

April 24, 2017

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4673 - Long-Term Contracting for Renewable Energy Recovery Factor  
Responses to Division Data Requests – Set 2**

Dear Ms. Massaro:

On behalf of National Grid<sup>1</sup> enclosed are ten copies of the Company's responses to the second set of data requests issued by the Rhode Island Division of Public Utilities and Carriers in the above-referenced docket.

Thank you for your attention to this filing. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4673 Service List  
Leo Wold, Esq.  
Steve Scialabba

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

### Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

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Date

### **Docket No. 4673 - National Grid – Long-Term Contracting for Renewable Energy Recovery Factor (Year 2017)**

#### **Service List updated 11/14/16**

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<b>File an original &amp; 9 copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2017
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The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4673  
In Re: Long-Term Contracting For Renewable Energy Recovery Factor  
For Effect January 1, 2017  
Responses to Division's Second Set of Data Requests  
Issued on April 10, 2017

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Division 2-1

Request:

Please provide a calculation of the total expected payments to Deepwater Wind over the term of the Power Purchase Agreement (PPA) between Deepwater and National Grid if the Total Facility Costs (TFC), as defined in Appendix X of the PPA were determined to be at the amounts of \$205,403,512, \$200,403,512 and \$195,403,512. Also show the amounts of National Grid's remuneration at those levels of Total Facility Costs. Please include in your response the annual bundled prices for each year of the PPA at those assumed levels of TFC.

Response:

Please see Attachment DIV 2-1. For each assumed level of Total Facility Costs, this attachment contains a summary of the total expected payments to Deepwater Wind as well as the remuneration amounts over the term of the Power Purchase Agreement (PPA).

Year	Deepwater Wind 30 MW (Assumes Total Facility Costs [TFC] = \$205,403,512)			Deepwater Wind 30 MW (Assumes Total Facility Costs [TFC] = \$200,403,512)			Deepwater Wind 30 MW (Assumes Total Facility Costs [TFC] = \$195,403,512)		
	Contract Cost less Outperform Adj Credit	Remuneration	Bundled Energy Rate \$/MWh	Contract Cost less Outperform Adj Credit	Remuneration	Bundled Energy Rate \$/MWh	Contract Cost less Outperform Adj Credit	Remuneration	Bundled Energy Rate \$/MWh
2016	\$2,426,060	\$66,717	\$235.70	\$2,378,712	\$65,415	\$231.10	\$2,331,365	\$64,113	\$226.50
2017	\$30,131,666	\$828,621	\$243.95	\$29,543,607	\$812,449	\$239.19	\$28,955,547	\$796,278	\$234.43
2018	\$28,863,893	\$793,757	\$252.49	\$28,300,575	\$778,266	\$247.56	\$27,737,258	\$762,775	\$242.63
2019	\$29,874,128	\$821,539	\$261.32	\$29,291,095	\$805,505	\$256.22	\$28,708,062	\$789,472	\$251.12
2020	\$30,919,723	\$850,292	\$270.47	\$30,316,284	\$833,698	\$265.19	\$29,712,844	\$817,103	\$259.91
2021	\$32,001,913	\$880,053	\$279.94	\$31,377,353	\$862,877	\$274.47	\$30,752,793	\$845,702	\$269.01
2022	\$33,121,981	\$910,854	\$289.74	\$32,475,561	\$893,078	\$284.08	\$31,829,142	\$875,301	\$278.43
2023	\$34,281,250	\$942,734	\$299.88	\$33,612,206	\$924,336	\$294.02	\$32,943,161	\$905,937	\$288.17
2024	\$35,481,093	\$975,730	\$310.37	\$34,788,633	\$956,687	\$304.31	\$34,096,172	\$937,645	\$298.26
2025	\$36,722,932	\$1,009,881	\$321.23	\$36,006,235	\$990,171	\$314.97	\$35,289,538	\$970,462	\$308.70
2026	\$38,008,234	\$1,045,226	\$332.48	\$37,266,453	\$1,024,827	\$325.99	\$36,524,671	\$1,004,428	\$319.50
2027	\$39,338,522	\$1,081,809	\$344.11	\$38,570,779	\$1,060,696	\$337.40	\$37,803,035	\$1,039,583	\$330.68
2028	\$40,715,372	\$1,119,673	\$356.16	\$39,920,756	\$1,097,821	\$349.21	\$39,126,142	\$1,075,969	\$342.26
2029	\$42,140,409	\$1,158,861	\$368.62	\$41,317,983	\$1,136,245	\$361.43	\$40,495,557	\$1,113,628	\$354.24
2030	\$43,615,323	\$1,199,421	\$381.53	\$42,764,112	\$1,176,013	\$374.08	\$41,912,901	\$1,152,605	\$366.63
2031	\$45,141,859	\$1,241,401	\$394.88	\$44,260,856	\$1,217,174	\$387.17	\$43,379,852	\$1,192,946	\$379.47
2032	\$46,721,825	\$1,284,850	\$408.70	\$45,809,986	\$1,259,775	\$400.72	\$44,898,147	\$1,234,699	\$392.75
2033	\$48,357,089	\$1,329,820	\$423.01	\$47,413,336	\$1,303,867	\$414.75	\$46,469,582	\$1,277,914	\$406.49
2034	\$50,049,587	\$1,376,364	\$437.81	\$49,072,803	\$1,349,502	\$429.27	\$48,096,017	\$1,322,640	\$420.72
2035	\$51,801,323	\$1,424,536	\$453.13	\$50,790,350	\$1,396,735	\$444.29	\$49,779,379	\$1,368,933	\$435.45
2036	\$48,787,021	\$1,341,643	\$468.99	\$47,834,878	\$1,315,459	\$459.84	\$46,882,733	\$1,289,275	\$450.69
Totals	\$788,501,205	\$21,683,783		\$773,112,555	\$21,260,595		\$757,723,900	\$20,837,407	
NPV (7%, 2016)	\$364,821,641	\$10,032,595		\$357,701,662	\$9,836,796		\$350,581,680	\$9,640,996	

**Notes:**

- Per Appendix X of the PPA, the "Not-To-Exceed Price" means \$235.70/MWh and reflective of the Total Facility Cost (TFC) of \$205,403,512.
- The first contract year began on 12/12/2016 and concludes on 12/31/2017.
- Per section 4 of Exhibit E, the Bundled Price shall escalate by 3.5% on January 1 each year of the PPA.
- Annual production has been estimated assuming a 47% annual capacity factor.

The Narragansett Electric Company  
d/b/a National Grid  
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Division 2-2

Request:

What was the Deepwater Wind Project's Commercial Operation Date and is that the date when Narragansett Electric began purchasing power from Deepwater under the price terms of Appendix X of the PPA?

Response:

The Deepwater Wind Project's Commercial Operation Date was December 12, 2016. That is the date when The Narragansett Electric Company began purchasing power from Deepwater Wind under the price terms of Appendix X of the PPA.

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Division 2-3

Request:

What was the bundled price paid to Deepwater effective with the Commercial Operation Date?

Response:

The bundled price paid to Deepwater Wind beginning on the Commercial Operation Date was \$235.70 per MWh.

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Division 2-4

Request:

Since the Commercial Operation Date, has the bundled price paid by Narragansett to Deepwater changed? If so, when did it change and what was the price effective with the change? If the price changed due to the 3.5% annual escalation clause in the PPA, please briefly explain how the escalation clause operates.

Response:

Yes, since the Commercial Operation Date, the bundled price that the Company paid to Deepwater Wind has changed as a result of the 3.5% annual escalation clause set forth in Exhibit E, Pricing and Payments, of the PPA. Effective January 1, 2017, the bundled price paid to Deepwater Wind is \$243.95 per MWh.

As explained in Section 4 of Exhibit E, Pricing and Payments, of the PPA, the bundled price shall escalate by 3.5% on each Escalation Date. The "Escalation Date" is January 1 of each year of the PPA, subject to adjustment as set forth in the PPA.