

December 9, 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 4**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's<sup>1</sup> responses to the Commission's Fourth 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

---

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

Commission 4-1

Request:

Referencing Attachment 1, page 4, of the 66.71% of the Commercial Group kWh attributed to standard offer service, please provide the percentage of customers in each of the rate groups.

Response:

Please see Line 2 of Attachment 1 to this data response for the percentage of customers in the Commercial Group receiving Standard Offer Service, by rate class.

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

The Narragansett Electric Company  
Commercial Group Number of Customers and kWhs - October 2011

Line No.	Rate Class	<u>C06</u>	<u>G02</u>	<u>S10</u>	<u>S14</u>	<u>Total</u>
1	Number of Commercial Group Customers Receiving SOS	42,785	6,147	2,353	213	51,498
2	Distribution of SOS Customers Across Rate Classes	83%	12%	5%	0%	100%
3	Total Number of Customers in the Commercial Group	48,655	8,479	2,676	378	60,188
4	Percentage of Customers in Each Rate Class Receiving SOS	87.9%	72.5%	87.9%	56.3%	85.6%
	Rate Class	<u>C06</u>	<u>G02</u>	<u>S10</u>	<u>S14</u>	<u>Total</u>
5	SOS kWhs - Commercial Group	37,571,752	67,604,183	647,276	657,763	106,480,974
6	Total kWhs - Commercial Group	44,502,980	109,555,439	777,976	4,788,320	159,624,715
7	Percentage of SOS kWhs to Total kWhs, by Rate Class - Commercial Group	84.4%	61.7%	83.2%	13.7%	66.7%

Line Descriptions

- 1 per Company records
- 2 Line 1 ÷ Line 1 Total Column
- 3 per Company records
- 4 Line 1 ÷ Line 3
- 5 per Company records
- 6 per Company records
- 7 Line 5 ÷ Line 6

Commission 4-2

Request:

How many customers are in the Small Commercial Group?

Response:

Please see Attachment 1 to Comm 4-1, page 1, line 3 for the number of customers in the Commercial Group as of October 2011.

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

Commission 4-3

Request:

Of the number of customers in the Small Commercial Group, how many are in the C-06 rate class?

Response:

Please see Attachment 1 to Comm 4-1, page 1, line 3 for the number of customers by rate class in the Commercial Group as of October 2011.

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

Commission 4-4

Request:

What percentage of the C-06 rate class has chosen to take Standard Offer Service through the variable rate?

Response:

Only one customer has chosen to take Standard Offer Service through the variable rate.

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

Commission 4-5

Request:

Please explain how National Grid calculated the pricing and retail rate for the 10% spot market purchases.

Response:

National Grid calculated the wholesale spot market prices for the period January 2012 through June 2012 by utilizing the On-Peak and Off-Peak ISO New England Internal Hub prices as a proxy for power costs, the Forward Capacity Market as a proxy for capacity costs, and an estimate of ancillary services costs. The wholesale rates for spot market purchases were then blended with the wholesale winning bids for the Residential and Commercial Groups. These blended wholesale rates were increased by the applicable loss factors for each customer group to calculate the Standard Offer Service Bases Prices. The Standard Offer Service Administrative Cost Factor and the Standard Offer Adjustment Factor are added to the Base Prices to calculate each customer group's retail rates.

National Grid utilized this same methodology in the calculation of retail rates for the periods starting January 2010, October 2010, and April 2011.

Prepared by or under the supervision of: Jeanne A. Lloyd and Margaret M. Janzen

Commission 4-6

Request:

Referencing Attachment 5, please explain why the total number of bids received in response to the procurement is considered confidential.

Response:

The number of participating suppliers is considered confidential because the release of this information may negatively impact the competitive solicitation process and result in higher bid prices in future requests for bids. If this information were publicly available, suppliers may be able to estimate the number of potential bidders in upcoming solicitations. If a supplier could anticipate low participation in a particular solicitation, that supplier may not be incented to provide its lowest possible bid prices because it would perceive less competition. However, if the supplier cannot anticipate the number of potential bidders in a particular solicitation, the supplier is more likely to provide its best bid prices which would result in lower customer retail rates.

The confidential treatment of the number of bidders is consistent with National Grid's energy procurement policy in its other jurisdictions.

Prepared by or under the supervision of: Margaret M. Janzen

Commission 4-7

Request:

Referencing Attachment 5, where the bidders' identities are concealed by the assignment of a letter, why is the letter confidential.

Response:

The letter designations for supplier identities in Attachment 5 are confidential because the letters would be an indication of the number of suppliers that had participated in the competitive solicitations. For example, Bidder 'F' would indicate that at least six suppliers submitted bids in the solicitation. Per the response to Commission Data Request 4-6, National Grid believes that confidential treatment of the number of bidders results in more competitive pricing, and therefore lower customer rates.

Prepared by or under the supervision of: Margaret M. Janzen