

October 12, 2011

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4268 - Tariff Advice Filing for Approval of Net Metering Provision and to Amend R.I.P.U.C. No. 2035, Qualifying Facilities Power Purchase Rate
Response to Division Data Request 3-1**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's¹ response to Division Data Request 3-1 issued on September 19, 2011, concerning the above-captioned proceeding.

Please be advised that the Company's response to Division Data Request 3-2 will be forthcoming.

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

Enclosures

cc: Docket 4268 Service List
Jon Hagopian, Esq.
Steve Scialabba

¹ 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 has been electronically transmitted, sent via U.S. mail or hand-delivered to the individuals listed below.



Joanne M. Scanlon

October 12, 2011
Date

Docket No. 4268– National Grid Electric – Tariff Advice Filing for Approval of Net Metering Provision and to Amend R.I.P.U.C. No. 2035, QF Power Purchase Rate - Service List as of 8/15/11

Name/Address	E-mail	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	
Jon Hagopian, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	Jhagopian@riag.ri.gov	401-222-2424 401-222-3016
	Sscialabba@ripuc.state.ri.us	
	Dstearns@ripuc.state.ri.us	
	Acontente@ripuc.state.ri.us	
	mcorey@riag.ri.gov	
	dmacrae@riag.ri.gov	
File an original & 10 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Lmassaro@puc.state.ri.us	401-780-2107 401-941-1691
	Cwilson@puc.state.ri.us	
	Adalessandro@puc.state.ri.us	
	Anault@puc.state.ri.us	
	Dshah@puc.state.ri.us	
	Nucci@puc.state.ri.us	

Division 3-1

Request:

In response to Div 1-6(c), National Grid indicated that it recovers the standard offer, transmission, and transition portions of the net metering credits through the respective reconciliation mechanisms, but only the distribution portion of the net metering credit is recovered through a surcharge to all customers. As a result of this cost recovery treatment, is it accurate that only standard offer customers, rather than all (distribution) customers, pick up the net costs associated with the supply component of net metering credits?

Response:

The Standard Offer Service (“SOS”) portion of renewable generation credits is recovered through the SOS reconciliation. However, payments received from ISO-NE for excess energy purchased from net metered facilities are also credited to the SOS reconciliation. Therefore, SOS customers only pay the difference between the total amount of credits paid to net metered customers and payments received from ISO-NE. For example, since January 2010, the Company has paid approximately \$380,000 in SOS related renewable generation credits and has received approximately \$282,000 in payments from ISO-NE for the excess generation sold into the market for a net collection from SOS customers of \$98,000.

Prepared by or under the supervision of: Jeanne Lloyd