

June 13, 2011

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4227**  
**2012 Standard Offer Service Procurement Plan**  
**2012 Renewable Energy Standard Procurement Plan**  
**Responses to Commission Data Requests – Set 2**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's<sup>1</sup> responses to the Commission's Second Set of Data Requests issued in the above-captioned proceedings.

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: Leo Wold, Esq.  
Steve Scialabba, Division

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<sup>1</sup> The 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 transmitted and sent via U.S. Mail to the individuals listed below. Copies of this filing were hand delivered to the RI Public Utilities Commission.



June 13, 2011

### Docket No. 4227 National Grid – 2012 SOS and RES Procurement Plans Service List updated 4/1/11

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Commission 2-1

Request:

Why did the Company remove a collusion clause from the SOS RFP Notice (Paragraph 9- General Requirements) and the RES RFP Notice (Paragraph 6- General Requirements)?

Response:

The Company proposed removing this language out of concern that it could have the unintended effect of preventing legitimate communications between suppliers. In the situation where a supplier does not own sufficient generation, that supplier must contact companies in order to develop its bid, which would include the cost of underlying physical or financial hedges. The supplier typically solicits pricing and quantities, which are then held until the final bid date. These potential hedging transactions would be dependent upon the supplier being awarded a contract through the RFP. Potential bidders might conclude that this language would prohibit those communications between them and other companies, which would not be the Company's intent. For example, recently a supplier removed itself from an RFP after its legal team determined that it could not comply with this language. However, if the Commission prefers, the Company does not object to retaining this language in the RFP documents. Additionally, please see the rebuttal testimony of Margaret M. Janzen at pages 4 and 5.

Commission 2-2

Request:

Why did the Company remove from the SOS RFP Summary (Paragraph 3- Contract Submissions) language confirming that the Master Power Agreement does not shift risks or obligations to National Grid customers?

Response:

National Grid was attempting to reflect the fact that the Company requires all bidders to have executed Master Power Agreements prior to final bids, and thus there are no outstanding issues regarding the contract terms at the time of bids.

However, to provide clarity National Grid agrees that it will reinsert the language indicating that the agreements did not shift risks or obligations to customers. Thus the language would read as follows:

“National Grid was able to resolve all outstanding issues with the bidders prior to receipt of bids and executed agreements that did not shift risks or obligations to its customers from those contained in its proposed agreements.”