

July 20, 2010

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4185 - Review of Amended Power Purchase Agreement Between Narragansett Electric Company d/b/a National Grid and Deepwater Wind Block Island, LLC Pursuant to R.I. Gen. Laws § 39-26.1-7  
Responses to Commission and Toray /Polytop Data Requests (Set 1)**

Dear Ms. Massaro:

Enclosed please find an original and twelve (12) copies of National Grid's<sup>1</sup> responses to the Commission's First Set of Data Requests and Toray/Polytop's First Set of Data Requests, both issued on July 6, 2010 in the above-captioned proceeding.

In this transmittal, the Company is enclosing responses to Commission Data Requests 1-3, 1-5, 1-6, and 1-7 as well as responses to Toray/Polytop Data Requests 1-1 through 1-5. This completes National Grid's transmittal with respect to the Commission's First Set of Data Requests and Toray/Polytop's First Set of Data Requests.

Please be advised that the Company is seeking protective treatment of confidential Attachment COMM 1-7, as permitted by Commission Rule 1.2(g) and by R.I.G.L. § 38-2-2(4)(i)(B). The Company has submitted a Motion for Protective Treatment along with a copy of confidential Attachment COMM 1-7 to the Commission and the Division, pending a determination on the Company's Motion.

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

Enclosure

cc: Docket 4185 Service List  
Steve Scialabba, Division  
Leo Wold, Esq.

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

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

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**Review of Proposed Town of  
New Shoreham Project  
Pursuant to R.I.G.L. § 39-26.1-7**

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**Docket No. 4185**

**NATIONAL GRID’S REQUEST  
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid<sup>1</sup> hereby requests that the Rhode Island Public Utilities Commission (“Commission”) provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(i)(B). National Grid also hereby requests that, pending entry of that finding, the Commission preliminarily grant National Grid’s request for confidential treatment pursuant to Rule 1.2 (g)(2).

**I. BACKGROUND**

On July 20, 2010, National Grid is filing with the Commission responses to the Commission Data Request 1-7. In support of its response to Data Request 1-7, National Grid is attaching redacted and un-redacted versions of a document, identified as Attachment COMM 1-7 that illustrates the estimated annual impact of the amended PPA plus the transmission line from Block Island to the mainland for each customer included

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”).

in the Economic Development Corporation's ("EDC") response to Commission Data Request 2-1 in Docket 4111. The un-redacted versions of Attachment COMM 1-7 contain each customer's annual usage for the period July 2009 through June 2010 and an estimate of the bill impact for 2013. The Company has historically considered billing information pertaining to individual customers as confidential and proprietary to those customers. Therefore, National Grid requests that the Commission give the un-redacted version of Attachment COMM 1-7, which contain customer billing information, confidential treatment.

## **II. LEGAL STANDARD**

The Commission's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1, *et seq.* Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, the Commission has the authority under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure.

In that regard, R.I.G.L. §38-2-2(4)(i)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would be likely either (1) to impair the Government's ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I.2001).

The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47.

In addition, the Court has held that the agencies making determinations as to the disclosure of information under APRA may apply the balancing test established in Providence Journal v. Kane, 577 A.2d 661 (R.I.1990). Under that balancing test, the Commission may protect information from public disclosure if the benefit of such protection outweighs the public interest inherent in disclosure of information pending before regulatory agencies.

## **II. BASIS FOR CONFIDENTIALITY**

The customer information regarding annual usage and bill impacts contained in the un-redacted version of Attachment COMM 1-7 has historically been deemed proprietary to each customer, and customers have come to expect that National Grid will maintain this information on a confidential basis. National Grid is providing the un-redacted version of Attachment COMM 1-7 to the Commission and the Division on a voluntary basis to assist the Commission with its decision-making in this proceeding.

Public disclosure of this information would directly reveal confidential customer information, including the billing information and other identifying information of the customer. Such disclosure substantially harms National Grid's customers who have not otherwise consented to the public disclosure of their information, and adversely affects National Grid's competitive position in the marketplace. Moreover, such disclosure would undermine National Grid's integrity with its customers.

### **III. CONCLUSION**

Accordingly, the Company requests that the Commission grant protective treatment to the un-redacted versions of Attachment COMM 1-7

**WHEREFORE**, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

**NATIONAL GRID**

By its attorney,

A handwritten signature in black ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal flourish extending to the right.

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Jennifer Brooks Hutchinson (RI Bar #6176)  
National Grid  
40 Sylvan Road  
Waltham, MA 02451  
(781) 907-2121

Dated: July 20, 2010

Commission Data Request 1-3

Request:

Based on the cable cost allocation outlined in the statute, please provide the following by rate class:

- a. the total cost allocated to Grid ratepayers related to the cable
- b. the annual cost allocated to Grid ratepayers related to the cable
- c. the levelized annual cost allocated to Grid ratepayers related to the cable

Response:

National Grid is not able to perform this calculation at this time because it does not have the requisite data pertaining to Block Island Power that is necessary to answer this data request. Based on the statute, it appears that the following information would be required to estimate the allocation of the estimated cable cost between Block Island Power and National Grid: the annual and average peak demands of the Block Island Power Company, the rates by rate class from Block Island Power, and typical bills by rate class.

Commission Data Request 1-5

Request:

The Toray intervention request claims that Toray's 1<sup>st</sup> year cost associated with the project would be approximately \$287,000 and that over the 20 year contract term Toray would pay roughly \$7.4 million of the project cost.

- a. Based on Grid's historic billings to Toray, does Grid believe that Toray's calculations are reasonable?
- b. If not, what is the estimated 1<sup>st</sup> year cost and 20 year cost to Toray? (Please include separately both PPA and transmission costs)

Response:

It is not possible to estimate the long term bill impacts to any particular customer with a reasonable degree of confidence. In fact, we believe such an analysis can be misleading. There are numerous factors that will affect the calculation of the expected charges that cannot be predicted with accuracy. For example, the calculation of the above market cost of the PPA is dependent upon the current forecast of the market prices of energy, capacity and RECs. Should this forecast ultimately prove to be incorrect, the calculation of above market costs could change significantly. In turn, the estimated kilowatt-hour rate used to recover the costs depends upon the forecast of deliveries to all customers in each year. In addition, the total expected cost of the PPA is based upon a projection of the annual Deepwater facility output. Actual production in any year may vary from this projection. It is also not possible to calculate the expected cost to National Grid's customers of the transmission cable at this time as explained in the Company's response to Commission Data Request 1-3. Finally, the Company cannot project the kWh requirements of individual customers and, therefore, cannot calculate the expected cost to those customers over a 20-year period.

However, based on a rate of \$0.00263 per kWh, the Company has calculated an estimated cost for 2013 based on Toray's usage for the period July 2009 through June 2010 of \$304,732.<sup>1</sup> If, hypothetically, the Company delivered to Toray exactly the same amount of kilowatt-hours every year for twenty years and, utilizing the same assumptions and forecast of the market prices

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<sup>1</sup> Without account numbers or other specific information related to individual accounts, the Company cannot positively identify all accounts associated with a particular customer. However, the Company has identified six separate accounts that appear to belong to Toray.

Commission Data Request 1-5 (continued)

of energy, capacity and RECs contained in the Company's filing in Docket No. 4111, the total nominal calculated amount is approximately \$7.3 million.

Attachment 1 provides the calculation of the estimated first year bill impact. It also shows the 20-year calculation. The cost of the PPA and the transmission cable are shown separately. Please note that the cost of the transmission cable in this analysis is based upon the costs shown on Attachment 2 of Commission Data Request 2-6 in Docket No. 4111 and does not reflect an allocation of the cost of the cable to customers of Block Island Power.

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



Estimated Bill Impacts - Toray

Section 1. Estimated Impact for 2013

Rate Class	Account 1 B-32	Account 2 C-06	Account 3 C-06	Account 4 G-02	Account 5 G-02	Account 6 G-32	Total	PPA 2013 (1)	Expected Cost	Transmission Charge (2)	Expected Transmission Charges	Total Expected Cost
Month												
Jun-10	9,954,564	1,400	1,705	1,800	9,700	666,459	10,635,628	\$0.00161	\$17,837	\$0.00102	\$11,300	\$29,137
May-10	7,927,198	1,600	2,245	3,600	6,000	650,588	8,591,231	\$0.00161	\$14,408	\$0.00102	\$9,128	\$23,536
Apr-10	8,152,475	1,600	3,703	7,200	5,500	647,105	8,817,583	\$0.00161	\$14,788	\$0.00102	\$9,369	\$24,157
Mar-10	7,311,661	2,500	4,627	9,800	7,100	583,039	7,918,727	\$0.00161	\$13,280	\$0.00102	\$8,414	\$21,694
Feb-10	8,125,882	2,800	5,627	13,000	8,500	639,994	8,795,803	\$0.00161	\$14,751	\$0.00102	\$9,346	\$24,097
Jan-10	8,262,993	3,800	7,010	13,200	10,500	630,146	8,927,649	\$0.00161	\$14,972	\$0.00102	\$9,486	\$24,458
Dec-09	8,237,334	3,100	4,976	9,400	8,000	639,137	8,901,947	\$0.00161	\$14,929	\$0.00102	\$9,458	\$24,388
Nov-09	9,684,096	1,900	3,527	6,200	6,500	623,038	10,325,261	\$0.00161	\$17,316	\$0.00102	\$10,971	\$28,287
Oct-09	8,598,196	1,600	2,432	3,400	7,100	619,763	9,232,491	\$0.00161	\$15,484	\$0.00102	\$9,810	\$25,293
Sep-09	9,197,694	1,300	2,161	2,000	10,100	712,037	9,925,292	\$0.00161	\$16,646	\$0.00102	\$10,546	\$27,191
Aug-09	8,892,793	1,400	2,067	2,000	13,800	670,538	9,582,598	\$0.00161	\$16,071	\$0.00102	\$10,182	\$26,252
Jul-09	8,885,183	1,900	1,912	1,800	10,100	677,804	9,578,699	\$0.00161	\$16,064	\$0.00102	\$10,177	\$26,242
	103,230,069	24,900	41,992	73,400	102,900	7,759,648	111,232,909		\$186,547		\$118,185	\$304,732

Section 2. Estimated 20 Year Calculation

Year	PPA 2013	Expected Cost	Transmission Charge	Expected Transmission Charges	Total Expected Cost
2013	\$0.00161	\$186,547	\$0.00102	\$118,185	\$304,732
2014	\$0.00178	\$206,244	\$0.00098	\$113,550	\$319,795
2015	\$0.00178	\$206,244	\$0.00094	\$108,916	\$315,160
2016	\$0.00174	\$201,610	\$0.00089	\$103,122	\$304,732
2017	\$0.00177	\$205,086	\$0.00085	\$98,487	\$303,573
2018	\$0.00181	\$209,720	\$0.00081	\$93,853	\$303,573
2019	\$0.00186	\$215,514	\$0.00077	\$89,218	\$304,732
2020	\$0.00193	\$223,624	\$0.00073	\$84,583	\$308,208
2021	\$0.00208	\$241,005	\$0.00069	\$79,949	\$320,953
2022	\$0.00221	\$256,067	\$0.00065	\$75,314	\$331,381
2023	\$0.00238	\$275,765	\$0.00061	\$70,679	\$346,444
2024	\$0.00258	\$298,938	\$0.00057	\$66,045	\$364,983
2025	\$0.00281	\$325,588	\$0.00053	\$61,410	\$386,998
2026	\$0.00300	\$347,603	\$0.00049	\$56,775	\$404,378
2027	\$0.00313	\$362,666	\$0.00046	\$53,299	\$415,965
2028	\$0.00326	\$377,728	\$0.00042	\$48,664	\$426,393
2029	\$0.00339	\$392,791	\$0.00038	\$44,030	\$436,821
2030	\$0.00354	\$410,171	\$0.00034	\$39,395	\$449,566
2031	\$0.00369	\$427,551	\$0.00030	\$34,760	\$462,312
2032	\$0.00385	\$446,090	\$0.00013	\$15,063	\$461,153
					\$7,271,851

(1) Source of above market cost: Exhibit 9, Milhouse Testimony, Docket No. 4111

(2) Source of transmission cable cost: Attachment 2, Commission Data Request 2-6, Docket No. 4111

Commission Data Request 1-6

Request:

The Polytop intervention request claims that Polytop's 1<sup>st</sup> year cost associated with the project would be approximately \$42,000 and that over the 20 year contract term Polytop would pay roughly \$880,000 of the project cost.

- a. Based on Grid's historic billings to Polytop, does Grid believe that Polytop's calculations are reasonable?
- b. If not, what is the estimated 1<sup>st</sup> year cost and 20 year cost to Polytop? (Please include separately both PPA and transmission costs)

Response:

It is not possible to estimate the long term bill impacts to any particular customer with a reasonable degree of confidence. In fact, we believe such an analysis can be misleading. There are numerous factors that will affect the calculation of the expected charges that cannot be predicted with accuracy. For example, the calculation of the above market cost of the PPA is dependent upon the current forecast of the market prices of energy, capacity and RECs. Should this forecast ultimately prove to be incorrect, the calculation of above market costs could change significantly. In turn, the estimated kilowatt-hour rate used to recover the costs depends upon the forecast of deliveries to all customers in each year. In addition, the total expected cost of the PPA is based upon a projection of the annual Deepwater facility output. Actual production in any year may vary from this projection. It is also not possible to calculate the expected cost to National Grid's customers of the transmission cable at this time as explained in the Company's response to Commission Data Request 1-3. Finally, the Company cannot project the kWh requirements of individual customers and, therefore, cannot calculate the expected cost to those customers over a 20-year period.

However, based on a rate of \$0.00263 per kWh, the Company has calculated an estimated cost for 2013 based on Polytop's usage for the period July 2009 through June 2010 of \$46,000.<sup>1</sup> If, hypothetically, the Company delivered to Polytop exactly the same amount of kilowatt-hours every year for twenty years and, utilizing the same assumptions and forecast of the market prices

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<sup>1</sup> Without account numbers or other specific information related to individual accounts, the Company cannot positively identify all accounts associated with a particular customer. However, the Company has identified five separate accounts that appear to belong to Polytop.

Commission Data Request 1-6 (continued)

of energy, capacity and RECs contained in the Company's filing in Docket No. 4111, the total nominal calculated amount is approximately \$1.1 million.

Attachment 1 provides the calculation of the estimated first year bill impact. It also shows the 20-year calculation. The cost of the PPA and the transmission cable are shown separately. Please note that the cost of the transmission cable in this analysis is based upon the costs shown on Attachment 2 of Commission Data Request 2-6 in Docket No. 4111 and does not reflect an allocation of the cost of the cable to customers of Block Island Power.

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

Estimated Bill Impacts - Polytop

Section 1. Estimated Impact for 2013

Rate Class	Account 1 <u>G-32</u>	Account 2 <u>G-32</u>	Account 3 <u>G-32</u>	Account 4 <u>S-10</u>	Account 5 <u>S-10</u>	Total	PPA 2013 (1)	Expected Cost	Transmission Charge (2)	Expected Transmission Charges	Total Expected Cost
Month											
Jun-10	1,312,417	213,850	42,000	951	373	1,569,591	\$0.00161	\$2,632	\$0.00102	\$1,668	\$4,300
May-10	1,138,835	196,350	28,200	929	365	1,364,679	\$0.00161	\$2,289	\$0.00102	\$1,450	\$3,739
Apr-10	1,119,137	136,150	30,600	1,217	478	1,287,582	\$0.00161	\$2,159	\$0.00102	\$1,368	\$3,527
Mar-10	1,264,086	191,800	39,600	1,290	507	1,497,283	\$0.00161	\$2,511	\$0.00102	\$1,591	\$4,102
Feb-10	1,153,872	182,000	42,000	1,393	547	1,379,812	\$0.00161	\$2,314	\$0.00102	\$1,466	\$3,780
Jan-10	1,100,160	165,200	40,800	1,750	688	1,308,598	\$0.00161	\$2,195	\$0.00102	\$1,390	\$3,585
Dec-09	1,310,226	170,450	73,200	1,643	646	1,556,165	\$0.00161	\$2,610	\$0.00102	\$1,653	\$4,263
Nov-09	2,476,802	116,900		1,413	555	2,595,670	\$0.00161	\$4,353	\$0.00102	\$2,758	\$7,111
Oct-09		145,250	32,400	1,285	505	179,440	\$0.00161	\$301	\$0.00102	\$191	\$492
Sep-09	1,251,117	150,500	34,200	1,282	504	1,437,603	\$0.00161	\$2,411	\$0.00102	\$1,527	\$3,938
Aug-09	1,198,827	201,250	40,200	951	374	1,441,602	\$0.00161	\$2,418	\$0.00102	\$1,532	\$3,949
Jul-09	<u>951,814</u>	<u>185,500</u>	<u>34,200</u>	<u>925</u>	<u>363</u>	<u>1,172,802</u>	\$0.00161	<u>\$1,967</u>	\$0.00102	<u>\$1,246</u>	<u>\$3,213</u>
	14,277,293	2,055,200	437,400	15,029	5,905	16,790,827		\$28,160		\$17,840	\$46,000

Section 2. Estimated 20 Year Calculation

Year	Expected Cost	Transmission Charge	Expected Transmission Charges	Expected Transmission Charges	Total Expected Cost
2013	\$0.00161	\$28,160	\$0.00102	\$17,840	\$46,000
2014	\$0.00178	\$31,133	\$0.00098	\$17,141	\$48,274
2015	\$0.00178	\$31,133	\$0.00094	\$16,441	\$47,574
2016	\$0.00174	\$30,433	\$0.00089	\$15,566	\$46,000
2017	\$0.00177	\$30,958	\$0.00085	\$14,867	\$45,825
2018	\$0.00181	\$31,658	\$0.00081	\$14,167	\$45,825
2019	\$0.00186	\$32,532	\$0.00077	\$13,468	\$46,000
2020	\$0.00193	\$33,757	\$0.00073	\$12,768	\$46,525
2021	\$0.00208	\$36,380	\$0.00069	\$12,068	\$48,449
2022	\$0.00221	\$38,654	\$0.00065	\$11,369	\$50,023
2023	\$0.00238	\$41,627	\$0.00061	\$10,669	\$52,296
2024	\$0.00258	\$45,125	\$0.00057	\$9,970	\$55,095
2025	\$0.00281	\$49,148	\$0.00053	\$9,270	\$58,418
2026	\$0.00300	\$52,471	\$0.00049	\$8,570	\$61,042
2027	\$0.00313	\$54,745	\$0.00046	\$8,046	\$62,791
2028	\$0.00326	\$57,019	\$0.00042	\$7,346	\$64,365
2029	\$0.00339	\$59,293	\$0.00038	\$6,646	\$65,939
2030	\$0.00354	\$61,916	\$0.00034	\$5,947	\$67,863
2031	\$0.00369	\$64,540	\$0.00030	\$5,247	\$69,787
2032	\$0.00385	\$67,338	\$0.00013	\$2,274	\$69,612
					\$1,097,700

(1) Source of above market cost: Exhibit 9, Milhouse Testimony, Docket No. 4111

(2) Source of transmission cable cost: Attachment 2, Commission Data Request 2-6, Docket No. 4111

Commission Data Request 1-7

Request:

Please provide the annual impact of the amended PPA plus the transmission line from Block Island to the mainland for each customer included in EDC's response to Commission Data Request 2-1 in Docket 4111.

Response:

Attachment 1 is a list of the customers included in EDC's response to Commission Data Request 2-1 in Docket No. 4111, along with each customer's annual usage for the period July 2009 through June 2010 and an estimate of the bill impact for 2013. Both annual usage and bill impact estimates have been redacted. A confidential version of this attachment is being provided under separate cover. Please note that without account numbers or account specific information, the Company cannot ensure that all accounts associated with each customer have been included.

Please note that for three customers, we were unable to provide bill impacts because the Company was not able to identify any accounts associated with those customers' names.

REDACTED DOCUMENT

Narragansett Electric Company  
d/b/a National Grid  
R.I.P.U.C. Docket No. 4185  
Attachment COMM 1-7  
Page 1 of 1

<u>Customer</u>	<u>kWh</u>	<u>PPA</u> <u>2013 (1)</u>	<u>Expected</u> <u>Cost</u>	<u>Transmission</u> <u>Charge (2)</u>	<u>Expected</u> <u>Transmission</u> <u>Charges</u>	<u>Total</u> <u>Expected</u> <u>Cost</u>
Lifespan		\$0.00161		\$0.00102		
RI Government		\$0.00161		\$0.00102		
US Government		\$0.00161		\$0.00102		
Care New England		\$0.00161		\$0.00102		
CVS Corp		\$0.00161		\$0.00102		
Citizens Financial Group		\$0.00161		\$0.00102		
Brown University		\$0.00161		\$0.00102		
Stop & Shop Supermaket Co., Inc.		\$0.00161		\$0.00102		
Roman Catholic Diocese of Providence		\$0.00161		\$0.00102		
Bank of America		\$0.00161		\$0.00102		
Rhode Island ARC		\$0.00161		\$0.00102		
University of Rhode Island		\$0.00161		\$0.00102		
Fidelity Investments		\$0.00161		\$0.00102		
General Dynamics Corp.		\$0.00161		\$0.00102		
Wal-Mart		\$0.00161		\$0.00102		
Roman Catholic Diocese		\$0.00161		\$0.00102		
City of Providence		\$0.00161		\$0.00102		
City of Warwick		\$0.00161		\$0.00102		
City of Cranston		\$0.00161		\$0.00102		
Naval Undersea Warfare Center		\$0.00161		\$0.00102		
MetLife		\$0.00161		\$0.00102		

Note: Company was unable to identify accounts related to three customers

(1) Source of above market cost: Exhibit 9, Milhouse Testimony, Docket No. 4111

(2) Source of transmission cable cost: Attachment 2, Commission Data Request 2-6, Docket No. 4111

Toray America & Polytop Corp. Data Request 1-1

Request:

Please separately provide the annual impact (showing the monthly cost) and life of the contract impact of the amended PPA (plus the transmission line from Block Island to the mainland) for Toray Plastics (America), Inc. (Toray) and Polytop Corporation (Polytop), to include all meters associated with Toray and Polytop.

Response:

Please see the Company responses to Commission Data Request 1-5 and 1-6.

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

Toray America & Polytop Corp. Data Request 1-2

Request:

(a) Do you concede that the first year impact on distribution rates to Toray will be approximately \$287,000 and that over the 20-year term of the contract the impact on Toray's distribution rates will be approximately \$7.4 million? If not, please explain why you do not concede this impact and your understanding of what the impact will be on an annual basis and over the life of the contract.

(b) Do you concede that the first year impact on distribution rates to Polytop will be approximately \$42,000 and that over the 20-year term of the contract the impact on Toray and Polytop's distribution rates will be approximately \$880,000? If not, please explain why you do not concede this impact and your understanding of what the impact will be on an annual basis and over the life of the contract.

Response:

National Grid objects to the form of the question. Without waiving that objection, the Company responds as follows:

(a) No. The Company can only make an estimate based on the forecast of market prices of the products that will be purchased from Deepwater and estimates of Deepwater production each year. Please see the Company's response to Commission Data Request 1-5 for further discussion of the estimated bill impact to Toray. The Company has estimated an impact in 2013 based on the forecasts to be approximately \$304,732.

(b) No. The Company can only make an estimate based on the forecast of market prices of the products that will be purchased from Deepwater and estimates of Deepwater production each year. Please see the Company's response to Commission Data Request 1-6 for further discussion of the estimated bill impact to Polytop. The Company has estimated an impact in 2013 based on the forecasts to be approximately \$46,000.



Toray America & Polytop Corp. Data Request 1-3

Request:

Do you concede that for the additional dollars which would be paid by Toray and Polytop if the PPA is approved that the Toray and Polytop will receive the exact same distribution services from National Grid that they are currently receiving and that the payment of the additional sums through distribution rates will result in no additional distribution service benefits of any kind to Toray and Polytop or other similarly situated companies? If you do not so concede, please explain why.

Response:

National Grid objects to the form of the question. Without waiving that objection, the Company responds as follows:

The above market costs of the power purchase agreement and the allocated transmission costs will be spread to all distribution customers of National Grid as a matter of public policy set forth in Chapter 26.1 of Title 39. Distribution service to National Grid's customers is unaffected by the power purchase agreement and transmission project.

Toray America & Polytop Corp. Data Request 1-4

Request:

Do you concede that the impact on Toray and Polytop and other similarly situated companies will not be reflected in the energy charge for electricity used by Toray and Polytop or other similarly situated companies, but will be charged to Toray and Polytop and all other similarly situated companies through a uniform fully reconciling annual factor in distribution rates subject to review and approval of the Commission as provided by R.I.G.L. § 39-26.1-5(f)? If you do not so concede, please explain why.

Response:

National Grid objects to the form of the question. Without waiving that objection, the Company responds as follows:

Section 39-26.1-5(f) specifies that the costs will be recovered “through a uniform fully reconciling annual factor in distribution rates, subject to review and approval of the commission.” National Grid has interpreted this to mean that the costs would be recovered through a uniform per kilowatt-hour charge.

Toray America & Polytop Corp. Data Request 1-5

Request:

Do you concede that National Grid will be entitled to financial remunerations and incentives in the form of annual compensation equal to 2.75% of the actual annual payments made under the PPA as provided in R.I.G.L. § 36-26.1-4? If you do not so concede, please explain why.

Response:

National Grid objects to the form of the question. Without waiving that objection, the Company responds as follows:

Section 36-26.1-4 specifies that “financial remuneration and incentives shall be in the form of annual compensation, equal to two and three quarters percent (2.75%) of the actual annual payments made under the contracts for those projects that are commercially operating.”