rate design proposals in his direct testimony filed September 15, 2009 in Docket No. 4065. Dr. Swan did not object to the Company's proposed methodology for allocating transmission expense, i.e. class contribution to New England Power ("NEP") system peak. However, on page 25 of Dr. Swan's direct testimony, he recommends that "to mitigate this shift impact in this case without further complicating the annual calculation of the transmission adjustment factors, I propose to reduce or increase each class' *distribution* (emphasis added) revenue requirement by half of the resulting increase or decrease in transmission revenue that will result from the Company's proposed reallocation of these costs."

Based on the above, the Company does not believe that, in Docket No. 4065, the Division is proposing a different methodology for allocating transmission expense than what the Company has proposed.