

February 8, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4271 - The Narragansett Electric Company, d/b/a National Grid
Tariff Advice Filing to Amend R.I.P.U.C. NG-GAS No. 101
To (Modify/Eliminate) Natural Gas Vehicle Service (Rate 70)
Responses to Division Data Requests – Set 1**

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's¹ responses to the Division's First Set of Data Requests concerning the above-captioned proceeding.

The Company is enclosing responses to the following data requests: Division 1-1, Division 1-5, Division 1-6, Division 1-7, and Division 1-8. Responses to Division 1-2, Division 1-3, and Division 1-4 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: Leo Wold, Esq.
Steve Scialabba

¹ The Narragansett Electric Company d/b/a National Grid (hereinafter referred to as "National Grid" or the "Company")

Division 1-1

Request:

Referring to the NGV Tariff Advice Filing, cover letter, page 2, please describe the “possible regulatory issues of a sale of land” avoided by the Agreement with Clean Energy.

Response:

The parties were not able to address a sale of properties since the Agreement with Clean Energy also applied to NGV locations in other jurisdictions where National Grid was not the property owner (see for example Attachment 1, page 12 of the Tariff Advise Filing of August 3, 2011) and the sale of land was not viable option for the parties. The reference to “possible regulatory issues” relates to potential issues of market valuation that would be associated with the sale of the land for the two Natural Gas Vehicle (NGV) locations in Rhode Island.

Prepared by or under the supervision of: John F. Nestor, III

Division 1-5

Request:

What are the annual expenses incurred by National Grid associated with the facilities leased to Clean Energy?

Response:

Under the Master Services Agreement (“MSA”) with Clean Energy provided in the tariff advise filing on August 3, 2011, National Grid is responsible for all taxes (including, without limitation, any real property taxes and assessments) relating to the premises, as well as any and all maintenance and repair costs to maintain the premises and the real property in the vicinity of the stations in a clean, safe, and commercially reasonable condition suitable for CNG vehicle access and use, including the ingress to, and egress from, the stations. Also, National Grid is responsible for payment of utility service charges for water, waste disposal, refuse collection and maintenance of the Premises, exclusive of electric and gas service. Because these stations are located on National Grid facility properties the Company’s costs are not specific to the station but rather are inclusive of the entire National Grid facility.

Additionally, National Grid utilizes the facilities to fuel its own NGV fleet. Under Exhibit II of the MSA, National Grid is required to pay Clean Energy a compression fee of \$.65 per GGE up to 30,000 Gasoline Gallon Equivalent (“GGE”), \$.625 per GGE for monthly cumulative volumes between 30,000 and 50,000 GGE, and \$.575 per GGE above 50,001 GGE.

Prepared by or under the supervision of: John Gilbrook

Division 1-6

Request:

What are annual lease payments from Clean Energy to National Grid for the NGV facilities?

Response:

The only payments paid from Clean Energy Fuels to National Grid are royalty payments pursuant to Article 6 section 6.2 of the MSA. Those payments are based on a per-Gasoline Gallon Equivalent (“GGE”) sold to third party users at the stations’ public dispensers. The fee to be paid is \$.075 per GGE for the first cumulative 30,000 GGE per month and \$.03 per GGE for the cumulative volume exceeding 30,000 GGE per month.

Prepared by or under the supervision of: John Gilbrook

Division 1-7

Request:

What is the regulatory treatment of the costs and revenues for the NGV facilities leased to Clean Energy?

Response:

Natural gas is provided to Clean Energy at the appropriate tariff rates. See the Company’s response to Division 1-8. With respect to costs, see the Company’s response to Division 1-5.

Prepared by or under the supervision of: John Gilbrook and John F. Nestor, III.

Division 1-8

Request:

Will National Grid continue to provide the natural gas to the NGV facilities being leased to Clean Energy? If so, how will that natural gas be priced, and how will the cost of gas be treated for regulatory purposes?

Response:

National Grid is and will continue to provide natural gas at the appropriate tariff rates to the two NGV locations in Rhode Island being leased to Clean Energy. Currently, the gas provided at the Cumberland NGV location is charged at the C&I Medium Sales tariff rate and the gas provided at the Providence NGV location is charged at the C&I Extra large High Load tariff rate.

Prepared by or under the supervision of: John Nestor, III