

December 4, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

Re: Docket 4371 - Long-Term Contracting for Renewable Energy Recovery Factor Responses to Commission Data Requests – Set 1

Dear Ms. Massaro:

Enclosed are National Grid's¹ responses to the Commission's First Set of Data Requests concerning the above-referenced proceeding.

Thank you for your attention to this filing. Please feel free to contact me if you have any questions concerning this matter at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson, Esq.

Enclosures

cc: Docket 4371 Service List
Steve Scialabba, Division
Leo Wold, Esq.

¹ The Narragansett Electric Company d/b/a National Grid.

Commission 1-1

Request:

Please indicate the dates when National Grid expects the three (3) other renewable energy projects and the several distributed generation projects referenced in the cover letter to achieve commercial operation.

Response:

See Attachment COMM 2-1.

Prepared by or under the supervision of: Corinne M. Abrams

Commission 1-2

Request:

Please provide a preliminary estimate of the above-market costs the Company expects to incur for the period July 1, 2013 through December 31, 2013.

Response:

The preliminary estimate of the above-market cost expected to be incurred during the period July 1, 2013 through December 31, 2013 is approximately \$1.5 million. This estimate is based upon the generation of all units expected to be commercially operational by July 1, 2013. The detailed calculation is attached as Attachment COMM 1-2.

Please note that the unit capacity for PPA-1 indicated in Attachment 1, page 2 of 2, column (a) of the Company's November 16, 2012 tariff advice filing is 27.3 MW. The correct capacity value for PPA-1 is 32 MW (as shown in Attachment COMM 1-2, column (a) for PPA-1). Inserting the correct capacity value into the calculation of the estimated above market costs for the period January 2013 through June 2013 would result in a slightly higher LTCRER factor. However, the Company does not intend to revise its proposed LTCRER Factor of 0.016¢ per kWh at this time.

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

Long-Term Contracting for Renewable Energy Recovery
Estimated Contract Cost and Market Value
For the Period July 1, 2013 through December 31, 2013

Section 1: Estimated Six-Month Contract Cost

Unit	Unit Capacity (MW) (a)	Unit Availability Factor (b)	Total Estimated Six- Month Output (MWh) (c)	Contract Price (\$ per MWh) (d)	Estimated Six- Month Contract Cost (e)
PPA-1	32.089	85.0%	119,467	\$119.80	\$14,312,188
PPA-2	1.5	24.0%	1,577	\$133.50	\$210,503
PPA-3	2.34	14.0%	1,435	\$236.99	\$340,054
PPA-4	0.499	14.0%	306	\$316.00	\$96,692
PPA-5	0.181	14.0%	111	\$316.00	\$35,073
PPA-6	0.498	14.0%	305	\$316.00	\$96,498
PPA-7	0.5	14.0%	307	\$316.00	\$96,886
PPA-8	1	14.0%	613	\$265.00	\$162,498
PPA-9	2	14.0%	1,226	\$275.00	\$337,260
PPA-10	0.149	14.0%	91	\$333.50	\$30,471
PPA-11	0.5	14.0%	307	\$316.00	\$96,886
PPA-12	0.3	14.0%	184	\$316.00	<u>\$58,131</u>
				Total	\$15,873,139

Section 2: Estimated Market Value

Class	Estimated MWh Purchased Under Contracts (f)	Market Energy Proxy (g)	Energy Market Value (h)	REC Proxy (i)	REC Market Value (j)	Capacity (k)	Total Market Value (l)
PPA-1	119,467	\$47.42	\$5,665,142	\$62	\$7,406,976	\$598,848	\$13,670,966
PPA-2	1,577	\$47.42	\$74,772	\$62	\$97,762	0	\$172,534
PPA-3	1,435	\$47.42	\$68,042	\$62	\$88,963	0	\$157,005
PPA-4	306	\$47.42	\$14,510	\$62	\$18,971	0	\$33,481
PPA-5	111	\$47.42	\$5,263	\$62	\$6,881	0	\$12,144
PPA-6	305	\$47.42	\$14,481	\$62	\$18,933	0	\$33,414
PPA-7	307	\$47.42	\$14,539	\$62	\$19,009	0	\$33,548
PPA-8	613	\$47.42	\$29,078	\$62	\$38,018	0	\$67,096
PPA-9	1,226	\$47.42	\$58,156	\$62	\$76,037	0	\$134,193
PPA-10	91	\$47.42	\$4,333	\$62	\$5,665	0	\$9,998
PPA-11	307	\$47.42	\$14,539	\$62	\$19,009	0	\$33,548
PPA-12	184	\$47.42	\$8,723	\$62	\$11,406	0	<u>\$20,129</u>
						Total	\$14,378,056

Section 3: Estimated Above Market Cost

Estimated Above Market Cost - All PPAs	Estimated Above Market Cost (m) <u>\$1,495,083</u>
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Column Descriptions:

- (a) Based on contracts executed to date w/ expected commercial operation dates prior to July 1, 2013
- (b) estimated
- (c) column (a) x column (b) x (8,760 ÷ 2) hours
- (d) per PPA
- (e) column (c) x column (d)
- (f) per column (c)
- (g) Estimated average spot market price for the period July through Dec 2013 (excluding capacity component)
- (h) column (f) x column (g)
- (i) REC price estimate based on most recent market information
- (j) column (f) x column (i)
- (k) Expected capacity revenue from ISO-NE
- (l) column (h) + column (j) + column (k)
- (m) column (e) - column (l)

Commission 1-3

Request:

Please provide the most recent estimate for the Town of New Shoreham Project to achieve commercial operation.

Response:

The expected Commercial Operation Date for Deepwater Wind is currently the fourth quarter of 2014.

Prepared by or under the supervision of: Corinne M. Abrams

Commission 1-4

Request:

Please provide an updated projection of the above-market premium of the pricing included in the Amended Power Purchase Agreement (“Amended PPA”) approved by the Commission in Order No. 20095 (issued August 11, 2011) based upon the 2011 forecast published by Synapse.

Response:

National Grid has prepared an updated projection of above market costs using the 2011 forecast published by Synapse, as requested, but believes that using an updated ESAI forecast is more appropriate in this instance, as explained below and as further explained in the Company’s response to Commission Data Request 1-4 issued on November 17, 2011 and submitted by the Company on December 15, 2011, as revised and supplemented on January 26, 2012. A copy of that response and the supplemental response are attached as Attachment COMM 1-4 in this docket.

The 2011 forecast published by Synapse is included in the “Avoided Energy Supply Costs in New England” report, amended August 11, 2011. Page 1-1 of the report states the following:

It is important to note that the projections in AESC 2011 should not be interpreted as projections of or proxies for the market prices of natural gas, electricity, or other fuels at any future point in time, for the following two reasons. First, the projections of electric capacity and energy prices are for a hypothetical future and thus do not reflect the actual market conditions and prices likely to prevail in an actual future with significant amounts of new efficiency measures. Second, the Study is providing projections of the avoided costs of these fuels in the long-term. The actual market prices of those fuels at any future point in time will vary above and below their long-run avoided costs due to the various factors that affect short-term market prices at any point in time.

Implicit in this description is an indication that this Synapse forecast is not an appropriate indicator of market price.

The table below has been updated from the table provided in Attachment COMM 1-4. Similar to that table, the table below includes estimates of the above market cost over the 20-year contract term on an NPV basis (7% discount rate), as well as the additional entries based on the most recent ESAI market price forecast of August 2012, which was developed for the 2012 competitive solicitation under the Long-Term Contracting Standard. Estimates were developed using two different forms of the ESAI energy forecast, a load weighted 7 X 24 annual price, and

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monthly peak/off-peak prices. Attachment COMM 1-4 provides an explanation for the differences in the forecasts, which also apply to the updated table below.

Please note that these estimates in the updated table below contain updated assumptions from those previously used in Attachment COMM 1-4 to reflect certain changes in the project. Specifically, the Company has updated the analysis for a 30 MW nameplate rating (previously a 28.8 MW nameplate rating) and an estimated Commercial Operation Date of October 1, 2014 (previously November 2012).

Estimates of Above Market Cost for 20-year PPA (\$Million)
Deepwater Wind Block Island

	ESAI Aug-2012		Synapse Aug-2011	
	Annual (7x24)	Monthly Peak/Off-peak	Annual (7x24)	Seasonal Peak/Off-peak
Total over Contract Term (Nominal)	\$432	\$424	\$439	\$444
NPV @ 7% over contract term	\$194	\$191	\$215	\$217

YEAR	ESAI Aug-2012		Synapse Aug-2011	
	Annual (7x24)	Monthly Peak/Off-peak	Annual (7x24)	Seasonal Peak/Off-peak
2014	\$ 3,076,618	\$ 3,576,994	\$ 3,660,861	\$ 2,629,598
2015	\$ 13,854,508	\$ 13,541,636	\$ 16,014,101	\$ 16,298,199
2016	\$ 13,784,781	\$ 13,422,559	\$ 16,731,073	\$ 17,064,563
2017	\$ 14,436,729	\$ 14,109,231	\$ 17,364,060	\$ 17,677,517
2018	\$ 15,060,266	\$ 14,747,443	\$ 19,110,584	\$ 19,450,826
2019	\$ 15,445,987	\$ 15,117,270	\$ 21,043,285	\$ 21,401,651
2020	\$ 15,689,108	\$ 15,346,293	\$ 21,852,203	\$ 22,151,412
2021	\$ 16,097,069	\$ 15,725,807	\$ 23,016,897	\$ 23,329,629
2022	\$ 16,433,909	\$ 16,036,174	\$ 23,215,938	\$ 23,524,619
2023	\$ 18,327,568	\$ 17,933,669	\$ 23,261,775	\$ 23,557,413
2024	\$ 20,357,412	\$ 19,955,228	\$ 23,954,755	\$ 24,259,379
2025	\$ 22,481,906	\$ 22,071,839	\$ 25,251,213	\$ 25,573,672
2026	\$ 23,747,064	\$ 23,328,374	\$ 26,658,861	\$ 26,985,019

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2027	\$ 25,054,230	\$ 24,627,128	\$ 27,488,396	\$ 27,832,828
2028	\$ 26,115,981	\$ 25,680,581	\$ 28,342,188	\$ 28,693,034
2029	\$ 27,188,501	\$ 26,743,765	\$ 29,215,006	\$ 29,591,494
2030	\$ 28,302,013	\$ 27,847,851	\$ 30,107,407	\$ 30,509,444
2031	\$ 29,458,144	\$ 28,994,359	\$ 31,112,822	\$ 31,516,735
2032	\$ 30,657,524	\$ 30,184,860	\$ 32,043,189	\$ 32,480,718
2033	\$ 31,903,997	\$ 31,420,987	\$ 32,994,517	\$ 33,437,018
2034	\$ 24,421,130	\$ 23,768,811	\$ 25,023,570	\$ 27,792,721
Total (Nominal)	\$ 431,894,445	\$ 424,180,860	\$ 439,444,614	\$ 444,527,751
NPV 7%	\$ 193,862,315	\$ 190,507,895	\$ 215,499,123	\$ 217,642,019

Due to many factors in the analysis, it is important to make comparisons on a Net Present Value basis. These factors include long-term market forecast information, escalating prices, expected production, and the 20-year contract life. A wind project's production profile is not only intermittent throughout the year, but annual output also varies over the contract term. In order to accurately measure these varying factors over a long period of time, it is customary to bring the Nominal Value into a Net Present Value.

Prepared by or under the supervision of: Corinne M. Abrams

The Narragansett Electric Company
d/b/a National Grid
Responses to Information Requests
Issued by the RI Public Utilities Commission
On November 17, 2011

Commission 1-4

Request:

Please provide an updated projection of the above-market premium of the pricing included in the Amended PPA based upon the 2011 forecast published by Synapse.

Response:

National Grid has prepared an updated projection of above market costs using the 2011 forecast published by Synapse, as directed, but believes that using an updated ESAI forecast is more appropriate in this instance, as further explained below. The table below has been updated from a similar table that the Company provided in the response to Information Request Commission 1-1, in Docket 4227, dated March 29, 2011. That table included estimates of the above market cost for 2013 and over the 20-year contract term on an NPV basis (7% discount rate). The additional (highlighted) entries in the table below are based on the most recent ESAI forecast of August 2011, which was developed for the 2011 competitive solicitation under the Long-Term Contracting Standard. This forecast has also been used in response to information requests in Docket 4288, in connection with the Distributed Generation Standard Contracts Act. Estimates were developed using two different forms of the ESAI energy forecast, a load weighted 7 X 24 annual price, and monthly peak/off-peak prices.

By way of comparison, estimates generated with the 2011 Synapse forecast, which are highlighted and adjacent to the ESAI columns in the table below, are somewhat larger. This is attributable to the fact that both the energy and REC prices, but particularly the REC prices, are lower than in the ESAI forecast. The capacity price forecasts, while a smaller component of the total bundled renewable energy market price, are also significantly different, particularly in the later years.

The Synapse report provides estimates of retail electric energy costs, including capacity and renewable energy components, using projections of wholesale energy prices and capacity and REC prices. Page 1 of the report states the following: "AESC 2011 provides estimates of avoided costs for program administrators throughout New England to support their internal decision-making and regulatory filings for energy efficiency program cost-effectiveness analyses." Implicit in this description is an indication that the forecast is not intended as a proxy price for wholesale electric costs, or for applications other than energy efficiency.

The response to the information request in Docket 4227 contained a description of some of the factors that lead to differences in forecasts over time, in particular, projections of natural gas prices. That response is attached hereto as Attachment COMM 1-4 for

The Narragansett Electric Company
d/b/a National Grid
Responses to Information Requests
Issued by the RI Public Utilities Commission
On November 17, 2011

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reference. All of these estimates have been based on the same assumptions (nameplate rating, capacity factor and initial operation date) used in Docket 4111, so that the differences can be attributed solely to changes in energy price forecasts.

The Narragansett Electric Company
d/b/a National Grid
Response to Information Requests
Issued by the RI Public Utilities Commission
On November 17, 2011

Commission 1-4, p3.

Estimates of Above Market Cost for 20-year PPA (\$Million)
Deepwater Wind Block Island

ESAI Forecast Date	Aug-2009	Jan-2010		Aug-2010		ESAI Aug-2011		Synapse Aug-2011	
Docket	4111	4185							
Forecast Format	Annual (7x24)	Annual (7x24)	Monthly Peak/Off-peak)	Annual (7x24)	Monthly Peak/Off-peak)	Annual (7x24)	Monthly Peak/Off-peak	Annual (7x24)	Seasonal Peak/Off-peak
Annual 2013	12.4	12.5	12.3	13.9	13.7	15.9	15.6	16.6	16.6
NPV @ 7% over contract term	173.9	169.9	165.9	187.1	184.0	188.6	184.0	227.0	226.5

Prepared by or under the supervision of: Madison N. Milhous, Jr.

The Narragansett Electric Company
d/b/a National Grid
Docket No. 4227
Response to Commission Data Request
Issued on March 29, 2011

Commission 1-1

Request:

Please refer to Docket 4111, Direct Testimony of Matt Milhous, filed with the Commission in December 2009, page 14 of 20. Beginning on line 13, Mr. Milhous explains that in order to calculate above market cost of the proposed project, Grid utilized long term energy price forecasts made by Energy Security Analysis, Inc. (ESAI) and Synapse Energy Economics, Inc. (Synapse).

- a. Have the long term energy price forecasts utilized by Grid to calculate above market cost been updated?
- b. If the answer to the above is yes, please update Exhibit 9, Milhous Testimony, Docket No. 4111, December 9, 2009, Page 1 of 1 to reflect the updated forecasts.

Response:

- a. We do not have a current forecast that would match the forecast that was used in Docket No. 4111. The last forecast that ESAI performed was conducted in August 2010. In January 2010, ESAI produced a forecast for capacity, energy and RECs for the Cape Wind proceeding. This included a forecast for the SEMA zone, which was used as an estimate of prices in the RI zone to provide a summary update to the Exhibit 9, Milhous Testimony, Docket No. 4111 during the cross examination of Mr. Milhous in Docket No. 4185. In August 2010, ESAI developed another energy forecast, for all ISO-NE zones. This forecast, together with the earlier REC forecast, was used for evaluation of bids in the initial Rhode Island Renewable Energy Solicitation.
- b. While we do not have a current forecast, we have performed an analysis using the same forecast that was used to evaluate the bids as referenced above. Attached is a schedule in the form of Exhibit 9, Milhous Testimony, from Docket No. 4111 using this August 2010 forecast. Thus, the estimates of above market cost were produced using the ESAI capacity and REC forecast of January 2010, and the RI energy forecast of August 2010. This forecast extended through the year 2031; year 2032 was estimated by extrapolation of the annual 7 X 24 load weighted energy price, holding the capacity and REC prices constant. An estimate was also based on the monthly peak/off-peak energy price forecast. In this case, the final year was estimated by applying a reduction of 1.4 percent to the result based on the annual energy price. This difference was observed consistently in the analysis. The unit pricing and the contract cost were also changed slightly from the first PPA, reflecting

The Narragansett Electric Company
d/b/a National Grid
Docket No. 4227
Response to Commission Data Request
Issued on March 29, 2011

Commission 1-1 (continued)

the 2013 price of \$243.95 in the amended PPA. While there is a difference in the above market costs using the August 2010 forecast, it does not materially change the bill impacts to customers in the first year as used in Docket No. 4111.

It is worth noting that a forecast is a snapshot in time, and we would expect a long-term forecast would fluctuate each time the forecast is performed over the course of six months to a year, and that the above-market cost as shown in the table below would fluctuate accordingly.

It is important to establish an appropriate context for these differences, which in this case, can be attributed almost entirely to changes in the energy price forecast. Energy price forecasts developed by ESAI are developed using a proprietary model, which includes the projected generation mix, transmission system representations, fuel prices, and forecasts of electric energy demand. In this case, the differences are driven primarily by changes in the natural gas price forecast. The natural gas price forecast is based on two indices, the New York Mercantile Exchange (NYMEX) for commodity and the Intercontinental Exchange (ICE) for the transportation or basis. The gas commodity forecast, in particular, varies with timing of the projections.

The table below summarizes the projected above market cost for the year 2013, and the net present value (NPV) over the contract term for the three different ESAI forecasts.

**Estimates of Above Market Cost for 20-year PPA (\$Million)
Deepwater Wind Block Island**

ESAI Forecast Date	Aug-2009	Jan-2010		Aug-2010	
Docket	4111	4185			
Forecast Format	Annual (7x24)	Annual (7x24)	Monthly Peak/Off- peak	Annual (7x24)	Monthly Peak/Off- peak
Annual 2013	12.4	12.5	12.3	13.9	13.7
NPV @ 7% over contract term	173.9	169.9	165.7	187.1	184.0

Estimated Above Market Cost for 20-year PPA Hypothetical Comparison with Competitive Solicitation

8 WTG 28.8 MW 06/30/2010 PPA			
Statutory Capacity 11.5 MW			
Annual Output 100915 MWh			
		Above Market Cost	
Unit Pricing	Contract Cost	ESAI 7x24 Pricing	ESAI Monthly Pricing
2009			
2010			
2011			
2012	\$ 235.70	\$ 4,162,462	\$ 2,093,886
2013	\$ 243.95	\$ 24,618,164	\$ 13,942,160
2014	\$ 252.49	\$ 25,479,800	\$ 15,341,218
2015	\$ 261.32	\$ 26,371,593	\$ 15,296,030
2016	\$ 270.47	\$ 27,294,598	\$ 15,010,270
2017	\$ 279.94	\$ 28,249,909	\$ 15,083,071
2018	\$ 289.74	\$ 29,238,656	\$ 15,375,002
2019	\$ 299.88	\$ 30,262,009	\$ 15,719,457
2020	\$ 310.37	\$ 31,321,179	\$ 16,162,939
2021	\$ 321.23	\$ 32,417,421	\$ 17,321,513
2022	\$ 332.48	\$ 33,552,030	\$ 18,345,789
2023	\$ 344.11	\$ 34,726,351	\$ 19,540,502
2024	\$ 356.16	\$ 35,941,774	\$ 21,110,833
2025	\$ 368.62	\$ 37,199,736	\$ 22,769,638
2026	\$ 381.53	\$ 38,501,726	\$ 24,245,180
2027	\$ 394.88	\$ 39,849,287	\$ 25,234,690
2028	\$ 408.70	\$ 41,244,012	\$ 26,274,283
2029	\$ 423.01	\$ 42,687,552	\$ 27,320,679
2030	\$ 437.81	\$ 44,181,617	\$ 28,441,504
2031	\$ 453.13	\$ 45,727,973	\$ 29,611,609
2032	\$ 468.99	\$ 47,328,452	\$ 30,813,060
Sum		\$ 700,356,301	\$ 415,053,311
NPV @ 7%		\$ 323,236,542	\$ 187,077,535

The Narragansett Electric Company
d/b/a National Grid
Response to Follow-Up Information Requests
Issued by the RI Public Utilities Commission
on January 6, 2012

Commission 2-1

Request:

With regard to National Grid's Response to Question 4, please update the table on page 3 of the response to include annual above market costs in nominal dollars with totals where appropriate.

Response:

Please see Table 1 and Table 2 below. Table 1 has been updated from the table on page 3 of the Company's response to Commission 1-4 to reflect the total above market cost over the contract term in nominal dollars, as well as the Net Present Value. Table 2 shows the annual above market cost in nominal dollars beginning in 2012. It is important to note, however, that the nominal values are estimates only, and that the analysis is based on several factors, which may fluctuate over the 20 year term of the contract. Some of these factors include long-term market forecast information, escalating prices, expected production. A wind project's production profile is not only intermittent throughout the year, but also degrades over the contract term. Therefore, it is important to make comparisons on a Net Present Value basis. Using Net Present Value is customary and standard practice when evaluating long term projects such as the Deepwater PPA.

The Narragansett Electric Company
d/b/a National Grid
Response to Follow-Up Information Request
Issued by the RI Public Utilities Commission
on January 6, 2012

Estimates of Above Market Cost for 20-year PPA (\$Million)
Deepwater Wind Block Island

Table 1

ESAI Forecast Date	Aug-2009	Jan-2010		Aug-2010		ESAI Aug-2011		Synapse Aug-2011	
Docket	4111	4185							
Forecast Format	Annual (7x24)	Monthly Peak/Off-peak	Annual (7x24)	Seasonal Peak/Off-peak					
Annual 2013	12.4	12.5	13.9	15.9	15.9	15.9	15.6	16.6	16.6
Total over Contract Term (Nominal)						417.7	408.8	497.5	495.9
NPV @ 7% over contract term	173.9	169.9	187.1	187.2	187.2	188.6	184.0	227.0	226.5

The Narragansett Electric Company
d/b/a National Grid
Response to Follow-Up Information Request
Issued by the RI Public Utilities Commission
on January 6, 2012

Table 2

YEAR	ESAI Aug-2011		Synapse Aug-2011	
	Annual (7x24)	Monthly Peak/Off-peak	Annual (7x24)	Seasonal Peak/Off-peak
2012	\$ 2,222,667	\$ 1,412,116	\$ 2,537,630	\$ 2,821,129
2013	\$ 15,882,294	\$ 15,565,746	\$ 16,630,095	\$ 16,596,068
2014	\$ 16,426,466	\$ 16,105,443	\$ 17,025,205	\$ 16,979,525
2015	\$ 15,793,664	\$ 15,466,798	\$ 17,126,934	\$ 17,063,784
2016	\$ 15,248,079	\$ 14,881,210	\$ 17,876,596	\$ 17,846,885
2017	\$ 14,963,676	\$ 14,620,651	\$ 18,547,781	\$ 18,488,257
2018	\$ 15,003,091	\$ 14,671,547	\$ 20,290,182	\$ 20,250,572
2019	\$ 14,820,738	\$ 14,476,707	\$ 22,213,613	\$ 22,190,574
2020	\$ 15,236,833	\$ 14,875,731	\$ 23,060,595	\$ 22,989,599
2021	\$ 16,428,007	\$ 16,036,331	\$ 24,251,587	\$ 24,180,465
2022	\$ 17,669,600	\$ 17,267,022	\$ 24,518,105	\$ 24,439,172
2023	\$ 19,034,602	\$ 18,621,807	\$ 24,640,188	\$ 24,523,114
2024	\$ 20,687,411	\$ 20,265,437	\$ 25,386,260	\$ 25,264,847
2025	\$ 22,414,509	\$ 21,984,087	\$ 26,714,498	\$ 26,604,858
2026	\$ 23,710,346	\$ 23,270,437	\$ 28,152,406	\$ 28,030,905
2027	\$ 25,052,537	\$ 24,602,936	\$ 29,038,356	\$ 28,912,202
2028	\$ 26,442,091	\$ 25,982,582	\$ 29,950,729	\$ 29,806,326
2029	\$ 27,880,560	\$ 27,410,919	\$ 30,884,613	\$ 30,739,639
2030	\$ 29,369,542	\$ 28,889,541	\$ 31,840,655	\$ 31,693,376
2031	\$ 30,910,692	\$ 30,420,098	\$ 32,908,667	\$ 32,738,841
2032	\$ 32,456,275	\$ 31,954,764	\$ 33,908,232	\$ 33,740,542
Total (Nominal)	\$ 417,653,681	\$ 408,781,909	\$ 497,502,928	\$ 495,900,680
NPV 7%	\$ 188,628,472	\$ 184,097,321	\$ 227,042,224	\$ 226,535,424

Commission 1-5

Request:

Will National Grid's filing to reduce the LTCRER factor effective April 1, 2013 be a part of the Annual Retail Rate Filing?

Response:

Yes, as part of the Annual Retail Rate Filing to be submitted in February 2013, the Company will file a revised Summary of Retail Delivery Rates, R.I.P.U.C. No. 2095, that will reflect the termination of the current LTCRER factor of 0.007¢ per kilowatt-hours effective March 31, 2013.

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