

May 6, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4397 - Review of Energy Efficiency and Advanced Gas Technology
Incentives For 12.5 MW Combined Heat and Power System
Responses to Commission Data Requests – Set 2**

Dear Ms. Massaro:

On behalf of National Grid¹ attached are the Company's responses to the Commission's Second Set of Data Requests issued in the above-captioned proceeding.

Thank you for your attention to this filing. If you have any questions concerning this transmittal, please feel free to contact me at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4397 Service List
 Leo Wold, Esq.
 Steve Scialabba, Division

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

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Paper copies of this filing were hand delivered to the Rhode Island Public Utilities Commission.



May 6, 2013

Joanne M. Scanlon

Date

Docket No. 4397 - National Grid - Energy Efficiency and Advanced Gas Technology Incentives for 12.5 MW CHP System Package to Toray Service list updated 3/11/13

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The Narragansett Electric Company
d/b/a National Grid
Docket No. 4397
In Re: Review of Energy Efficiency and
Advanced Gas Technology Incentives for
Toray Plastics' 12.5 MW CHP Project
Responses to the Commission's Second Set of Data Requests
Issued April 15, 2013

Commission 2-1

Request:

What is the benefit cost ratio for the Toray project?

Response:

The benefit cost ratio for the Toray project is 1.89. Please also see the Company's response to DIV 1-2.

Prepared by or under the supervision of: Jeremy Newberger

The Narragansett Electric Company
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Commission 2-2

Request:

Who or what entity is responsible for calculating the benefit cost ratio for the Toray project?

Response:

The Company is responsible for determining the cost effectiveness of custom energy efficiency projects such as the Toray project. The Company uses a Microsoft Excel workbook to screen projects for cost effectiveness. This workbook accepts project specific inputs and calculates cost effectiveness consistent with the definitions approved by the Commission in Docket 4202. Modifications to the standard benefit cost test were made for the Toray CHP project consistent with the 2013 Energy Efficiency Program Plan, as described in the Petition and in the Company's responses to COMM 1-5 and DIV 1-1. A description and copy of the Excel workbook was provided with the Company's response to DIV 1-3.

Prepared by or under the supervision of: Jeremy Newberger

The Narragansett Electric Company
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Commission 2-3

Request:

Referring to Comm 1-5, why weren't environmental benefits considered in the cost benefit test for the Toray project?

Response:

Although the method for calculating the environmental impacts was established in Docket 4366, the environmental impacts of the Toray project had not been formally integrated into the Company's screening tool at the time the cost effectiveness calculation for the Petition was prepared. Calculations of the environmental benefits or costs from the project outside of that screening tool indicated that the impact was very small, and did not materially alter the benefit/cost ratio. Please see the Company's response to DIV 1-1 and DIV 1-3.

Prepared by or under the supervision of: Ian Springsteel

The Narragansett Electric Company
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Commission 2-4

Request:

Referring to page 3 of the Petition, what was the value of economic development benefits added to the benefit cost ratio for the Toray project?

Response:

The value of the economic development benefits calculated for the Toray project was \$35,044,143.75.

Prepared by or under the supervision of: Jeremy Newberger

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Commission 2-5

Request:

Referring to Comm 1-5, please explain why local distribution benefits were zero.

Response:

Toray's load is supplied from a 34.5kV circuit from the Davisville substation. This substation has two transformers that are each capable of normally supplying 45MW of load. For loss of one of the transformers, the remaining transformer can temporarily supply 52MW of load until the Company can install a mobile or spare transformer. Because peak load at the Davisville substation is only 43MW, the Company presently has sufficient supply capacity in this area. Because Toray's generation will be connected to the 34.5kV system, there is no benefit to the local 12.47 kV distribution system.

Prepared by or under the supervision of: Jack Vaz